

City of Grand Ledge
Local Development Finance Authority

FIRST AMENDED AND RESTATED
DEVELOPMENT PLAN
AND
TAX INCREMENT FINANCE PLAN
2019



CITY OF GRAND LEDGE, MICHIGAN
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BACKGROUND

ORIGINAL TAX INCREMENT FINANCE PLAN AND DEVELOPMENT PLAN

By 1997 Ordinance No. 13, the Grand Ledge City Council created the Local Financing Development Authority of Grand Ledge ("LDFA" or "Authority"), finding, after notice and hearing in accordance with the provisions of 1986 PA 281, as amended, (the "Act") that the creation of the LDFA was needed to preserve and promote the continued growth and prosperity of the City of Grand Ledge and would promote the health, safety and welfare of the residents of the City.

Without the development of a viable industrial park, the City of Grand Ledge would inevitably have faced a serious fiscal and social crisis. The City did not have an optimal mix of residential, commercial and industrial property in its tax base. Approximately 83% of the City's tax base was residential property, with most of the balance in commercial property. The City experienced strong growth in the residential sector, and had numerous important commercial development projects, particularly in the area covered by the City's Downtown Development Authority. However, the City had no undeveloped industrial property, meaning that without the development of an industrial park, the industrial segment of the City's tax base would continue to decline.

From a fiscal standpoint, experience has shown that residential development places a greater demand on the City for services than the tax revenue that it generates. At that time, the City's expenditures would have soon outstripped its revenues and consumed its reserves. Inevitably, either a substantial increase in taxes or a major reduction in services, or both, was required. The development of industrial property would generate tax revenues to support city services, thereby lessening the pressure to raise tax rates for residential and commercial property.

From a social standpoint, while Grand Ledge currently had a stock of housing for moderate income families, increases in property tax rates would have priced moderate income homeowners out of the Grand Ledge housing market. The impact would have been felt most severely by elderly residents on fixed incomes. Moreover, without the development of additional industrial property, Grand Ledge would have become almost entirely a bedroom community, losing social and economic diversity. Development of additional industrial property provided job opportunities that were being lost because of the lack of suitable industrial property in the City. On a regular basis, the City was contacted by parties interested in the development of industrial property who were effectively turned away by the lack of available sites in the City.

The creation of the LDFA was the outgrowth of many years of studies. In 1991, the Grand Ledge Area Chamber of Commerce organized a group to study the need for economic growth in the City, and in 1993, the Mayor appointed an Economic Development Committee ("EDC"). In its May 1, 1994 Report, the EDC recommended that the City:

"Seek immediate procurement and development of the northern annexed land (i.e., southeast area of intersection of M-f 00 and Eaton Highway), for the purpose of establishing an industrial park. This development should include the construction of all necessary utilities, a railroad spur from the CSX switching yard. and be included as part of the vital airport expansion."

In September 1996, the Grand Ledge Regional Chamber of Commerce Economic Development Committee hired a consultant to assist in the creation of the proposed industrial park in the area on the north side of the City zoned for Industrial use. A nonprofit corporation was formed to facilitate the formation of the industrial park. After careful engineering and economic feasibility analysis, it was determined that the industrial park project could not be accomplished through private development. The principal problem with private development was that the cost of land acquisition, infrastructure improvement and property tax liability made the investment unattractive from a risk- reward standpoint.

This preliminary work led to the creation of the LDFA, permitting a public-private partnership for the development of an industrial park. On March 24, 1997, the Grand Ledge City Council adopted Resolution No. 3 of 1997, declaring its intent to create and provide for a LDFA, and scheduling public hearings thereon. In accordance with the provisions of the Act, notice of the hearing was duly published, mailed to each taxpayer of record within the boundaries of the proposed development district, and mailed to each taxing jurisdiction whose millage would be subject to capture if a tax increment financing plan were to be established for the district. On April 28, 1997, a public hearing was held on the establishment of the LDFA and the creation of the development district. Following that hearing, Ordinance 13 of 1997 was duly approved by the City Council, published and then filed with the Office of the Great Seal of the Michigan Secretary of State on July 15, 1997.

The LDFA is permitted to establish a tax increment financing plan, pursuant to which tax increment revenues within the development district can be captured by the LDFA and dedicated to financing the projects undertaken by the LDFA. Because of the 1994 amendments to the LDFA statute affecting tax increment financing, all state education taxes, local school operating taxes and intermediate school district taxes are exempt from capture by the LDFA, as are specific taxes approved by the voters for debt service. In addition, any taxing jurisdiction has 60 days following formation of the LDFA to "opt out" of any tax increment financing program, exempting the millage collected by that taxing jurisdiction from capture by the LDFA. Following the creation of the LDFA, the County of Eaton and the Grand Ledge Library each passed resolutions "opting out" of the development district. The County of Eaton, however, subsequently passed a resolution withdrawing its prior resolution, and permitting county taxes to be subject to capture. The City did pass Resolution #20 of 2001 exempting taxes captured by the Library, as shown in Exhibit 2. Accordingly, the only millage available for capture by the LDFA is (i) City operating millage, (ii) Eaton County operating millage, and (iii) Lansing Community College millage.

**TABLE 1:
AD VALOREM PROPERTY TAXES
(1997 TAXES)**

	SUMMER	WINTER
CITY OF GRAND LEDGE		
Allocated (Non-Library)	11.6894	
Voted (Debt) *	0.4100	
LIBRARY**		
Allocated	0.8350	
Voted	0.5009	
STATE EDUCATION TAX*	3.0000	3.0000
GRAND LEDGE SCHOOLS*		
Operating	9.0000	9.0000
Debt	3.5000	3.5000
LANSING COMMUNITY COLLEGE	2.9355	
EATON COUNTY¹		
Operating		5.4087
Jail		0.9834
Eatran		0.1500
911		0.9500
EATON ISD*		0.1949
		2.9236
		0.9745
TOTAL	31.8708	27.0851
Subject to Capture	14.6249	7.4921
*Exempt from Capture	15.9100	19.5930
**Opted Out	1.3359	

¹Initially opted out; subsequently opted in.

FIRST AMENDED AND RESTATED TAX INCREMENT FINANCE PLAN AND DEVELOPMENT PLAN

Subsequent to the approval of the original TIF and Development Plan, the City of Grand Ledge invested in infrastructure improvements and broke ground on what is now known as the Grand Ledge Willis Industrial Park located on Winstanley Boulevard. To date, Willis Industrial Park consists of 181 acres, 121 city-owned, is 75% developed, and 55% occupied. The Park is home to American Bottling Company, Zion Industries, Capitol Bedding, Northstar Cooperative, and Lowe's Flatbed Distribution Center. The Park is zoned I-1 light industrial, and offers access to Class A All-Weather Roads, CSX Rail, industrial-grade water, sewer, electric, gas, and internet services. It is adjacent to Abrams Municipal Airport and a landing strip and within ten miles of Capital Regional Airport and two major highways (I-96 and I-69).

The intent of the First Amended and Restated Development Plan and Tax Increment Finance Plan is to outline in broad terms, the activities that are eligible under Public Act 57 of 2018 as amended, provide an update of millages available for capture by the LDFA, and to retroactively extend the term of the plan from January 1, 2014 to December 31, 2028.

The development plan should be very flexible in nature to limit the amount of times the plan requires an amendment to increase and add eligible activities and the associated costs of those activities. The ability to carry out the eligible activities is solely dependent on the revenue available to the LDFA, the cost of those activities, and the priorities set by the LDFA and City Council collectively. Each year the City and the LDFA approve a budget based on the priorities listed above and the revenues available to complete them. The LDFA and City should expect to have contracts in place with any vendor providing services. Those contracts will very clearly spell out the terms, performance requirements, and budget for that contract. Projects within the District may have an unpredictable amount of investment; therefore, the revenue to the LDFA is highly unpredictable. With that in mind, the size of investments conceptualized in the forthcoming charts reflect unpredictable investments.

FIRST AMENDED AND RESTATED TIF PLAN

The presentation of the Tax Increment Financing Plan follows the statutory requirements of PA 57 of 2018, specifically Section 412(1)(a) through (l). (MCL 125.4412 (1a) through (1l)).

PA 57 requires that a tax increment financing plan contain all of the following:

- (a) A statement of the reasons that the plan will result in the development of captured assessed value that could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means.
- (b) An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part or all of the captured assessed value or, subject to subsection (3), of the tax increment revenues attributable to the levy of any taxing jurisdiction, but the portion intended to be used shall be clearly stated in the plan. The board or the municipality creating the authority may exclude from captured assessed value a percentage of captured assessed value as specified in the plan or growth in property value resulting solely from inflation. If excluded, the plan shall set forth the method for excluding growth in property value resulting solely from inflation.
- (c) The estimated tax increment revenues for each year of the plan.
- (d) A detailed explanation of the tax increment procedure.
- (e) The maximum amount of note or bonded indebtedness to be incurred, if any.
- (f) The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.
- (g) The costs of the plan anticipated to be paid from tax increment revenues as received.
- (h) The duration of the development plan and the tax increment plan.
- (i) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is or is anticipated to be located.
- (j) A legal description of the eligible property to which the tax increment financing plan applies or shall apply upon qualification as eligible property.
- (k) An estimate of the number of jobs to be created as a result of implementation of the tax increment financing plan.

Section 412(1)(a) A statement of the reasons that the plan will result in the development of captured assessed value that could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means.

The original TIF plan approved in 1998 stated the following reasons in detailing how the plan would result in development that would not otherwise be expected:

1. Macroeconomic forecasts and the vibrancy of the regional economy predicted continued strong demand for industrial location in the Lansing region. The National Association of Business Economics, being representative of other forecasts, projected strong economic growth with low inflation. Even without having the park in place, the LDFA was able to show the proposed park to prospects. It is reasonable to expect continued opportunities to market the park.
2. The City of Grand Ledge did the preliminary work necessary for a successful park. The City annexed property into the City. It created a Local Development Finance Authority. It pledged its revenue sharing as collateral for the Renaissance Park Fund loan. It financed the preliminary engineering studies. Through the LDFA, it contracted for economic development services to bring the park into being and to market property to prospects.
3. The capture of revenues through tax increment financing generated a sufficient cash flow to retire the borrowing needs to build the park.
4. The City of Grand Ledge lacked zoned industrial property for development. The City Zoning Administrator certified that "there [was] shortage of suitable industrial sites in the City of Grand Ledge. The City [had] very little vacant land available for any type of development. Other properties in the City that [were] zoned industrial [were] occupied." (Letter to Michigan Jobs Commission, November 19, 1997.)
5. The development could not be done by private developers. The Chairman of the Grand Ledge Area Chamber of Commerce Economic Development Committee and President of the Grand Ledge Economic Improvement Corporation described efforts, supported solely by the supported solely by the private sector, to encourage industrial development within the City. "We had members of the committee and the corporation do their own feasibility analyses and none of the businessmen could make the numbers work either individually or as a consortium... We could not find a way to make the risk and profit potential acceptable... The cost of land acquisition, infrastructure improvements, permits and taxes [was] too high for the project to be successful as a private sector development." (Letter to Michigan Jobs Commission, November 21, 1997.)

Since the original TIF and Development Plans were approved in 1998, the Willis Industrial Park has become home to five corporations which have made significant investments in the City and created hundreds of jobs, thereby actualizing the reasons stated. The proposed amendment extending the life of the development and tax increment plan through 2028 would continue to support the growth of the local and regional economy.

Section 412 (1)(b) An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part or all of the captured assessed value or, subject to subsection (3), of the tax increment revenues attributable to the levy of any taxing jurisdiction, but the portion intended to be used shall be clearly stated in the plan. The board or the municipality creating the authority may exclude from captured assessed value a percentage of captured assessed value as specified in the plan or growth in property value resulting solely from inflation. If excluded, the plan shall set forth the method for excluding growth in property value resulting solely from inflation.

The original plan provided the following estimates of the captured assessed value for each year of the plan. The analysis assumed average sales of five acres per year at \$20,000 per acre beginning in 1999, after completion of Phase I of the Development Plan. There was one acre under roof for each five acres of land and a value of \$4,200 per square foot for building, machinery and equipment. Full industrial tax abatements will be granted to all tenants. Captured assessed value is lagged by one year from sales to reflect the way property is added to the tax roll. The Sumbal property had a Taxable Value of \$229,644 as of March 1998. Thus, the Current Assessed Value will be \$229,644 for the purposes of calculating the Captured Assessed Value.

**TABLE 2:
ORIGINAL PLAN'S ESTIMATED CAPTURED ASSESSED VALUE, 1999-2014**

YEAR	LAND	M&E	TRU MKT	TAXABLE VALUE	TAX ON LAND	TAX ON M&E	POST ABATE M&E TAX	TOTAL CAPTURE
1999	\$ 100,000	\$ 8,712,000	\$ 8,812,000	\$ 4,176,356				
2000	\$ 200,000	\$ 17,424,000	\$ 17,624,000	\$ 8,582,356	\$ 1,106	\$ 45,631		\$ 46,737
2001	\$ 300,000	\$ 26,136,000	\$ 26,436,000	\$ 12,988,356	\$ 2,212	\$ 93,802		\$ 96,014
2002	\$ 400,000	\$ 34,848,000	\$ 35,248,000	\$ 17,394,356	\$ 3,318	\$ 141,973		\$ 145,291
2003	\$ 500,000	\$ 43,560,000	\$ 44,060,000	\$ 21,800,356	\$ 4,423	\$ 190,144		\$ 194,567
2004	\$ 600,000	\$ 52,272,000	\$ 52,872,000	\$ 26,206,356	\$ 5,529	\$ 238,315		\$ 243,844
2005	\$ 700,000	\$ 60,984,000	\$ 61,684,000	\$ 30,612,356	\$ 6,635	\$ 286,486		\$ 293,121
2006	\$ 800,000	\$ 69,696,000	\$ 70,496,000	\$ 35,018,356	\$ 7,741	\$ 334,656		\$ 342,397
2007	\$ 900,000	\$ 78,408,000	\$ 79,308,000	\$ 39,424,356	\$ 8,847	\$ 382,827		\$ 391,674
2008	\$ 1,000,000	\$ 87,120,000	\$ 88,120,000	\$ 43,830,356	\$ 9,953	\$ 430,998		\$ 440,951
2009	\$ 1,100,000	\$ 95,832,000	\$ 98,932,000	\$ 48,236,356	\$ 11,058	\$ 479,169		\$ 490,227
2010	\$ 1,200,000	\$ 104,544,000	\$ 105,744,000	\$ 52,642,356	\$ 12,164	\$ 527,340		\$ 539,504
2011	\$ 1,300,000	\$ 113,256,000	\$ 114,556,000	\$ 57,048,356	\$ 13,270	\$ 575,510		\$ 588,780
2012	\$ 1,300,000	\$ 113,256,000	\$ 114,556,000	\$ 57,048,356	\$ 14,376	\$ 623,681	\$ 45,631	\$ 683,688
2013	\$ 1,300,000	\$ 113,256,000	\$ 114,556,000	\$ 57,048,356	\$ 14,376	\$ 623,681	\$ 93,802	\$ 731,859
2014	\$ 1,300,000	\$ 113,256,000	\$ 114,556,000	\$ 57,048,356	\$ 14,376	\$ 623,681	\$ 141,973	\$ 780,030

*LAND: Cumulative value of sales of parcels in the industrial park

**M&E: Value of machinery and equipment and building, estimated at \$200 per square foot

***TRUMKT: True market value of investment; sum of LAND AND M&E

****TAXABLE VALUE: One-halfTRU MKT minus \$229,644

The following table provides updated estimates of the captured assessed value for each year of the plan. The analysis assumes average sales of five acres per year at \$35,000 per acre and a value of \$4,200 per square foot for building, machinery and equipment. Full industrial tax abatements will continue to be granted to all tenants.

**TABLE 3:
UPDATED ESTIMATED CAPTURED ASSESSED VALUE, 2015-2028**

YEAR	LAND	M&E	TRU MKT	TAXABLE VALUE	TAX ON LAND	TAX ON M&E	POST ABATE M&E TAX	TOTAL CAPTURE
2015	1,775,000	148,104,000	149,879,000	74,709,856	17,696	752,717		770,413
2016	1,950,000	156,816,000	158,766,000	79,153,356	19,632	799,762		819,393
2017	2,125,000	165,528,000	167,653,000	83,596,856	21,567	846,806		868,373
2018	2,300,000	174,240,000	176,540,000	88,040,356	23,503	893,851		917,354
2019	2,475,000	182,952,000	185,427,000	92,483,856	25,438	940,896		966,334
2020	2,650,000	191,664,000	194,314,000	96,927,356	27,374	987,941		1,015,314
2021	2,825,000	200,376,000	203,201,000	101,370,856	29,309	1,034,986		1,064,295
2022	3,000,000	209,088,000	212,088,000	105,814,356	31,245	1,082,030		1,113,275
2023	3,175,000	217,800,000	220,975,000	110,257,856	33,180	1,129,075		1,162,255
2024	3,350,000	226,512,000	229,862,000	114,701,356	35,116	1,176,120		1,211,236
2025	3,525,000	235,224,000	238,749,000	119,144,856	37,051	1,223,165		1,260,216
2026	3,700,000	243,936,000	247,636,000	123,588,356	38,987	1,270,210		1,309,196
2027	3,875,000	252,648,000	256,523,000	128,031,856	40,922	1,317,254		1,358,176
2028	4,050,000	261,360,000	265,410,000	132,475,356	42,858	1,364,299		1,407,157

Section 412(1)(c) The estimated tax increment revenues for each year of the plan.

The following table provides an update of property tax millages eligible for capture which include county, city, and LCC taxes.

TABLE 4: PROPERTY TAXES

Millage	2013	2014	2015	2016	2017	2018
City	11.2905	11.2905	11.2905	11.2905	11.2858	11.2811
County	7.5899	7.5899	7.5899	7.5899	7.5899	7.5899
LCC	3.8072	3.8072	3.8072	3.8072	3.8072	3.8072
GLAESA	2.9566	2.9566	2.9566	2.9566	2.9539	2.9539

Table 5 provides the LDFA capture history by unit from 2005-2018.

TABLE 5: LDFA HISTORY BY TAXING UNIT

	County	City	College	Library	Fire	Year Total
Tax year	9.0899	11.2811	3.8072	1.153	2.9539	28.2851
2005-06	3,287.22	4,079.63	1,376.81	416.96	1,068.23	10,228.85
2006-07	3,485.39	4,325.58	1,459.82	442.10	1,132.63	10,845.52
2007-08	3,111.10	3,861.05	1,303.05	394.62	1,011.00	9,680.82
2008-09	4,154.85	5,156.41	1,740.21	527.02	1,350.18	12,928.66
2009-10	4,107.82	5,098.04	1,720.51	521.05	1,334.90	12,782.32
2010-11	3,439.84	4,269.05	1,440.74	436.32	1,117.83	10,703.78
2011-12	3,895.31	4,834.31	1,631.51	494.10	1,265.84	12,121.07
2012-13	3,771.03	4,680.07	1,579.45	478.33	1,225.45	11,734.34
2013-14	3,690.97	5,490.57	1,851.44	560.70	1,436.48	13,030.17
2014-15	3,634.04	5,405.89	1,822.89	552.06	1,414.33	12,829.21
2015-16	4,078.05	6,066.39	2,045.61	619.51	1,587.13	551,696.68
2016-17	7,207.22	10,721.24	3,615.24	1,094.87	2,804.97	975,024.55
2017-18	14,888	22,137	7,468	2,262	5,794	2,014,053
Total	62,750.84	86,125.23	29,055.28	8,799.64	22,542.97	3,657,658.97
13 year Average	4,826.99	6,625.02	2,235.02	676.90	1,734.07	281,358.38

Using an average increase of \$270,280 in taxable value starting in 2019, Table 6 below shows an estimate of tax increment revenues through the life of the plan (2028).

TABLE 6: ESTIMATED TAX INCREMENT REVENUES (2013-2028)

			County	City	College	Fire	Year Total
			7.5899	11.2905	3.8072	2.9566	25.6442
Tax Increment Capture Table							
Tax year	Base Value	Tax Increment Value	0.0075899	0.0112905	0.0038072	0.0029566	0.0256442
2013		486,300	3,691	5,491	1,851	1,438	\$12,471
2014		478,800	3,634	5,406	1,823	1,416	\$12,278
2015	-	537,300	4,078	6,066	2,046	1,589	\$13,779
2016	-	949,581	7,207	10,721	3,615	2,808	\$24,351
			18,610	27,684	9,335	7,250	
Change in Millage				11.2858		2.9539	
				0.0113		0.0030	
2017	-	1,961,505	14,888	22,137	7,468	5,794	\$50,287
Change in Millage				11.2811			
				0.0113			
2018	-	1,837,700	13,948	20,731	6,996	5,428	\$47,104
2019	-	2,107,980	15,999	23,780	8,026	6,227	\$54,032
2020	-	2,378,260	18,051	26,829	9,055	7,025	\$60,960
2021	-	2,648,540	20,102	29,878	10,084	7,824	\$67,888
2022	-	2,918,820	22,154	32,928	11,113	8,622	\$74,815
2023	-	3,189,100	24,205	35,977	12,142	9,420	\$81,743
2024	-	3,459,380	26,256	39,026	13,171	10,219	\$88,671
2025	-	3,729,660	28,308	42,075	14,200	11,017	\$95,599
2026	-	3,999,940	30,359	45,124	15,229	11,815	\$102,527
2027	-	4,270,220	32,411	48,173	16,258	12,614	\$109,455
2028	-	4,540,500	34,462	51,222	17,287	13,412	\$116,383
			266,254	395,742	133,557	103,623	899,177

Section 412(1)(d) A detailed explanation of the tax increment procedure.

Tax increment financing permits the Authority to capture tax revenues attributable to increases in the value of real and personal property resulting from the implementation of a development plan as defined in Public Act 57 of 2018. Property value increases will be attributable to the development projects.

At the time the Plan was initially approved by the City Council, the value of the eligible property within the boundaries of the Authority District/Development Area (the "Initial Assessed Value") was established. The Initial Assessed Value is the taxable value of the eligible property on that date.

In each subsequent year for the duration of the tax increment financing plan, the "Current Assessed Value" of the taxable property will be determined. The Current Assessed Value for each year is the taxable value of the taxable property in the Authority District/Development Area for that year.

The amount by which the Current Assessed Value exceeds the Initial Assessed Value in any one year is the "Captured Assessed Value." For the duration of the tax increment financing plan, any local taxing jurisdictions will continue to receive tax revenues based on the Initial Assessed Value. The Authority, however, (subject to the provisions of any agreements for the sharing of Captured Assessed Value) receives that portion of the tax levy of all taxing jurisdictions paid each year on the Captured Assessed Value of the taxable property included in the tax increment financing plan, other than the State, local school district and intermediate school district tax levies or any taxes specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit or specific local taxes attributable to such ad valorem property taxes.

For example, in the first year a tax increment financing plan relating to taxable property having a taxable value of \$5,000,000 is established. The Initial Assessed Value is \$5,000,000. Assume that the aggregate tax rate of all taxing jurisdictions (other than the State, local school district and intermediate school district) applicable to all taxable property in the Development Area is 25 mills. In the first year, the taxes on the property will be \$125,000 (25 mills multiplied by \$5,000,000). None of those taxes will be captured by the Authority. In the second year, because of the construction of new property and the increased value of the property where the public improvements have lent advantage to the property, the total taxable value of the taxable property in the Development Area increases to \$8,000,000. The Captured Assessed Value in year two is \$3,000,000 and the taxes paid on the Captured Assessed Value will be \$75,000 (the "Tax Increment Revenues"). As collected, the City Treasurer and County Treasurer are required to pay to the Authority the \$75,000 in Tax Increment Revenues, and to pay to the other taxing units the \$125,000 in tax revenues derived from the application of their millages to the Initial Assessed Value of all property in the Development Area.

Section 412(1)(e) The maximum amount of note or bonded indebtedness to be incurred, if any.

The maximum amount of bonded indebtedness to be incurred by or on behalf of the Authority for the purpose of financing the Development Plan is \$30,400,000.

Section 412(1)(f) The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.

The original plan states that the costs of planning and any construction costs incurred by the City on behalf of the Authority prior to the issuance of bonds, the receipt of the Michigan Municipal Bond Authority loan and the Renaissance Park Fund loan will be reimbursed from tax increment revenues, the sale of land or from the proceeds of loans and bonds.

When the original plan was approved, the City had loaned \$9,000 to the Authority for operating expenses. The Authority currently has accounts payable of approximately \$10,000 (clarify – is that amount owed by the LDFA to the City?).

In 2002, the City of Grand Ledge issued Industrial Park Improvement bonds for LDFA purposes, and subsequently the Willis Industrial Park, and the LDFA was responsible for repayment. The 2002 bonds were refinanced, along with other City financial obligations, in 2016. Refer to Appendix: Exhibit 1 - 2016 Capital Improvement and Refunding Bonds (General Obligation – Limited Tax).

The following table also outlines the contributions from the City’s general fund to the LDFA.

TABLE 7: City General Fund Contributions to the LDFA

FISCAL YEAR	AMOUNT CONTRIBUTED
Through 6/30/07	\$577,309
FY 08	489,490
FY 09	356,390
FY 10	716,200
FY 11	310,000
FY 12	310,000
FY 13	524,196
FY 14	100,000
FY 15	85,000
FY 16	80,000
FY 17	177,873
FY 18	100,000
TOTAL	\$3,826,458

The city does not anticipate forwarding or advancing any additional dollars to the LDFA.

Section 412(1)(g) The costs of the plan anticipated to be paid from tax increment revenues as received.

The costs of the implementation of the Development Plan, as described herein, and operating costs of the Authority are expected to be paid from tax increment revenues and sales of land within the industrial park. These revenue sources are expected to enable the Authority to repay the principal and interest of loans and to pay operating expenses.

Section 412(1)(h) The duration of the development plan and the tax increment plan.

This plan shall not expire until December 31, 2028.

Section 412(1)(i) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the development area is located.

The Authority will only capture tax increment revenues from the City, the County and Lansing Community College and therefore, there will be no adverse impact of the tax increment financing on the other taxing jurisdictions.

TABLE 8: Estimated Tax Increment Captures

Tax Increment Capture Table			County	City	College	Fire	Year Total
			7.5899	11.2905	3.8072	2.9566	25.6442
Tax year	Base Value	Tax Increment Value	0.0075899	0.0112905	0.0038072	0.0029566	0.0256442
2013		486,300	3,691	5,491	1,851	1,438	\$12,471
2014		478,800	3,634	5,406	1,823	1,416	\$12,278
2015	-	537,300	4,078	6,066	2,046	1,589	\$13,779
2016	-	949,581	7,207	10,721	3,615	2,808	\$24,351
			18,610	27,684	9,335	7,250	
Change in Millage				11.2858		2.9539	
				0.0113		0.0030	
2017	-	1,961,505	14,888	22,137	7,468	5,794	\$50,287
Change in Millage				11.2811			
				0.0113			
2018	-	1,837,700	13,948	20,731	6,996	5,428	\$47,104
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2022	-	2,918,820	22,154	32,928	11,113	8,622	\$74,815
2023	-	3,189,100	24,205	35,977	12,142	9,420	\$81,743
2024	-	3,459,380	26,256	39,026	13,171	10,219	\$88,671
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2027	-	4,270,220	32,411	48,173	16,258	12,614	\$109,455
2028	-	4,540,500	34,462	51,222	17,287	13,412	\$116,383
			266,254	395,742	133,557	103,623	899,177
			County	City	College	College	
Total Capture			299,752	445,563	150,360	116,667	

Section 412(1)(j) A legal description of the eligible property to which the tax increment financing plan applies or shall apply upon qualification as eligible property.

The legal description follows:

"Parcels of land more particularly described as: That part of the Northwest Fractional 1/4 and the East Fractional Yi of Sec 1, T4N, R4W, Oneida Township, beginning at the West 1/4 corner of Section land running North, on the Section line, 452.4 feet; thence East 231.0 feet; thence North 30 feet; thence East 80.6 feet; thence North 326.4 feet; thence West 311.6 feet, more or less to the West Section line; thence North to a point, 945.7 feet South of the Northwest corner of Section 1; thence East 190.0 feet; thence North 100.0 feet; thence East 278.2 feet, more or less to a line 468.2 feet East of and parallel to the West Section line; thence North, parallel to the West Section line 845.7 feet, more or less; thence East, on the North Section line of Section 1, to a point 768.0 feet West of the North 1/4 corner of said Section 1; thence South 300.0 feet; thence East 768.0 feet, more or less, to the North-South 1/4 line; thence South, on the North-South 1/4 line, to the Northwest corner of the Southwest 1/4 of the Northeast 1/4 of Fractional Section 1; thence East, on the North line of said Southwest 1/4 of the Northeast 1/4 to its Northeast corner; thence South, on the East line of said Southwest 1/4 of the Northeast 1/4, to the North line of the CSX Railroad Right-of-Way (formerly the Detroit Northern and Lansing Railroad); thence Southwesterly along said railroad Right-of-Way (33 feet from and Northwesterly of the railroad centerline) to the intersection of the North-South 1/4 line; thence North on the North-South 1/4 line to the center of Section 1; thence West on the East-West 1/4 line to the West 1/4 corner of said Section 1 and the point of beginning; also that part of the Southwest 1/4 of the Northeast 1/4 of Fractional Section 1 lying Southeasterly of the CSX Railroad Right-of-Way. The above parcel(s) subject to all easements Rights-of-Record, and highway easements and/or Rights-of-Way as they may pertain to said parcels."

Section 412(1)(k) An estimate of the number of jobs to be created as a result of implementation of the tax increment financing plan.

The City of Grand Ledge is optimistic that the industrial park will continue to be attractive to manufacturing users into the future. Within this plan, the LDFA is proposing cutting edge investments for manufacturing infrastructure. These investments will spur new investment into the industrial park. It is anticipated, that these new investments could create a range of employment opportunities within the city and the county. While it is difficult to really determine how many jobs may be created, specifically due to the roboticization of the workforce, and automation of the manufacturing process, within a certain degree of confidence approximately 800-1,000 new jobs could be created. This is totally dependent on an employer that has a major investment into its workforce. As previously stated, manufacturing is less people dependent, and more reliant on automation.

Section 412(1)(l) The proposed boundaries of a certified technology park to be created under an agreement proposed to be entered into pursuant to section 412a, or of a certified alternative energy park to be created under an agreement proposed to be entered into pursuant to section 412c, or of a Next Michigan development area designated under section 412e, an identification of the real property within the certified technology park, the certified alternative energy park, or the Next Michigan development area to be included in the tax increment financing plan for purposes of determining tax increment revenues, and whether personal property located in the certified technology park, the certified alternative energy park, or the Next Michigan development area is exempt from determining tax increment revenues.

Not applicable.

DEVELOPMENT PLAN

The presentation of the Development Plan follows the statutory requirements of PA 57 of 2018, specifically Section 415(2)(a) through (p). (MCL 125.4415(2)(a) through (2)(p)).

PA 57 requires that a development plan contain all of the following:

- (a) A description of the property to which the plan applies in relation to the boundaries of the authority district and a legal description of the property.
- (b) The designation of boundaries of the property to which the plan applies in relation to highways, streets, or otherwise.
- (c) The location and extent of existing streets and other public facilities in the vicinity of the property to which the plan applies; the location, character, and extent of the categories of public and private land uses then existing and proposed for the property to which the plan applies, including residential, recreational, commercial, industrial, educational, and other uses.
- (d) A description of public facilities to be acquired for the property to which the plan applies, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.
- (e) The location, extent, character, and estimated cost of the public facilities for the property to which the plan applies, and an estimate of the time required for completion.
- (f) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.
- (g) A description of any portions of the property to which the plan applies, which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.
- (h) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.
- (i) An estimate of the cost of the public facility or facilities, a statement of the proposed method of financing the public facility or facilities, and the ability of the authority to arrange the financing.
- (j) Designation of the person or persons, natural or corporate, to whom all or a portion of the public facility or facilities is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.
- (k) The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the public facility or facilities upon its completion, if there is no express 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.
- (l) Estimates of the number of persons residing on the property to which the plan applies and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and

clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(m) A plan for establishing priority for the relocation of persons displaced by the development.

(n) 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, 42 USC 4601 to 4655.

(o) A plan for compliance with 1972 PA 227, MCL 213.321 to 213.332.

(p) Other material which the authority or governing body considers pertinent.

Section 415(2)(a) A description of the property to which the plan applies in relation to the boundaries of the authority district and a legal description of the property.

The development district consists of approximately 181 acres located on the northwest side of the City. The land is located entirely within the City of Grand Ledge, and is zoned I-1, Light Industrial. The City presently owns approximately 121 acres within the district.

The boundaries of the development district are identical to the boundaries of the tax increment financing district and the Authority District.

The legal description and a map of the property follows:

"Parcels of land more particularly described as: That part of the Northwest Fractional 1/4 and the East Fractional 1/4 of Sec 1, T4N, R4W, Oneida Township, beginning at the West 1/4 corner of Section land running North, on the Section line, 452.4 feet; thence East 231.0 feet; thence North 30 feet; thence East 80.6 feet; thence North 326.4 feet; thence West 311.6 feet, more or less to the West Section line; thence North to a point, 945.7 feet South of the Northwest corner of Section 1; thence East 190.0 feet; thence North 100.0 feet; thence East 278.2 feet, more or less to a line 468.2 feet East of and parallel to the West Section line; thence North, parallel to the West Section line 845.7 feet, more or less; thence East, on the North Section line of Section 1, to a point 768.0 feet West of the North 1/4 corner of said Section 1; thence South 300.0 feet; thence East 768.0 feet, more or less, to the North-South 1/4 line; thence South, on the North-South 1/4 line, to the Northwest corner of the Southwest 1/4 of the Northeast 1/4 of Fractional Section 1; thence East, on the North line of said Southwest 1/4 of the Northeast 1/4 to its Northeast corner; thence South, on the East line of said Southwest 1/4 of the Northeast 1/4, to the North line of the CSX Railroad Right-of-Way (formerly the Detroit Northern and Lansing Railroad); thence Southwesterly along said railroad Right-of-Way (33 feet from and Northwesterly of the railroad centerline) to the intersection of the North-South 1/4 line; thence North on the North-South 1/4 line to the center of Section 1; thence West on the East-West 1/4 line to the West 1/4 corner of said Section 1 and the point of beginning; also that part of the Southwest 1/4 of the Northeast 1/4 of Fractional Section 1 lying Southeasterly of the CSX Railroad Right-of-Way. The above parcel(s) subject to all easements Rights-of-Record, and highway easements and/or Rights-of-Way as they may pertain to said parcels."

Section 415(2)(b) The designation of boundaries of the property to which the plan applies in relation to highways, streets, or otherwise.

The property is bounded on the south by CSX Rail Line, on the west by M-100, on the north by Eaton Highway, and on the east by property lines marked roughly by tree lines and hedge rows. A map of the district is shown below.

MAP 1:



Section 415(2)(c) The location and extent of existing streets and other public facilities in the vicinity of the property to which the plan applies; the location, character, and extent of the categories of public and private land uses then existing and proposed for the property to which the plan applies, including residential, recreational, commercial, industrial, educational, and other uses.

The location and extent of existing streets and other public facilities in the property to which the plan applies are described above and shown on the map. There are currently no public land uses within the existing property. Private land uses include light industrial, distribution, manufacturing, and undeveloped city-owned property. Future use of the property included within the development plan would be in accordance with the current zoning for the property (I-1, Light Industrial).

Section 415(2)(d) A description of public facilities to be acquired for the property to which the plan applies, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.

The property currently offers access to industrial-grade water, sewer, electric, gas, internet service, and existing city-owned roads in the immediate vicinity of the development district. Any additional public facilities to be acquired to which the plan applies are pursuant to future development plans and approval by the LDFA Board and City Council.

District Infrastructure Improvements	Estimated Costs
Signage and Landscape Improvements	\$400,000
Street Lighting and Signalization Improvements	\$1,000,000
Road and Rail Construction	\$5,000,000
Alternate Energy Based Infrastructure	\$5,000,000
Technology (High Giga Byte Fiber)	\$2,000,000
Property Acquisition	\$2,000,000
Sanitary, Stormwater, and Sewer System Improvements	\$10,000,000
Engineering and Planning Programs	\$500,000
Business Consulting Projects	\$500,000
Multi-Modal Transportation Infrastructure	\$2,000,000
Marketing and Promotion	\$1,000,000
	\$30,400,000

Section 415(2)(e) The location, extent, character, and estimated cost of the public facilities for the property to which the plan applies, and an estimate of the time required for completion.

District Infrastructure Improvements	Estimated Time of Completion
Signage and Landscape Improvements	2020 and ongoing
Street Lighting and Signalization Improvements	2020 and ongoing
Road and Rail Construction	2020 and ongoing
Alternate Energy Based Infrastructure	2020 and ongoing
Technology (High Giga Byte Fiber)	2020 and ongoing
Property Acquisition	2020 and ongoing
Sanitary, Stormwater, and Sewer System Improvements	2020 and ongoing
Engineering and Planning, Digital Specs Buildings	2020 and ongoing
Business Consulting Projects	2020 and ongoing
Multi-Modal Transportation Infrastructure	2020 and ongoing
Marketing and Promotion	2020 and ongoing

Section 415(2)(f) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

The proposed construction project, contingent upon available LDFA review, is expected to commence in 2020 and proceed through 2028. The stages of construction are dependent on the availability and the fiscal year in which that revenue can produce enough yield to fund projects.

Section 415(2)(g) A description of any portions of the property to which the plan applies, which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

Not applicable.

Section 415(2)(h) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

No zoning changes, changes in streets, street levels, intersections are needed.

Refer to section (2)(d)-(e) for information on sanitary, stormwater, and sewer system improvements to be implemented.

Section 415(2)(i) An estimate of the cost of the public facility or facilities, a statement of the proposed method of financing the public facility or facilities, and the ability of the authority to arrange the financing.

The original projected total cost for the implementation of the project as outlined above is approximately \$7,750,000 as outlined in Section 2(e). This amount represents broad category estimates for infrastructure improvements throughout the LDFA district, not just one singular parcel. Establishing a conservative estimate gives the LDFA flexibility to spend within the categories up to the amount based on available revenues or potential bonding. Given the City's credit, the Authority is confident that financing could be arranged on terms favorable to the LDFA should the project require financing through a bond issue.

The activities of the authority and the development of public improvements shall be financed from one or more of the following sources:

- Tax Incremental Financing (TIF).
- Contributions from private parties within the District.
- Funding received through grant programs.
- Municipal participation (Staff and Administrative Support/Start Up Costs).
- Bonding for improvements.

Tax Increment Financing will be the primary source of funding for the project. The LDFA may issue bonds to generate capital for improvements or it may elect to pay for the improvements on a "pay-as-you-go" basis.

Section 415(2)(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the public facility or facilities is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.

The district developed over the twenty years, and much of the infrastructure now requires upgrades and additions. Throughout the LDFA district, new opportunities for development and business expansion and attraction exist. This amended LDFA Plan addresses infrastructure upgrades, property acquisition, and promotion and marketing opportunities. Infrastructure upgrades include, but are not limited to, road construction, completing streets, improving traffic flow, high gigabyte fiber connectivity, and traffic and engineering studies. Property acquisitions may include but are not limited to expansions, acquiring and removing blight, acquiring property to improve road connectivity and traffic flow, and acquiring and leasing facilities to qualified companies. Marketing and promotional improvements include but are not limited to streetscape enhancements, LDFA district branding studies, directional and place making signage, social media and website marketing.

Companies located in the industrial district will benefit from these improvements.

At this time, the Authority does not expect to lease, sell or convey any public facilities.

Section 415(2)(k) The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the public facility or facilities upon its completion, if there is no express 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.

The land sale or lease will be negotiated by Authority staff and reviewed and approved by the Authority Board.

The Local Development Finance Authority reviews agreements and proposals presented to them by the City of Grand Ledge administration as it pertains to client companies at Willis Industrial Park. This practice will continue. However, the LDFA may adopt guidelines by resolution that would allow the administration to negotiate within certain parameters, and therefore do not require consistent LDFA approval.

The LDFA may also adopt guidelines providing the administration the flexibility to conduct business prescribed by the City of Grand Ledge City Council.

Section 415(2)(l) Estimates of the number of persons residing on the property to which the plan applies and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

There are no residents on the property, and therefore no persons will be displaced.

Section 415(2)(m) A plan for establishing priority for the relocation of persons displaced by the development.

Not applicable.

Section 415(2)(n) 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, 42 USC 4601 to 4655.

Not applicable.

Section 415(2)(o) A plan for compliance with 1972 PA 227, MCL 213.321 to 213.332.

The LDFA and City of Grand Ledge will provide information as prescribed in the Public Act 57 of 2018, the Recodified Tax Increment Finance Act.

In reference to Public Act 227 or 1972, a plan for compliance is not applicable since there are no residents currently living on the property.

Section 415(2)(p) Other material which the authority or governing body considers pertinent.

Attached hereto is the Tax Increment Financing Plan, which is an integral part of the Development Plan.

As required, the LDFA shall submit amendments to the Development Plan or Tax Increment Plan to the governing body (City Council) for review and approval. The City Administration and Budget and Finance office will monitor and periodically report on the use of TIF funds to ensure the programs developed and offered in the SmartZone are fulfilling the goals of creating companies and jobs for the community and promoting economic development.

APPENDIX

EXHIBIT 1: 2016 Capital Improvement and Refunding Bonds

OFFICIAL STATEMENT
of the
CITY OF GRAND LEDGE
County of Eaton, State of Michigan

\$5,000,000
2016 CAPITAL IMPROVEMENT AND REFUNDING BONDS
(GENERAL OBLIGATION – LIMITED TAX)

INTRODUCTION

This Official Statement, including the cover page hereof and the appendices hereto, is provided by the City of Grand Ledge, County of Eaton, Michigan (the "City") for the purpose of setting forth information to all who may become registered owners of the City's \$5,000,000 2016 Capital Improvement and Refunding Bonds (General Obligation – Limited Tax) (the "Bonds").

THE FINANCING

Purpose of the Bonds

Proceeds from the sale of the Bonds will be used to (i) pay the costs of reconstructing/resurfacing certain streets and municipal parking lots, including the installation of sidewalks, curb and gutter and related infrastructure, utility and drainage improvements, and other necessary and related improvements (the "Project"), (ii) advance refund the City's Bridge and Island Improvement Bonds, Series 2002 (General Obligation – Limited Tax) (the "2002 Bridge Bonds"), dated August 1, 2002, maturing in the years 2017 through and including 2022 (the "2002 Bridge Bonds to be Refunded"), on November 1, 2016 (the "2002 Bridge Refunding"), (iii) advance refund the City's Capital Improvement Bonds, Series 2002 (General Obligation – Limited Tax) (the "2002 Industrial Park Bonds"), dated November 1, 2002, maturing in the years 2017 through and including 2022 (the "2002 Industrial Park Bonds to be Refunded," together with the 2002 Bridge Bonds to be Refunded, the "Bonds to be Refunded"), on November 1, 2016 (the "2002 Industrial Park Refunding" together with the 2002 Bridge Refunding, the "Refundings"), and (iv) pay certain expenses relating to the issuance of the Bonds. The 2002 Industrial Park Bonds, maturing on November 1, 2016 will not be refunded with the proceeds of the Bonds (the "Outstanding Bonds").

The Refundings

Certain proceeds of the Bonds will be used, together with other monies transferred by the City at the time of delivery of the Bonds, to establish an escrow fund (the "Escrow Fund") consisting of cash and direct obligations of the United States of America (the "Government Obligations"). The Escrow Fund will be held by The Bank of New York Mellon Trust Company, Detroit, Michigan (the "Escrow Agent"), pursuant to an escrow agreement (the "Escrow Agreement"), which irrevocably directs the Escrow Agent to (i) make all payments of the principal of the Bonds to be Refunded at call for redemption and all payments of interest when due, and (ii) take all steps necessary to call the Bonds to be Refunded on their first call date. The Escrow Fund will be in such amounts so that the cash and the principal of and interest payments received on the Government Obligations will be sufficient, without reinvestment, to pay the principal of and interest on the Bonds to be Refunded. Proceeds of the Bonds not being used to pay the principal of and interest on the Bonds to be Refunded will be used to pay certain expenses related to the issuance of the Bonds. The principal of and interest on the Outstanding Bonds will not be refunded with the proceeds of the Bonds.

The City has retained the services of Causey, Demgen and Moore, Denver, Colorado to review the Escrow Fund to verify (i) the mathematical computations of the adequacy of cash and certain obligations to be held in the Escrow Fund and used, together with the earnings thereon, to pay the principal and interest requirements of the 2002 Bridge Bonds to be Refunded, and 2002 Industrial Park Bonds to be Refunded, and (ii) the computations of the yield on the 2002 Bridge Bonds to be Refunded and the 2002 Industrial Park Bonds to be Refunded and the yield of such obligations in the Escrow Fund, supporting the conclusion of Bond Counsel that the interest on the Bonds is excludable from gross income for Federal income tax purposes as indicated under the caption "TAX MATTERS."

The 2002 Bridge Bonds to be Refunded

The following table sets forth the principal of and interest on the 2002 Bridge Bonds to be Refunded that will be paid from the Escrow Fund.

**2002 Bridge Bonds to be Refunded
Escrow Fund Requirements**

<u>Redemption Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
November 1, 2016	<u>\$165,000.00</u>	<u>\$4,178.75</u>	<u>\$169,178.75</u>
Total	<u>\$165,000.00</u>	<u>\$4,178.75</u>	<u>\$169,178.75</u>

The 2002 Industrial Park Bonds to be Refunded

The following table sets forth the principal of and interest on the 2002 Industrial Park Bonds to be Refunded that will be paid from the Escrow Fund.

**2002 Industrial Park Bonds to be Refunded
Escrow Fund Requirements**

<u>Redemption Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
November 1, 2016	<u>\$215,000.00</u>	<u>\$5,778.75</u>	<u>\$220,778.75</u>
Total	<u>\$215,000.00</u>	<u>\$5,778.75</u>	<u>\$220,778.75</u>

Estimated Sources and Uses of Funds

Estimated Sources of Funds

Par Value	\$5,000,000.00
Premium	<u>90,696.50</u>
Total	<u>\$5,090,696.50</u>

Estimated Uses of Funds

Deposit to the Project Fund	\$4,599,000.00
Deposit to the Escrow Fund.....	389,645.25
Costs of Issuance (1).....	51,963.30
Underwriter's Discount	<u>50,087.95</u>
Total	<u>\$5,090,696.50</u>

(1) Includes legal, printing, rating, publication and other miscellaneous costs of issuance.
Source: City of Grand Ledge

EXHIBIT 2: Resolution Affirming the Exemption from the Local Development Finance Authority Tax Increment Finance Capture Conveyed to the Grand Ledge Area District Library

CITY OF GRAND LEDGE RESOLUTION #20 OF 2001

**A RESOLUTION AFFIRMING THE EXEMPTION FROM
THE LOCAL DEVELOPMENT FINANCE AUTHORITY TAX
INCREMENT FINANCE CAPTURE CONVEYED TO THE
GRAND LEDGE AREA DISTRICT LIBRARY.**

A resolution adopted by the City Council of the City of Grand Ledge at a regular meeting held on Monday, February 12, 2001, in the Council chambers, City Hall, Grand Ledge, Michigan.

WHEREAS, the City of Grand Ledge, Michigan ("City") is a municipal corporation organized under the provisions of Public Act 279 of 1909, as amended, commonly known as the Michigan Home Rule Cities Act (MCL 117.1 *et seq.*; MSA 5.2071 *et seq.*), and is governed by the provisions of the Grand Ledge City Charter adopted January 3, 1963, as amended ("Charter"); and

WHEREAS, on 01 July 2001, the Grand Ledge Public Library was reorganized as the Grand Ledge Area District Library; and

WHEREAS, as a result of unanimous Council action on 11 May 1998, the City Attorney was directed to compose a letter informing the Grand Ledge Public Library that Council authorizes them to be exempt from the tax increment finance capture of the Local Development Financing Authority;

NOW, THEREFORE, IT IS RESOLVED:

- 1. The City Council hereby affirms that the exemption from Local Development Financing Authority tax increment finance capture is conveyed to the Grand Ledge Area District Library.**

MOTION BY BRANDON

SECOND BY BRIGGS

AYES: BRANDON, BRIGGS, SMITH, TUMA

NAYS: NONE

ABSENT: DEMING, FINE, WYSZYNSKI

**Grand Ledge Area District Library
131 East Jefferson Street
Grand Ledge, Michigan 48837-1534**

**(517) 627-7014
Fax: (517) 627-6276**

**Suzanne Bowles
Library Director**

January 22, 2001

Mayor and Council Members,

I am pleased to share with you that the district library is in the process of requesting a special election to allow district residents to vote on a library millage proposal for 1.6 mills, the same millage as the former library.

In preparing for that request, I have been asked by the Library Board to bring forward two resolutions for your consideration. The purpose of the first resolution is to let city residents know that if they vote in favor of the district library millage it will replace the current levy supporting the library. The purpose of the second resolution is to affirm that the LDFA TIFA exemption of the former library passes to the district library.

Thank you for all of the assistance you have given during this time of transition.

Sincerely,



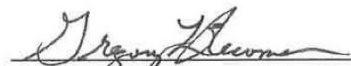
Suzanne Bowles

APPROVED:



Kalmin Smith, Acting Mayor Pro-Tem

I, Gregory Newman, City Clerk of the City of Grand Ledge, certify this is Resolution #20 of 2001 adopted by the City Council of the City of Grand Ledge, Eaton County, Michigan, at a regular meeting held on Monday, February 12, 2001; and that said meeting was held according to the Open Meetings Act, Act No. 267, Public Acts of Michigan, 1976, as amended.



Gregory L. Newman, City Clerk