

MANISTEE CITY COUNCIL

WORK SESSION AGENDA

Tuesday, August 14, 2018 - 7:00 p.m. - Council Chambers, City Hall

I. Call to Order.

II. Work Session Items.

- a.) PUBLIC COMMENTS ON WORK SESSION RELATED ITEMS.
- b.) PRESENTATION OF STRATEGIC PLAN QUARTERLY REPORT – City Manager Thad Taylor.
- c.) JOINT DISCUSSION WITH THE DOWNTOWN DEVELOPMENT AUTHORITY (DDA) ON A DRAFT TAX INCREMENT FINANCING (TIF) PLAN– City Manager Thad Taylor and DDA Director Tyler Leppanen.
- d.) OTHER.

III. Adjourn.

Quarterly Update – July 2018
City of Manistee City Council Strategic Plan Implementation 2017-18

	Timeframe / Status	Champion
Goal - Economic Development and Jobs		
<i>Strategy - 1.1 Manistee County Economic Development</i>		
1.1.1 County-Wide Strategic Plan: <ul style="list-style-type: none"> ➤ Using existing master plans, strategies, DDA plans and other pertinent plans, the AES will develop an initial County-Wide Economic Development Strategy, much as we have participated in developing for recreation. This plan will include an identification of: <ul style="list-style-type: none"> • Significant assets that can be leveraged for development, including vacant buildings. • Development gaps that must be filled to support development (infrastructure, housing, etc.) along with an identification of how those gaps can be filled if known. • Zones within the county that are prime for industrial, commercial, agricultural and other uses. • An identification of economic development priorities by type throughout the County. • Incentives that are available to support attainment of economic development priorities. • An action plan for addressing gaps and achieving priorities. ➤ AES will develop and broadly distribute a one-stop process for businesses of any size to address issues or opportunities beginning with a single point of contact. This will include the network of agencies, programs and services available to provide site selection assistance, capital financing, regulatory program support, employee recruiting and training and others. 	Ongoing To Council 9/19/17 Ongoing To Council 9/19/17 Ongoing Ongoing Ongoing	AES / Thad
<i>Strategy - 1.2 Industrial Park</i>		
1.2.1 SET <ul style="list-style-type: none"> ➤ Present the SET Economic Development Strategy which will underscore the three emerging growth opportunities that have the greatest competitive and comparative economic potential: Agribusinesses, Energy, and Advanced Materials. ➤ Present to Council, for their decision, to participate in SET:PRIME (Powering Rural Investment by Mapping Energy) as the second community to look towards creating jobs within the Energy Industrial Sector. ➤ Provide the City with data sheets so that staff (Planning/Zoning) has an understanding of the economic potential of the targeted industrial sectors. ➤ Waiting for documentation from AES. 	Ongoing To Council 9/19/17	Denise / AES
1.2.2 Manufacturing Strategy <ul style="list-style-type: none"> ➤ Present the Manufacturing Plan with a focus on the recommendations about the port. ➤ Develop a port marketing strategy based on Manufacturing Plan recommendations. 	Ongoing	Denise / AES
1.2.3 Enter/Exit Survey for Permit Applications: <ul style="list-style-type: none"> ➤ Component of RRC certification was that customer service surveys for site plan review be developed. These surveys are given to applicants for commercial properties. 	Completed	Denise / Thad
<i>1.2.4 "Packaging" the Industrial Park</i>		
<ul style="list-style-type: none"> ➤ Identify all vacant parcels in both industrial parks. ➤ Develop a standardized form to catalog specific traits of each vacant parcel, i.e. utilities available, size, location, parcel number, etc. ➤ Populate the standardized form for each vacant parcel. ➤ Develop a packet that has the standardized form, map of parcel, contact information for interested parties. ➤ Make the packet available on the City's and AES's website and give information to MEDC for their marketing use. On City's website. ➤ Compiled data, prepared maps and individual parcel information pages for both Lake Michigan and Renaissance Park properties. City webpage under Developers Resource Guide provides a brief narrative for the Lake Michigan Industrial Park and site map has been updated. Renaissance Park information is also listed on the City webpage. ➤ Need to review Lot 6 of Lake Michigan Industrial Park (recycling center) to determine if the entire parcel is needed for future expansion of the recycling center. The property could be split to create a new parcel for sale. ➤ Determine what additional information is needed for marketing the industrial parks. What information should be updated on the City's webpage. Need to determine if a realtor/broker should be marketing the site on behalf of the City. Determine if this requires City Council input / approval. ➤ Aggressively work to respond to MEDC New Site Search notifications by utilizing the Industrial Parks directory. ➤ Provide the City with critical information to include in the Industrial park pro forma produced by the Planning/Zoning Department. Critical information needed includes capacity specifications on: infrastructure, utilities, water, broadband as well as quality of life information. ➤ Prepared a Marketing Packet for Renaissance Park and adjoining industrial properties. Have the marketing information for the two industrial properties in the industrial park in the city completed. Gave copies to Tamara at AES in June, reached out on 9/20/17 and asked for response following week. Drafted RFP to contract with a realtor/broker to sell the properties. 	Completed Completed Completed Ongoing Completed	Denise / AES / Thad

Quarterly Update – July 2018
City of Manistee City Council Strategic Plan Implementation 2017-18

<ul style="list-style-type: none"> ➤ RFPs for broker services for Renaissance Park and adjacent properties mailed to realtors, ad in newspaper, and posted on website 1/16/18. ➤ <i>Coldwell Banker Commercial Premier selected as Broker for marketing of properties.</i> 		
1.2.5 Survey Existing Industrial Park Occupants		
<ul style="list-style-type: none"> ➤ Compiled mailing list, drafted survey and cover letter prepared. Pending, provided information to AES to review. ➤ Compiled mailing list, drafted survey, and cover letter prepared. Gave copies to Tamara at AES in June, reached out 9/20/17 asked for a response following week. ➤ Mailed out surveys 1/18/18 – <i>two responses received, second request mailed out 4/4/18.</i> 	Completed	Denise / AES
1.2.6 New Industrial Park Occupants		
<ul style="list-style-type: none"> ➤ Identify appropriate uses for each parcel based on zoning allowances. ➤ Research businesses/industries that are consistent with appropriate uses. ➤ Send packet developed for strategy 1.2.4 to targeted businesses/industries. ➤ Follow-up contacts with targeted businesses/industries. ➤ Staff has spoken with three separate parties about Lots 11 & 12 in the Lake Michigan Industrial Park this past year. Two expressed interest but decided not to proceed. One party stated the minimum 4,000 sq. ft. building requirement as a reason not to move forward with their project. Review Zoning requirements with Planning Commission to determine if the building size requirement should be reduced. ➤ Work with partners (City Planning/Zoning) to populate ZoomProspector and Opp sites. ➤ Work with partners to understand the target emerging growth opportunities within the region. ➤ Begin a discussion about economic gardening: an entrepreneur orientated, growing the economy from within, strategy that targets state 2 (businesses with 10 or more employees) companies by helping them with strategic issues and providing them with customized help and data. ➤ On 9/12/17 spoke with a developer who is looking at a marijuana cultivation grow facility that may be interested in the industrial park properties. Drafted RFP for a broker/realtor to market the sites. ➤ Last two lots in City industrial park have sold / RFPs for real estate broker mailed for industrial properties in Manistee Township. ➤ <i>Coldwell Banker Commercial Premier selected as Broker for marketing of properties in Manistee Township 3/6/18; working with owner of Lot 12 & 13 on special use permit.</i> 	Sold 12/29/2017	Denise / Thad / AES
Strategy - 1.3 Transportation of Goods		
1.3.1 Port Strategy		
<ul style="list-style-type: none"> ➤ 		AES
1.3.2 Rail Relocation		
<ul style="list-style-type: none"> ➤ Review Manistee Area Rail Relocation Feasibility Study from April, 2008. ➤ Attend meetings with the railroad(s) and other interested parties as facilitated by the Alliance for Economic Success. ➤ Coordinate City resources as appropriate. 	Ongoing Completed One meeting held Ongoing	Thad / AES
1.3.3 Rail Infrastructure		
<ul style="list-style-type: none"> ➤ AES has initiated discussion with the rail line about the location, status and options for rail infrastructure. Marquette Rail is collaborating with owner CSX to further these discussions. 	Completed	AES
Strategy - 1.4 Linking Training and Jobs		
<ul style="list-style-type: none"> ➤ 		
Strategy - 1.5 Downtown Revitalization		
1.5.1 Support of Plans/Ideas		
<ul style="list-style-type: none"> ➤ Review the Downtown Development Authority (DDA) 2017-2020 Strategic Plan. ➤ Identify specific focus areas and strategies of the Strategic Plan that the City can provide assistance and/or partner with the DDA. ➤ Assign City staff and/or City boards and commissions to provide the necessary assistance. 	Ongoing – all topics	DDA / Thad / AES
1.5.2 Support Collaboration		
<ul style="list-style-type: none"> ➤ Continue regularly scheduled meetings with the DDA Executive and Economic Development Director. ➤ Continue to provide support to the DDA Executive and Economic Development Director in efforts associated with economic development efforts in the DDA District. ➤ Continue to include the DDA Executive and Economic Development Director in economic development efforts within the City, outside of the DDA District, that may have an impact on the DDA District. 	Meeting as needed Ongoing Ongoing	DDA / Thad

Quarterly Update – July 2018
City of Manistee City Council Strategic Plan Implementation 2017-18

<p>2.4.2 Broadband</p> <ul style="list-style-type: none"> ➤ AES has been working with Michigan Connect who is compiling data from the survey conducted late 2016 to understand demand. The report generated will direct next steps. We will continue to work with USDA-RD, MEDC and others to understand the availability of financial resources to attain this strategic goal. 	Ongoing	AES
<i>Strategy - 2.5 Energy Efficiencies</i>		
<p>2.5.1 Opportunity Evaluation</p> <ul style="list-style-type: none"> ➤ The City continually looks for opportunities to save energy. We have been switching existing lighting to LED as opportunities arise (for example, Council Chamber lights were replaced with LED and we are exploring LED options for the Ramsdell Theatre). As utility incentives present themselves, they are looked at to see if they are a good fit for the City. <i>Options to replace fluorescent lights at City Hall with LED are being explored, as well as the replacement of City Hall boilers with high efficiency units.</i> ➤ Options to replace fluorescent lights at City Hall with LED are being explored. 	Ongoing	Ed / Mark
<p>2.5.2 Energy Efficiency Plan Evaluation</p> <ul style="list-style-type: none"> ➤ City staff will review the previous report(s) and compile a list of what has or has not been completed. Much has been accomplished. ➤ Reports have been gathered and will be reviewed to see what has been accomplished. <i>Estimated completion is now July after Mark returns from medical leave as his involvement is needed.</i> 	Est Comp 7/2018	Ed / Mark
<i>Strategy - 2.6 Streets</i>		
<p>2.6.1 Funding</p> <ul style="list-style-type: none"> ➤ Currently use Act 51 funds and Small Urban. ➤ Leverage new developments/projects for grant applications. ➤ Council has prioritized Capital Improvement funds and money from the general fund. ➤ Local street mill and fill projects to be bid in February with spring construction. Under construction. <i>Property proceeds will be used to add segments this summer.</i> ➤ Awarded \$375,000 Small Urban Funds to reconstruct Twelfth Street from Maple to US-31 in 2019. Design efforts will begin. ➤ Our five-year Transportation Improvement Plan (TIP) which is updated annually identifies funding for streets from a variety of sources including the State, general fund, capital improvement fund and grants. The Street Asset Management Plan is also due for its five-year update. The increased Act 51 funding from the State resulting from tax changes the legislature enacted has and will help street funding significantly. However, there still exists a funding gap that must be closed to make meaningful progress on our overall network. The street ad-hoc committee recommended exploring a Headlee override millage to help fix streets once the TIP had been in place for a few years and progress was shown. The TIP was discussed at the August 8, 2017 Council work session and the consensus was to “bring back dollars needed to address street problems and options for an expanded street improvement plan for Council.” ➤ <i>\$200,000 allocated from the Oil and Gas Fund for a local street reconstruction project in 2019.</i> 	Ongoing Costs & Options 4/2018 Headlee TBD Council Budget Discussion	Ed / Jeff / Spicer
<p>2.6.2 Evaluation</p> <ul style="list-style-type: none"> ➤ Street network is evaluated annually utilizing a PASER analysis. Network is then updated from collected data. ➤ TIP updated annually on a rolling 5 year projection. Candidates are visually inspected, core sample taken to evaluate base conditions. ➤ Budgeted Local Street mill and fill projects are scheduled for spring of 2018. 	Ongoing	Jeff / Spicer
<p>2.6.3 Maintenance/Repair/Upgrade</p> <ul style="list-style-type: none"> ➤ Streets are swept through the summer. ➤ Catch basins are cleaned on a three-year revolving basis. MDOT contracted DPW to clean catch basins along US-31 this year. Investigating tracking/scheduling software as part of the SAW grant to increase efficiency. ➤ Winter maintenance includes plowing and salting. Sand applications have been reduced to hard pack areas when temps drop below 10° Fahrenheit. Salt usage has been decreased by 50% with new equipment, improved techniques, and pre-wetting with brine made in house. That translates into \$50,000 savings annually which then gets used for paving projects. ➤ Annual crack sealing program began in September with rented equipment and labor from DPW. <i>Staff were trained and completed the work timely and efficiently. Material on hand should be sufficient to complete candidates in 2018.</i> ➤ Asset management plan recommends light maintenance before rehab or reconstruction. TIP includes a blended approach to spread work out around town and capitalize on funding opportunities. 	Ongoing	Jeff / Spicer
<i>Strategy - 2.7 Safety at Public Facilities</i>		
2.7.1 Protocols	Ongoing	Tim

Quarterly Update – July 2018
City of Manistee City Council Strategic Plan Implementation 2017-18

<ul style="list-style-type: none"> ➤ Staff will continue to work with the Explore the Shores county-wide initiative. ➤ Forwarded list of sites to Tim Ervin on 6/5/17 that included installation of a stage at First Street Beach (Rock & Blues fundraiser), Fifth Avenue parking lots, and Consumers Property by WWTP. 		
<p>3.2.3 Fee Based Boating Program</p> <ul style="list-style-type: none"> ➤ The boat launch raised its rates a few years ago and a pay tube was installed at Arthur Street boat launch. The State of Michigan controls the fees that can be charged for slips at the Marina. The key to stability at the Marina is to drive more boater traffic through marketing. Harbormaster Tim Kozal is exploring raising the rates at the Marina one level higher on the State-approved rate schedule. In October Harbor Commission endorsed moving 2018 slip rates to Level D. ➤ Evaluate our fee based boating program in order to understand how to make them more effective. <ul style="list-style-type: none"> ➤ Proactive patrol ensuring the use of the fee based system. Enforcement administered as necessary. Since inception over 20 tickets issued for failure to purchase parking pass. ➤ Market through technology the fee based system – Facebook. ➤ Gas and diesel pricing is evaluated no less than weekly to ensure we are optimizing our pricing. 	Completed	Ed / Jeff / Tim
<i>Strategy - 3.3 Park Facilities and Amenities</i>		
<p>3.3.1 Budgeted Prioritization</p> <ul style="list-style-type: none"> ➤ Currently this is completed in-house with suggestions from the Parks Commission. 	Completed	Jeff
<p>3.3.2 Tennis Courts</p> <ul style="list-style-type: none"> ➤ Sands Park courts require reconstruction. We have sought out USTA grants. Match money is an issue. MAPS responsible for 50% of maintenance and capital costs. Held initial meeting Sands Park Control Board. Will submit for grants in the future. Preliminary discussions include exploring a joint application when the new recreation grant program is announced by the Manistee Community Foundation. ➤ <i>Sands Park Control Board met and supported the joint application to the Community Foundation for Sands Park tennis courts. Application was submitted and awaiting approval to submit a full application.</i> ➤ First Street courts in fair condition. DPW completed sand removal and regraded last spring. ➤ Fifth Avenue courts are concrete and seldom used. Sand migration is an ongoing concern. Striping has been started to allow use for Pickleball. 	Ongoing	Jeff
<p>3.3.3 Beach Parking Lots</p> <ul style="list-style-type: none"> ➤ First Street parking lots at the softball fields and Lions Pavilion were rebuilt approximately 20 years ago and are in good shape. Additional parking additions are recommended. ➤ The First Street pier parking lot is in poor condition and requires measures to reduce sand migration and control storm water flows. ➤ Fifth Avenue upper lot is in poor condition (west side) and is under sized. A concept plan has been drafted to reduce sand migration and increase parking spaces by 30%. Berm removed last spring by DPW. 	Ongoing-waiting for funding	Jeff
<p>3.3.4 Food Service</p> <ul style="list-style-type: none"> ➤ First Street concessions have been run very well the past two seasons. Entered into a three-year contract to continue. ➤ New three-year contract with North Country Concessions for Fifth Avenue Beach. Began operations in early July. Slow season, vendor plans to add equipment and expand menu. Assisting to facilitate possible partnering with North Channel Brewery. 	Ongoing	Jeff
<i>Strategy - 3.4 City Recreation Plan</i>		
<p>3.4.1 City Parks Commission</p> <ul style="list-style-type: none"> ➤ Parks Commission had two members move outside of the City and hasn't had a quorum in three months. Ordinance amendment to address membership is in process. Ordinance amendment approved, two new members appointed, one pending. ➤ When meetings resume, they will be working to update the Parks brochure, prioritize capital projects for future grant applications, research beach safety items, and discuss private events within the parks. 	Ongoing	Jeff
<p>3.4.2 Review and Update</p> <ul style="list-style-type: none"> ➤ The plan is reviewed on a five-year basis to meet MDNR requirements for grants. Plan was last updated in 2016. ➤ Will assist the Parks Commission with any proposed changes/amendments to the Parks and Recreation Plan. 	Ongoing	Jeff / Denise
<i>Strategy - 3.5 Leveraging Beach Facilities for Events</i>		
<p>3.5.1 Event Ideas</p> <ul style="list-style-type: none"> ➤ Establish a working group comprised of City staff, parks Commission members, Chamber of Commerce staff/volunteers and DDA staff/members. 	Ongoing	Thad/Chamber/ DDA/Jeff

Quarterly Update – July 2018
City of Manistee City Council Strategic Plan Implementation 2017-18

<ul style="list-style-type: none"> ➤ Group to meet and brainstorm ideas for events and/or activities that lend themselves to the City’s beaches. ➤ Identify feasible events/activities and an organization(s)/business(s) that is capable of organizing each specific event/activity. ➤ Prioritize the events/activities and target 1-2 for implementation. ➤ Identify a specific location for the targeted event/activity and select a timeframe that does not conflict with any other scheduled use of the area. ➤ Support the event with appropriate advertising and staffing if/as necessary. ➤ Working group to meet after the initial event(s) to constructively review the event to determine strengths/weaknesses for the specific event and lessons learned for future events. ➤ At the conclusion of the constructive review determine if the specific event should continue. ➤ At the conclusion of the constructive review determine if the concept of using the beaches for events should continue. ➤ Increased interest in holding weddings, etc. at our facilities. Last summer we assisted in a wedding held at First Street Beach. It did not utilize City services and was well received. We also assisted the Catamaran Racing Association on their weekend event. DPW services were minimal and positive comments were received from the group. We will look for additional opportunities to bring people to the community. ➤ Need a system to reserve and make public aware of status. ➤ A Committee has been exploring the construction of a permanent stage/concert venue at First Street Beach. Conceptual plans, cost estimates and potential funding sources will be presented <i>in the future</i>. 		
<p>Goal - Financial Stability and Continuous Improvement</p>		
<p><i>Strategy - 4.1 Financial Stability</i></p>		
<p>4.1.1 Forecasting</p> <ul style="list-style-type: none"> ➤ The annual budget incorporates three-year financial projections. The annual capital improvement plan looks out six years for required or desired capital improvement projects. Forecasting methodology and presentation continues to evolve. The new financial management system will give us some additional reporting capabilities that may be useful in this process and will allow Department Heads real-time access to their financial data. 	<p>Ongoing In Place Completed</p>	<p>Ed</p>
<p>4.1.2 Oil and Gas Revenue</p> <ul style="list-style-type: none"> ➤ The Oil and Gas Board meets quarterly and reviews the portfolio with the investment advisor. Performance has been satisfactory. Additional benchmarking has been added. The CFO receives all transaction notices and communicates with the investment advisor as needed. ➤ Oil and gas production has resumed after a period of shutdown and royalties are being generated. 	<p>Ongoing In place</p>	<p>Ed</p>
<p>4.1.3 Budget Structure</p> <ul style="list-style-type: none"> ➤ City Manager and CFO to review existing budget format and structure to identify any areas that could improve. ➤ If areas are identified research how other communities structure their budgets in those particular areas. ➤ Incorporate changes as appropriate. ➤ The budget structure was altered significantly two years ago. Administration is constantly evaluating the document to enhance it and improve readability and understandability. The new financial management software will add additional automation to the budget process and will impact the preparation and appearance of the budget. ➤ <i>The FY 2019 budget document incorporated some changes to improve readability, based on a review of several other communities' budgets and using the new accounting software. Future budgets will continue to evolve.</i> 	<p>Ongoing</p>	<p>Ed / Thad</p>
<p><i>Strategy – 4.2 Service Efficacy</i></p>		
<p>4.2.1 Benefits</p> <ul style="list-style-type: none"> ➤ City Manager and CFO to review City’s existing benefit package. ➤ Provide each Department Director details on their department’s specific benefit package and task them with researching benefit packages of departments in comparable municipalities. ➤ Department Directors to develop a document detailing how the City’s benefit package compares/contrasts with comparable municipalities. ➤ Department Directors will provide a recommendation on whether or not the benefits package is competitive. ➤ City Manager and CFO will review the information and recommendations of the Department Directors and evaluate. Met with CFO & PSD to discuss upcoming police & fire contract negotiations. Developing list of comparable communities & will obtain their labor agreements to review benefit packages. ➤ Concurrent with the research of the Department Directors the City Manager and CFO will perform an internal review of the benefits based solely on sustainability. ➤ Based on the information provided relative to compatibility and sustainability, the City Manager and CFO will make recommendations for change. ➤ Recommended changes will be instituted consistent with current labor agreements and opportunities. ➤ The City routinely communicates with peers regarding benefit structure and levels. This is also reviewed as union contracts come up for negotiation. The city also internally evaluates its benefit structure and recommends changes as needed to respond to fiscal challenges. The City is also updating its Employee Policies and Procedures Manual which may result in some benefit changes once adopted. 	<p>Ongoing</p> <p>Ongoing as part of police and fire negotiations</p> <p>Personnel Manual 6/2018</p>	<p>Thad / Ed</p>

Quarterly Update – July 2018
City of Manistee City Council Strategic Plan Implementation 2017-18

<ul style="list-style-type: none"> ➤ RFP issued for Insurance Broker and Employee Benefit Consultant for our health, dental, vision and wellness programs. ➤ A presentation on our pension will be made at the February work session. <i>After the MERS Council work session, the consensus was to explore moving all new hires in the non-union division to a defined contribution plan.</i> ➤ <i>A new health insurance broker/consultant was selected and resulted in the City switching from BCBS to Priority Health with about a 10% savings.</i> 	<p>3/2018</p> <p>6/2018</p>	
<p>Goal - Intergovernmental Relationships</p>		
<p><i>Strategy - 5.1 Collaboration</i></p>		
<p>5.1.1 Intergovernmental Relationships</p> <ul style="list-style-type: none"> ➤ Develop a list of appropriate counties and cities for collaborative efforts. ➤ Reach out to the identified counties and municipalities to determine if they are interested in participating in a meeting to discuss possible collaborative efforts. ➤ If there is interest, schedule a meeting or meetings. 	<p>Ongoing</p>	<p>Thad</p>
<p>5.1.2 Service Sharing</p> <ul style="list-style-type: none"> ➤ Identify areas in which the City might share services with other units of government. ➤ Develop a priority list of service sharing opportunities. ➤ Determine which specific unit of government represents an appropriate service sharing opportunity. ➤ Present the information to Council to determine if there is interest in moving forward. ➤ If Council expresses interest, contact the appropriate units of government to determine if they are interested in meeting to discuss service sharing opportunities. ➤ Conduct meetings as appropriate to explore opportunity(s). Meeting with Manistee Township and Filer Township representatives to discuss strengthening and expanding current collaborative efforts. ➤ If there is agreement that service sharing is an opportunity and appropriate, move forward toward implementation. ➤ Met with Filer Township and Manistee Township officials and fire department members to discuss possibilities for increased collaboration. 	<p>Ongoing</p>	<p>Thad</p>
<p>5.1.3 County Wide Discussions</p> <ul style="list-style-type: none"> ➤ Work with AES to determine format, agenda, audience and appropriate venue for discussion. ➤ AES will convene meetings involving the City and neighboring townships and facilitate those meetings toward building a common agenda that reflects opportunities for economy of scale and service sharing. 	<p>9/2017</p>	<p>AES / Thad</p>
<p>5.1.4 Reaching Out</p> <ul style="list-style-type: none"> ➤ 	<p>Ongoing</p>	<p>City Council</p>
<p>Goal - Housing, Homelessness and Senior Citizens</p>		
<p><i>Strategy - 6.1 Housing</i></p>		
<p>6.1.1 Manistee Housing Commission</p> <ul style="list-style-type: none"> ➤ 	<p>Ongoing</p>	<p>AES</p>
<p>6.1.2 Housing Strategy</p> <ul style="list-style-type: none"> ➤ AES will seek funding (approximately \$6,000) to enable completion of a housing assessment of the type that is customarily done for developers and financial institutions to quantify the type of housing that can be reliably developed to support workforce and other needs. Based on our work in other counties and the region, the analysis provided through this kind of work is needed to provide the evidence investors/developers need to justify allocation of their resources. 	<p>Ongoing</p>	<p>AES</p>
<p>6.1.3 Homelessness</p> <ul style="list-style-type: none"> ➤ Research ongoing efforts in the County to address homelessness. ➤ Reach out to involved organizations to determine how the City can assist. ➤ Provide assistance where/as appropriate. 	<p>Ongoing</p>	<p>Thad</p>
<p>6.1.4 Century Terrace</p> <ul style="list-style-type: none"> ➤ Meet with the City of Manistee Housing Commission Executive Director to discuss establishing a working group of City staff, Housing Commission management and residents of Century Terrace to discuss any ongoing issues the City might be able to address. Met with Housing Commission Executive Director and it was agreed to expand working group to include a resident from each of their housing groups. Waiting for Executive Director to identify the individuals and then a meeting will be scheduled. ➤ Meet with the working group and develop a prioritized list of issues appropriate for City involvement. 	<p>Completed</p>	<p>Thad / Dept Director</p>

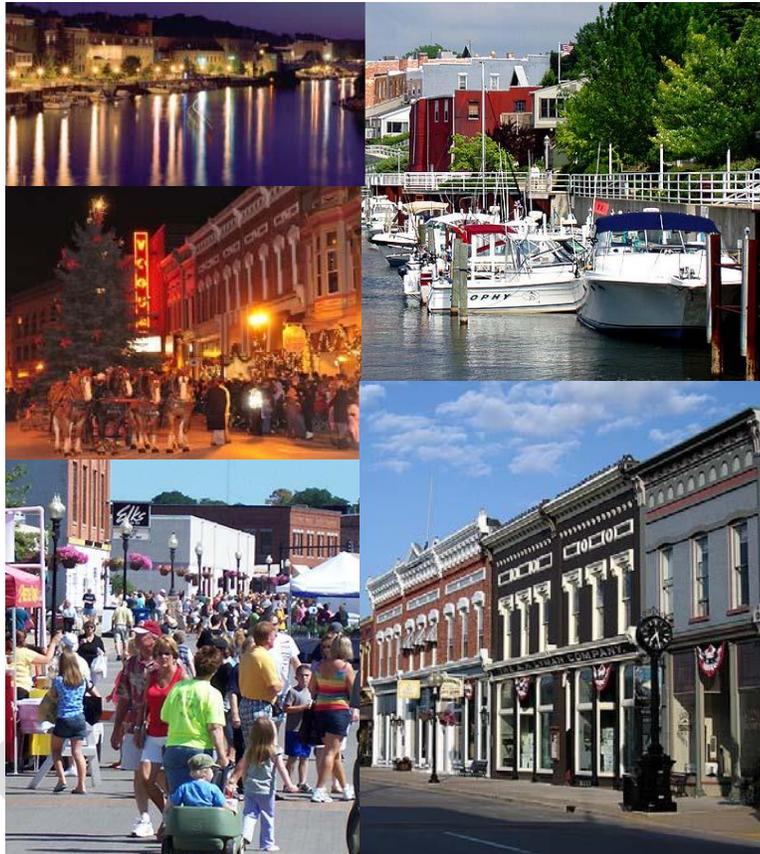
Quarterly Update – July 2018
City of Manistee City Council Strategic Plan Implementation 2017-18

<ul style="list-style-type: none"> ➤ Assign City staff to each issue and task them with developing an action plan. ➤ Once action plans are developed meet with the working group to discuss and/or refine the action plans. ➤ Once there is consensus on the action plans, implement the plans. 		
<i>Strategy - 6.2 Blight</i>		
<p>6.2.1 Ordinance Enforcement</p> <ul style="list-style-type: none"> ➤ Work cooperatively with the City Police, Blight Officer, City Attorney and other code enforcement departments to proactively identify and address blighted properties with the intent on bringing each property into compliance with ordinance and neighborhood standards. <ul style="list-style-type: none"> • Develop a reporting system that is informative and effective. Blight now a team approach with administrative oversight. Data now imputed in spreadsheet for team policing approach. • Maintain living spreadsheets to accurately document initial contact, follow-up, action plan and possible enforcement. New methodology and oversight implanted for quick access and reporting. • Communicate with City Attorney’s Office regularly on reoccurring blight situations. Aforementioned proactive enforcement has allowed for remediation prior to judicial citation. Continuing enforcement of violations of abandoned and junk auto ordinance. <i>Continued interdepartmental cooperation with the City Attorney to address unsafe abandoned houses.</i> • Budget for seasonal part-time ordinance enforcement priorities. 	<p>Ongoing</p> <p>Completed Summer 2017</p> <p>Ongoing 3/2018</p>	<p>Tim / City Attorney</p>

DOWNTOWN MANISTEE

michigan

Amended and Restated Development Plan and Tax Increment Financing Plan



City of Manistee
Manistee County, Michigan
Manistee Downtown Development Authority

Adopted

DATE

DOWNTOWNMANISTEE

michigan

City of Manistee
Manistee County, Michigan
Downtown Development Authority

AMENDED and RESTATED DEVELOPMENT PLAN and TAX INCREMENT FINANCING PLAN

Adopted XX-XX-XXXX

City Council

James Smith, Mayor
Roger Zielinski, Mayor Pro-Tem
James Grabowski
Lynda Beaton
Chip Coodspeed
Erin Pontiac
Dale Cooper

Thad Taylor, City Manager
Edward Bradford, Chief Financial Officer

Manistee Downtown Development Authority

Rachel Brooks, Chair
Barry Lind, Vice-Chair
Valerie Bergstrom, Treasurer
Tamara Deponio
T. Eftaxiadis
Shari Wild
Karen Goodman
Todd Mohr
James Smith

Tyler Leppanen, Executive Director

TABLE OF CONTENTS

BACKGROUND AND PURPOSE

Purpose of the Tax Increment Financing Authority	1
Creation of the Tax Increment Financing Authority	1
Basis for the Development Plan	1

GENERAL DEVELOPMENT PLAN

General Development Plan for the Manistee Downtown Development District	2
-------------------------------------------------------------------------	---

DEVELOPMENT PLAN

1. Designation of Boundaries of the Development Plan	2
2A. Location and Extent of Existing Streets and other Facilities	3
2B. Existing Public and Private Land Uses within the Development Area	3
3. Location and Extent of Proposed Public and Private Land Uses	4
4. Legal Description of the Development Area	4
5. Location, Extent, Character and Estimated Cost of Improvements	5
6. Parts of the Development to be Left as Open Space	8
7. Portions of the Development Area to Sell, Donate, Exchange or Lease	8
8. Desired Zoning Changes and Changes in Streets	8
9. Estimate of the Cost of Development, Proposed Method of Financing	8
10. Designation of Person(s) To Benefit from Improvements	8
11. Procedures for Bidding Conveyance of Property	9
12. Estimate Number of Persons Residing in the Development Area	9
13. Plan for Establishing Priority for the Relocation of Persons Displaced	9
14. Provision for the Costs of Relocation	9
15. A Plan for Compliance with Act 227 of PA of 1972	9

TAX INCREMENT FINANCING PLAN

1. Definitions as Used in This Plan	10
2. Purpose of the Tax Increment Financing Plan	11
3. Explanation of the Tax Increment Procedure	12
4. Taxing Jurisdictions Agreements	12
5. Property Valuations and Captured Revenue	12
6. Maximum Indebtedness	15
7. Use of Captured Revenues	16
8. Duration of the Program	16
9. Plan Impact on Local Taxing Jurisdictions	16
10. Release of Captured Revenues	17
11. Assumptions of Tax Increment Financing Plan	17
12. Operating Agreement Between DDA and Local Unit of Government	17
13. Relationship of the TIF Plan with Other Funding Programs	17
14. Relationship to Community Master Plan	18
15. Submission of an Annual Reports to the Governing Body and State Tax Commission	18

MAPS/GRAPHIC

1	Manistee Downtown Development Authority District	2
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TABLES

1	Forecast Taxable Valuation Growth Rate	13
2	Anticipated Captured Taxable Valuation	14
3	Anticipated Captured Revenue	15
4	Anticipated Millage to Be Captured	16

EXHIBITS and ADOPTION DOCUMENTATION

- Notice of Public Hearing Advertisement
- Letters to affected Property Owners regarding the Public Hearing
- City Council Public Hearing Meeting Minutes XX-XX-2017
- City Council Meeting Minutes Adopting Ordinance Amendment XX-XX-2017
- DDA Property Owner Listing

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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 as amended, 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 the authority; 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 chose 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 Manistee Downtown Development Authority

On April 2, 1985, the City of Manistee adopted an ordinance to add Chapter 282 to its Code of Ordinances, which established the Manistee Downtown Development Authority ("DDA"). A copy of this Ordinance is included under Exhibit 1 and can be found on the City's web site under the "Codified Ordinances" Administrative Section – Downtown Development Authority. The Authority was given all of the powers and duties prescribed for a downtown development authority pursuant to the Act.

Basis For The Development Plan and Tax Increment Financing Plan

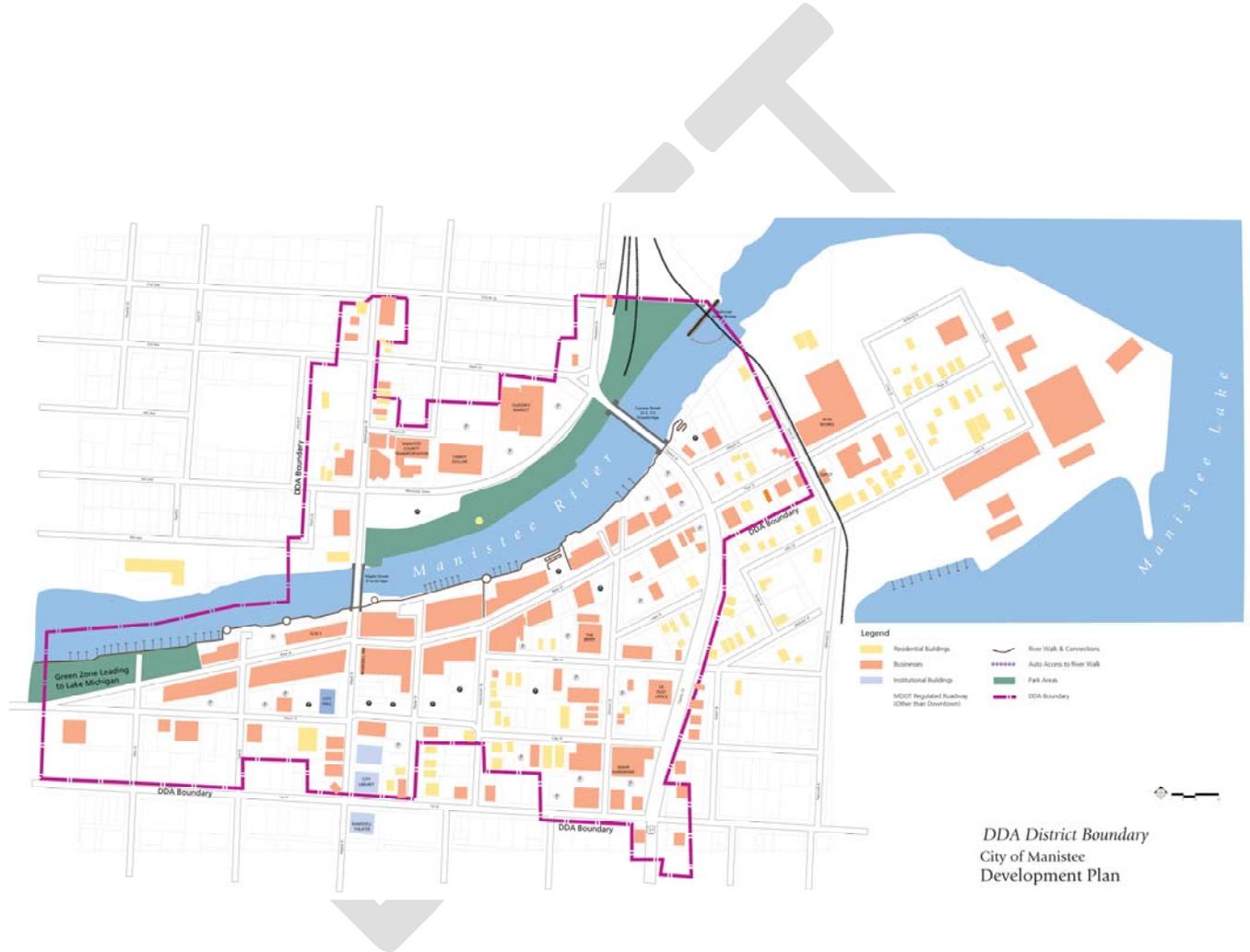
Act 197 of Public Acts of 1975, the Downtown Development Authority Act ("Act 197"), provides the legal mechanism for local officials to address the need for economic development in the central business district. In the City of Manistee, the DDA district incorporates the commercial and residential properties on both side of the Manistee River between the railroad swing bridge just east of US-31 to the Maple Street Drawbridge. Refer to Map 1: Downtown Development Authority District for a more detailed depiction of the properties within the DDA district.

The initial Development Plan and Tax Increment Financing Plan was adopted on April 2, 1985 (unnumbered ordinance), and amended on March 30, 1989 (unnumbered ordinance) and September 16, 2008 (Ordinance 08-07).

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. Tax increment financing can be used to provide the necessary funds for project implementation. 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 of support for the Development and Tax Increment Financing Plan is identified in Act 197. Since 1985, the Manistee DDA has utilized tax increment financing to implement variety of capital improvement projects within the downtown development district.

1. GENERAL DEVELOPMENT PLAN FOR THE MANISTEE DDA

The need for establishing the Manistee Downtown Development Authority District (referred to as "DDA District") is founded on the basis that the future success of Manistee's efforts 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. Map 1 shows the geographic limits of the Manistee Downtown Development Authority effective as of April 2, 1985. The development area and tax increment financing plan boundary is equal to the geographic limits of the Downtown Development Authority District



Map 1

City of Manistee
DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT

2A. Location and Extent of Existing Streets and other Public Facilities within the Development Area; Location, Character and Extent of Existing Public and Private Land Uses.

Due to the Manistee River the two primary north-south corridors through the DDA Development Area are US-31 (Cypress Street) and Washington (north of the river) / Maple (south of the river). Both of these streets have drawbridges to allow Great Lakes freighters access to Manistee Lake and Lake Michigan. East – west corridors through the Development Area include River Street (downtown’s main street) and 1st Street due to offsetting streets through the commercial and residential neighborhoods south of the Manistee River.

The development area is fully serviced with municipal water, sanitary sewer and storm sewer facilities, as well as electrical and gas services.

Existing land uses within the Development Area are comprised of public and private uses. These land uses include retail businesses, offices, parking, churches, and residential properties. Collectively, these land uses create a mixed-use and walkable downtown and business district.

2B. Existing Public and Private Land Uses within the Development Area.

Public Land Uses

City of Manistee City Hall, Manistee County Library and U.S. Post Office are within the boundaries of the Manistee DDA District. Veterans Park which is along the north bank of the Manistee River between US-31 and Washington Street provides an open pavilion for summer entertainment venues and the Manistee Municipal Marina is located on River Street just west of Oak Street. Lastly, there are number of public parking lots in the DDA Development Area with many located on the south side of the district behind buildings on the south side of River Street.

Private Land Uses

- A. Residential – There are various residential, primarily single family homes, located within the DDA district.
- B. Commercial - The majority of property within the DDA district and Development Area consists of commercial property. These commercial uses include professional, retail, banking, and service businesses.
- C. Industrial - There are no current industrial uses within the Downtown Development Authority district or Development Area boundaries, however, there are several sites that may have contained industrial-related businesses at one time and would be considered “brownfields.”

Recreational Uses

Recreational uses within the development area consist of the Veteran Park located along Memorial Drive on the north side of the Manistee River and Manistee Municipal Marina located on River Street on the south side of the Manistee River. Although not considered a recreational park the Manistee River riverwalk along the south bank of the Manistee River provides pedestrian access to the river, as well as, adjacent businesses.

Quasi-Public Uses

Quasi-public uses within the DDA District, DDA Development and TIF Plan Boundary include the Council on Aging.

Educational Uses

There are currently no educational uses in the Development Area.

Vacant Land

There are several parcels of property that may be classified as vacant or underutilized along Mason Street, and on the block bordered by Fifth Avenue to the South, Third Avenue to the North, Short Street to the West and Washinton to the East,

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

Proposed public projects include modifications to Veteran's Park and a future North Riverwalk. Private uses which are dependent on real estate market conditions include redevelopment of the parcels from above.

4. Legal Description of the Development Area

The DDA shall exercise its powers and duties within the downtown development district, being specifically described as follows:

Filer and Tyson's Addition, Block 7, except Lots 5, 6 and 7. Delo's Filer Subdivision, Block 6. All of Green and Milmo's Addition. All of George Willard Addition. Holden and Green Addition, Block 1, 2, 3, 6 and 7. Filer and Smith Addition, Block 7 and 8, Lots 3, 4, 5, 6, 7, 8, 9, 12 and 13, except Lots 9, 10, 11 and 12, Block 13. Filer and Smith Addition, Blocks 11, Lots 3, 4, 5, 6, 12, 11, 10 and part of Lot 9. Metes and bounds, part of gov't. Lot 2, Sec. 12. Filer and Smith Addition, Block 6, Lots 1, 2, 3, 4, 5 and 6. M. S. Tyson and Co. New Addition, Lots 1 through 7. Filer and Smith Addition, Block 1. Filer and Smith Addition, Block 14, Lots 5, 6, 11 and 12 and part of Lots 4, 10, 9 and Lot 8. Englemann's Addition, Block 8, Lots 1 and 19. Englemann's Addition, Block 9, except Lots 9 through 14. Englemann's Addition, Blocks 10 and 16. Englemann's Addition, Block 14, Lots 1, 2, 3 and 4. Englemann's Addition, Block 15, Lots 1, 2, 3 and 4. Metes and bounds, Lot 5, Sec. 12. Ramsdell and Benedicts Addition, Block 3, Lots 1, 2, and 3. Ramsdell and Benedicts Addition, Block 5. Filer and Smith Addition, part of Res., Lots 7, 6 and 8. Smith St. to Division St. and River St. to the middle of River. Metes and bounds, Section 12. Metes and bounds, part of gov't. Lot 1, Sec. 11, between Short St. and Washington St. and Fifth Ave. and River St. M. S. Tyson's Addition, Lot 1, Block 3; excepting therefrom Lot 1, Block 14, and Lots 3 and 4, Block 15, Englemann's Addition, to the City. ¹

5. The Location, Extent, Character and Estimated Cost of Improvements including Rehabilitation for the Development Area.

The section below outlines the project name, description and estimated cost for those projects identified by the DDA Board.

Description of Projects and Cost Estimates:

Riverwalk

The Riverwalk is not currently meeting its capacity to draw visitors to the area. The Riverwalk could be a destination and driving factor for the business district with the scenic walks near the Manistee River leading to Lake Michigan. In order for the Riverwalk to become a destination feature, businesses on the Northside of River St must have a riverside orientation. More activities and business orientation to the river will draw on the natural resources of the area to make Downtown Manistee more desirable. It is assumed that maintenance and repair of the Riverwalk are functions of the City.

Description	Sources	
	DDA	Other/Private
A study and conceptual plans for the riverside of businesses	\$15,000	
Façade and Deck grants (Based on \$30,000 for each building with River frontage.	\$510,000	\$1,530,000
Connections, lighting and signage to Riverwalk	\$100,000	
Dock creation or repairs	\$100,000	\$300,000
Sub-Total	\$725,000	\$1,830,000
Total	\$2,555,000	

Improve Gateway to Downtown

According to MDOT 2015 Annual Average Daily Traffic report, nearly 16,000 people pass through this intersection every day. The image that this intersection portrays greatly affects the impression people have of Manistee. It is vital to the future success of the business district to improve this intersection.

Description	Sources	
	DDA	Other/Private
Feasibility Study	\$25,000	
283/285 River St (American Cleaners)	\$160,000	\$2,833,333
21 Cypress (Gas Station)	\$160,000	\$2,833,333
284 River St (House of Flavors)	\$160,000	\$2,833,333
Sub-Total	\$505,000	\$8,500,000
Total	\$9,005,000	

Streetscape

The streetscape needs to be improved and enhanced to last an additional 20 years. Improving pedestrian traffic flows, aesthetics, providing 21st century amenities, and managing parking, specifically on River St is important to offering a quality environment for businesses to be successful.

Description	Sources	
	DDA	Other
Improve and enhance sidewalks, add bump outs and accentuate crosswalks.		
Repair deteriorated sidewalks, paint garbage cans, light posts, etc.		
Conversion of lamp luminaires and ballast from high pressure sodium (HPS) to light emitting diode (LED).		
Add sound system to downtown		
Add public wifi to downtown		
Add trees to the streetscape		
Provide parking management		
Total	\$1,950,000	
Continuation of amount allocated for hanging baskets and holiday decorations	\$800,000 (Based on current annual costs with adjustments for inflation)	
Landscaping and Maintenance	\$360,000	
Flower, Boxes, Snow Removal of sidewalks	\$440,000	
Sub-Total	\$3,550,000	\$0
Total	\$3,550,000	

Other Redevelopment Projects

Over the course of this development plan there are a number of large properties that will take significant resources to redevelop. Additionally, the east side of the district contains most of the available parking. By creating parking on Water St on the west end of the district that would effectively address parking concerns and eliminate blight.

Description	Sources	
	DDA	Other
North Corridor Village		
Feasibility Study	\$15,000	
Construction Implementation	\$70,000	\$22,000,000
Westside Parking Lot		
Acquire and create parking west of Maple Street.	\$200,000	
400 River St (Former Glik's)	\$350,000	\$8,000,000
147 Washington (Hotel Northern)	\$85,000	\$2,000,000
453 River St	\$65,000	\$1,500,000

Sub-Total		\$785,000	\$33,500,000
Total		\$34,285,000	

Programs

The façade program enhances the streetscape by incentivizing property owners to invest in their buildings. A future program to incentivize property owners to create and improve residential units in the upper stories of buildings will improve the cash flow in properties and allow the owners to continue maintenance and investment in their properties. Both programs provide a great rate of return on investment into the district.

Description	Sources	
	DDA	Other
Façade (Based on \$50,000 annual allocation)	\$1,000,000	\$2,000,000
Local Rental Rehab (Based on average cost of \$100,000 per unit with DDA contributing 10% and the potential creation of 50 units).	\$500,000	\$5,000,000
Sub-Total	\$1,500,000	\$7,000,000
Total	\$8,500,000	

Administrative and Operational

Description	Sources	
	DDA	Other
Staffing	\$1,600,000	
Office	\$480,000	
Marketing & Promotions (The DDA plans to continue the practice of obtaining sponsors for events and marketing)	\$150,000	
Sub-Total	\$2,230,000	
Total	\$2,230,000	

Other

Description	Sources	
	DDA	Other
Branding and Market Study	\$50,000	
Improve Farmers Market	\$200,000	
Parking Management	\$100,000	
Sub-Total	\$350,000	
Total	\$350,000	

Note: *The scope and cost of the project may vary depending on the final design of each component. Project descriptions reflect the overall scope of the projects envisioned by the Manistee DDA. The DDA recognizes that market forces, private investment, future public-private partnerships, and legislative amendments may result in changes to the final design and cost, consistent with overall concepts embodied in this Development Plan and Tax Increment Financing Plan.*

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

In reference to the public improvements outlined, open space within the DDA district and Development Area will be confined to right-of-ways, plazas, and parks within the District. Existing park property in the DDA district and Development Area will remain as open space.

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

8. 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.

9. 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 5 would be provided through funds generated by the Tax Increment Financing Plan induced by annual increases in property valuations within the Development Area. The amount of the funding will be predicated on the stability of the taxable valuation base of the downtown area and the extent of new future redevelopment and rehabilitation projects. Sources of funding may include tax increment revenues on a "pay-as-you-go" basis, the issuance of bonds by the DDA or City and other sources approved by the City in accordance with the Act 197.

10. 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 pursuant to this Development Plan will remain in public ownership for the public benefit.

11. 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.

At present there are no agreements for property conveyance between the City of Manistee, Manistee DDA or any person(s), natural or corporation. The Development Plan utilizes a voluntary acquisition strategy to acquire property within the Development Area. Acquisition of such property would be on a negotiated basis between the Downtown Development Authority and the interested party.

Any such sale, lease or exchange shall be conducted by the DDA pursuant to requirements specified in Act 197 with the consent of the City Council. If needed, more detailed procedures will be developed prior to the transactions, in accordance with applicable city policy and Michigan state law.

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

Based upon a review of the properties within the DDA district and Development Area it is estimated that there are more than 100 individuals who reside within the Development Area. The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within the DDA district and Development Area.

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

The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families. As a result, a plan for compliance Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is not addressed.

14. 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.

The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families. As a result, a plan for compliance Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is not addressed.

15. A Plan for compliance with Act 227 of the Public Acts of 1972.

Act 227 of Public Acts of 1972 is an Act to provide financial assistance; advisory services and reimbursement of certain expenses to persons displaced from real property or deprived of certain rights in real property. This Act requires procedures and policies comparable to the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Because the Development Plan does not require the acquisition of property and displacement of persons a plan for compliance with Act 227 is not addressed.

TAX INCREMENT FINANCING PLAN

1. Definitions as Used in This Plan.

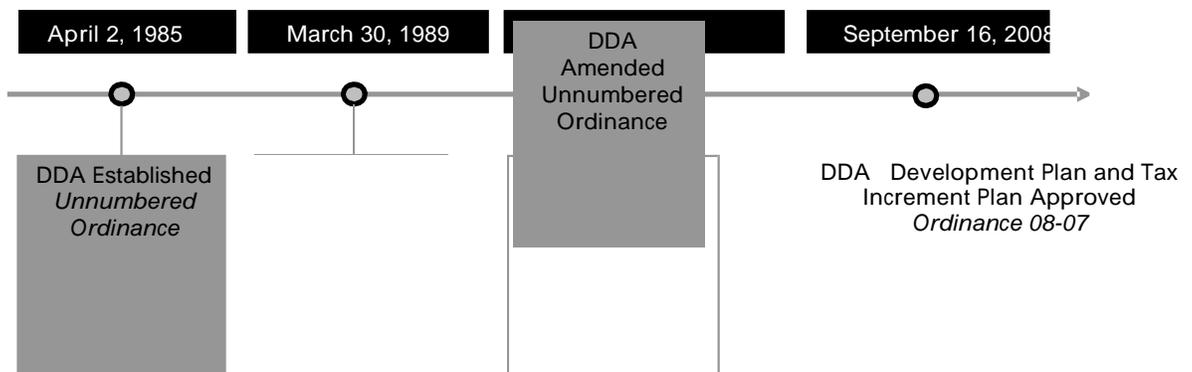
- a. "Captured assessed value" means the amount in any 1 year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (c), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.
- b. "Assessed value" means the assessed value, as equalized, as follows:
 - (i) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.
 - (ii) For valuations made after December 31, 1994, the taxable value as determined under section 27a of the general property tax 15 act, 1893 PA 206, MCL 211.27a.
- c. "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 d.
- d. "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, Section 5 of the State Essential Services Assessment Act, 2014 PA 92, MCL 14 211.1055, Section 5 Of The Alternative State Essential Services 15 Assessment Act, 2014 PA 93, MCL 211.1075, 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.
 - (D) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183, and the Art Institute Authorities Act, 2010 PA 296, MCL 123.1201 to 123.1229.
- (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 Manistee Downtown Development District, was created on April 2, 1985, and 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 City under the provisions of Act 197 Public Acts of Michigan, 1975 as amended (the "Act"). On March 30, 1989, March 30, 1989, and September 16, 2008 there were amendments to Downtown Development District as well as the Development Plan and Tax Increment Financing Plan.

The Authority has determined that the extension, or amended and restated 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.



DDA
Development
Plan and Tax
Increment Plan
Approved
Ordinance ##-##

DRAFT

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 3, from the District until the projects addressed in the Development Plan are completed and until any bonded indebtedness is paid.

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 City of Manistee, Manistee County, Manistee County Library, West Shore Community College, 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 1985 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, 1984 finalized in May 1985. The Initial Taxable Valuation of the Authority for the 1985 district is outlined below:

Base Taxable Real and Personal Property Valuations

City of Manistee	1986 Taxable (12-31-1985)
Base State Equalized Valuation Used in Forecast	\$6,062,379

- 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. Since the enactment of Proposal A in 1994 the Consumers Price Index (CPI), which is the basis for taxable valuation adjustments, has averaged 2.4%. For projection purposes, the taxable growth is estimated to grow by 0.68% in 2018-19 and then stabilize at fairly low growth increases with flat rate of 1.00% for years 2019-2040. These rates are less than the average CPI increase of 2.4% since the enactment of Proposal A in 1994. Growth rates do not include taxable valuation resulting from new construction, redevelopment, or the conversion of tax-exempt properties to taxable parcels. In addition, the forecast does not include personal property taxes which may be subject to capture by the DDA but the amount will be dependent on the implementation of the state wide ballot initiative passed in August 2014.

Table 1
Forecast Taxable Valuation Growth Rate

Fiscal	Year	growth rates	
		District	
2018	- 19	.68%	-
2019	- 20	1.00%	
2020	- 21	1.00%	
2021	- 22	1.00%	
2022	- 23	1.00%	
2023	- 39	1.00%	

A more detailed depiction of the Captured Taxable Valuations can be found in Table 2.

- 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 2

Anticipated Captured Taxable Valuation						
Fiscal Year Jan- Dec	Tax Roll Date	Initial Base	Adjusted Valuation	Annual growth	Taxable growth	Captured value
87-88	12/31/1986	\$6,062,379				
18-19	12/31/2017		\$15,669,335.00	0.68%	\$106,551.48	\$8,547,053.00
19-20	12/31/2018		\$15,826,028.35	1.00%	\$156,693.35	\$8,632,523.53
20-21	12/31/2019		\$15,984,288.63	1.00%	\$158,260.28	\$8,718,848.77
21-22	12/31/2020		\$16,144,131.52	1.00%	\$159,842.89	\$8,806,037.25
22-23	12/31/2021		\$16,305,572.84	1.00%	\$161,441.32	\$8,894,097.63
23-24	12/31/2022		\$16,468,628.56	1.00%	\$163,055.73	\$8,983,038.60
24-25	12/31/2023		\$16,633,314.85	1.00%	\$164,686.29	\$9,072,868.99
25-26	12/31/2024		\$16,799,648.00	1.00%	\$166,333.15	\$9,163,597.68
26-27	12/31/2025		\$16,967,644.48	1.00%	\$167,996.48	\$9,255,233.65
27-28	12/31/2026		\$17,137,320.92	1.00%	\$169,676.44	\$9,347,785.99
28-29	12/31/2027		\$17,308,694.13	1.00%	\$171,373.21	\$9,441,263.85
29-30	12/31/2028		\$17,481,781.07	1.00%	\$173,086.94	\$9,535,676.49
30-31	12/31/2029		\$17,656,598.88	1.00%	\$174,817.81	\$9,631,033.25
31-32	12/31/2030		\$17,833,164.87	1.00%	\$176,565.99	\$9,727,343.59
32-33	12/31/2031		\$18,011,496.52	1.00%	\$178,331.65	\$9,824,617.02
33-34	12/31/2032		\$18,191,611.49	1.00%	\$180,114.97	\$9,922,863.19
34-35	12/31/2033		\$18,373,527.60	1.00%	\$181,916.11	\$10,022,091.82
35-36	12/31/2034		\$18,557,262.88	1.00%	\$183,735.28	\$10,122,312.74
36-37	12/31/2035		\$18,742,835.51	1.00%	\$185,572.63	\$10,223,535.87
37-38	12/31/2036		\$18,930,263.86	1.00%	\$187,428.36	\$10,325,771.23
38-39	12/31/2037		\$19,119,566.50	1.00%	\$189,302.64	\$10,429,028.94
39-40	12/31/2038		\$19,310,762.16	1.00%	\$191,195.66	\$10,533,319.23

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. Table 4 outlines the 2018 millage rates for all Local Taxing Jurisdictions in the DDA taken from the Manistee County Millage Report which are then used to create the revenue forecast enumerated in Table 3 below.

Table 3

Anticipated Captured Revenue					
Fiscal Year Jan-Dec	Captured Valuation	City of Manistee	Manistee County	West Shore Community College	Total
		18.9112	8.73	3.0907	30.7319
18-19	\$8,547,053.00	\$162,853.54	\$73,546.76	\$26,266.70	\$262,667.00
19-20	\$8,632,523.53	\$164,482.08	\$74,282.23	\$26,529.37	\$265,293.67
20-21	\$8,718,848.77	\$166,126.90	\$75,025.05	\$26,794.66	\$267,946.61
21-22	\$8,806,037.25	\$167,788.17	\$75,775.30	\$27,062.61	\$270,626.07
22-23	\$8,894,097.63	\$169,466.05	\$76,533.05	\$27,333.23	\$273,332.33
23-24	\$8,983,038.60	\$171,160.71	\$77,298.38	\$27,606.57	\$276,065.66
24-25	\$9,072,868.99	\$172,872.31	\$78,071.37	\$27,882.63	\$278,826.31
25-26	\$9,163,597.68	\$174,601.04	\$78,852.08	\$28,161.46	\$281,614.58
26-27	\$9,255,233.65	\$176,347.05	\$79,640.60	\$28,443.07	\$284,430.72
27-28	\$9,347,785.99	\$178,110.52	\$80,437.01	\$28,727.50	\$287,275.03
28-29	\$9,441,263.85	\$179,891.62	\$81,241.38	\$29,014.78	\$290,147.78
29-30	\$9,535,676.49	\$181,690.54	\$82,053.79	\$29,304.93	\$293,049.26
30-31	\$9,631,033.25	\$183,507.45	\$82,874.33	\$29,597.98	\$295,979.75
31-32	\$9,727,343.59	\$185,342.52	\$83,703.07	\$29,893.95	\$298,939.55
32-33	\$9,824,617.02	\$187,195.94	\$84,540.10	\$30,192.89	\$301,928.94
33-34	\$9,922,863.19	\$189,067.90	\$85,385.51	\$30,494.82	\$304,948.23
34-35	\$10,022,091.82	\$190,958.58	\$86,239.36	\$30,799.77	\$307,997.71
35-36	\$10,122,312.74	\$192,868.17	\$87,101.75	\$31,107.77	\$311,077.69
36-37	\$10,223,535.87	\$194,796.85	\$87,972.77	\$31,418.85	\$314,188.47
37-38	\$10,325,771.23	\$196,744.82	\$88,852.50	\$31,733.04	\$317,330.35
38-39	\$10,429,028.94	\$198,712.27	\$89,741.02	\$32,050.37	\$320,503.66
39-40	\$10,533,319.23	\$200,699.39	\$90,638.43	\$32,370.87	\$323,708.69
		\$3,985,284.41	\$1,799,805.86	\$642,787.81	\$6,427,878.07
		62%	28%	10%	100%

6. Maximum Indebtedness.

It is anticipated that the maximum amount of indebtedness to be incurred, if any, based on 2017 costs will not exceed \$4,000,000 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 5 of the Development Plan. Revenues captured will be used to leverage other funding sources and 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 1 and Table 2 of the Development Plan in accordance with procedures specified in this Plan. Further, captured revenues can be used for the following:

- Finance current financial obligations of DDA;
- Pay for costs incurred by the City/DDA in implementing both the Development Plan and the Tax Increment Financing Plan;
- Funding for DDA administrative staff and associated office expenses;
- Marketing, promotions and events costs;
- Special purpose grant and loan programs; and
- Pay for costs associated with the administration and operation of the Development and Tax Increment Plan and its associated projects and programs.

In addition, the Development Plan encourages the use of Tax Increment Financing Plan revenues to support public improvements associated with private redevelopment and new development projects. Table 1 enumerates the forecasted “uses” of the tax increment revenue and the amount available for capital projects.

8. Duration of the Program

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

Table 4

Anticipated Millage to Be Captured

Local Unit of Government		
City of Manistee		18.9112
<i>Operating</i>	17.7612	
<i>Refuse</i>	1.1500	
Manistee County		8.73
<i>Operating</i>	5.5000	
<i>Medical Care Voted</i>	0.5000	
<i>911 Voted</i>	1.0000	
<i>Dial-A-Ride Voted</i>	0.3300	
<i>Council of Aging</i>	0.3000	
<i>Conserv District</i>	0.1000	
<i>Manistee County Library</i>	1.000	
West Shore Community College	3.0907	3.0907
<i>Operating</i>		
		30.7319

9. Plan Impact on Local Taxing Jurisdictions

The Authority recognizes that future development in the City'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 City 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.

11. Assumptions of Tax Increment Financing Plan.

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

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

Fiscal	Year	<i>growth rates</i>	
			District
2018	- 19		0.68%
2019	- 20		1.00%
2020	- 21		1.00%
2021	- 22		1.00%
2022	- 23		1.00%
2023	- 40		1.00%

- B. Costs provided for the various DDA projects and programs enumerated in Section 5 are estimated costs in 2017 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 adequate revenue source to support the proposal.

The Manistee Downtown Development Authority **has** entered into an agreement with the City of Manistee Brownfield Redevelopment Authority to exclude from DDA TIF capture revenues generated by the South Washington Area project..

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 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.

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

Annually the Authority shall submit to the City of Manistee 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.

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