

Memorandum



Date: June 15, 2026
To: Buchanan City Commission
From: Tony McGhee
Subject: **Ordinance to Amend Downtown Development Authority Budget and Spending Plan**

Background

Before the Commission, for consideration and a second reading, is an ordinance to amend the City of Buchanan Downtown Development Authority Development Plan and Tax Increment Financing Plan. The proposed amendment was prepared and approved by the Buchanan Downtown Development Authority and has been transmitted to the City Commission for consideration in accordance with the Recodified Tax Increment Financing Act, Public Act 57 of 2018, as amended.

The purpose of the public hearing is to receive public comment on the proposed amendment to the City of Buchanan Downtown Development Authority Development Plan and Tax Increment Financing Plan. The amendment is intended to further the purposes of the Act by supporting downtown development, preventing deterioration of property values, encouraging economic growth, and identifying proposed improvements and financing methods within the downtown district.

Downtown Development Authorities (DDA) are an important economic development tool used by communities throughout Michigan. A DDA is generally established by a municipality to focus on the improvement, preservation, and redevelopment of a defined downtown district. The intent is to provide a dedicated structure for addressing the needs of the downtown area, including public improvements, infrastructure, redevelopment efforts, beautification, and other activities that strengthen the district as a center of commerce, civic life, and community identity.

DDAs are commonly financed through tax increment financing, often referred to as TIF. Under a TIF plan, a portion of the increase in property tax revenue generated from growth in taxable value within the district may be captured and reinvested back into that district. This allows the economic growth created within the downtown area to help fund improvements

that support continued reinvestment, enhance public spaces, stabilize and improve property values, and encourage private development. In this way, the DDA serves as a mechanism for long-term, district-focused planning and investment.

The proposed budget and plan amendment were developed through a collaborative process by the DDA Board. Over the course of several public meetings, the Board reviewed priorities, discussed eligible uses of DDA funds, considered potential improvements, and worked together to create a budget focused on improving the downtown district. The process was guided by Dan Fette, Berrien County Community Development Director, who has extensive experience assisting DDAs throughout Berrien County with the development and adoption of Tax Increment Financing spending plans.

The work of the DDA Board reflects a good faith effort to create a practical and improvement-focused budget for the district. The proposed amendment identifies projects, priorities, and financing methods intended to support downtown development and strengthen the district over time. While the plan is developed and approved by the DDA Board, it requires approval by the City Commission before it may be formally adopted and implemented.

The ordinance before the City Commission provides the necessary step for consideration of the proposed amendment. Introducing the ordinance and conducting the required public hearing allows the City Commission to receive public input, consider the recommendation of the DDA Board, and determine whether the proposed amendment is consistent with the goals of the City and the purposes of Public Act 57.

Recommendation

Administration recommends that the City Commission hold the second public hearing to amend the City of Buchanan Downtown Development Authority Development Plan and Tax Increment Financing Plan and proceed with the approval process as required.

Attachment A: Proposed Amended DDA TIF Spending Plan

Attachment B: Draft Ordinance Amending DDA TIF Spending Plan

Attachment A



TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

2026 AMENDMENT

CITY OF BUCHANAN
DOWNTOWN DEVELOPMENT AUTHORITY

“Preserving the Past – Creating the Future”



DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF BUCHANAN
BERRIEN COUNTY, MICHIGAN

April 2026

SECTION ONE

INTRODUCTION

GENERAL OVERVIEW

In 2018, the Michigan Legislature enacted Public Act 57, titled the Recodified Tax Increment Financing Act. Part 2 of this legislation allows municipalities to form Downtown Development Authorities (DDAs) to provide a means for local units of government to eliminate property value deterioration and promote economic growth.

Since the adoption of this act, many cities and villages, including the City of Buchanan, have utilized a DDA to stimulate economic revitalization within their downtown business districts. A DDA establishes a district for which a plan is prepared identifying specific public and private improvements necessary to correct deterioration and encourage new investment.

Funding for these improvements is provided by Tax Increment Financing (TIF) through taxes paid on the increased value created within the district by new private investment. In theory, no taxes are lost by any taxing entity because it is assumed that the specific business investments resulting in the increased tax base would not occur without the implementation of the DDA Development and Tax Increment Financing Plan

POWERS OF THE AUTHORITY

Section 207 of the Act provides a detailed explanation of the powers of the Board of Directors of the DDA, as follows:

- (a) Prepare an analysis of economic changes taking place in the downtown district.
- (b) Study and analyze the impact of metropolitan growth upon the downtown district.
- (c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district.
- (d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.
- (e) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take

such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

(f) Implement any plan of development in the downtown district necessary to achieve the purposes of this part, in accordance with the powers of the authority as granted by this part.

(g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in property, which the authority determines is reasonably necessary to achieve the purposes of this part, and to grant or acquire licenses, easements, and options with respect to that property.

(i) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances to that property, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination of them.

(j) Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(k) Lease any building or property under its control, or any part of a building or property.

(l) Accept grants and donations of property, labor, or other things of value from a public or private source.

(m) Acquire and construct public facilities.

(n) Create, operate, and fund marketing initiatives that benefit only retail and general marketing of the downtown district.

(o) Contract for broadband service and wireless technology service in the downtown district.

(p) Operate and perform all duties and exercise all responsibilities described in this section in a qualified township if the qualified township has entered into an agreement with the municipality under section 203(7).

(q) Create, operate, and fund a loan program to fund improvements for existing buildings located in a downtown district to make them marketable for sale or lease. The board may make loans with interest at a market rate or may make loans with interest at a below market rate, as determined by the board.

(r) Create, operate, and fund retail business incubators in the downtown district.

BACKGROUND AND NEED FOR UPDATE

Establishment and History

The City of Buchanan Downtown Development Authority (DDA) was established by the City Commission on December 17, 1984, following a formal public hearing. In creating the Authority, the City Commission determined that the DDA was a necessary vehicle to:

"Halt property value deterioration and increase property tax valuation where possible in the business district of the City, eliminate the causes of that deterioration, and promote economic growth."

As required by the Downtown Development Act (now codified as part of Public Act 57 of 2018), a multi-year development plan was prepared and formally adopted on December 17, 1985. This initial plan established the Tax Increment Financing (TIF) district and provided the framework for the Authority's early initiatives.

To ensure the DDA remained responsive to the evolving needs of the downtown, the City Commission has adopted several updates over the years:

- January 22, 2007: Adoption of Ordinances 2007.01/372 and 2007.01/373, which amended the Downtown District boundaries and updated the Development Plan.
- September 28, 2015: Adoption of Ordinance 2015.09/396 to incorporate a new slate of development projects.

Reasons for the 2026 Update

Following a period of relative dormancy, the City Commission reactivated the DDA in 2025. The Authority resumed regular monthly meetings in August 2025 to evaluate the current state of the district and modernize its development strategy.

The DDA has identified the following core objectives for this update:

1. **Tourism and Foot Traffic:** Promote the downtown district as a premier destination for visitors.
2. **Economic Resilience:** Improve the overall business climate to deter decline and bolster the municipal tax base.
3. **Employment Growth:** Encourage the retention and expansion of local job opportunities.
4. **Public Amenities:** Maintain and enhance public facilities to ensure a high quality of life.
5. **Aesthetic and Historic Preservation:** Improve the visual amenities of the district while protecting Buchanan's unique historic character.

This 2026 Update renews the Development Plan and TIF Plan, authorizing the use of captured revenues to fund the strategic goals and specific projects outlined herein.

SECTION TWO

SUMMARY OF CURRENT PLAN

INTRODUCTION

The purpose of this section of the Development Plan Update is to summarize the accomplishments of the DDA since organization in 1984 and adoption of the Development Plan on December 17, 1984, as amended in 2007 and in 2015.

ACCOMPLISHMENTS

The DDA has successfully implemented several programs, including:

- Applying to the National Park Service to have Buchanan's historic downtown listed on the National Register of Historic Places
- Implementing the Building Improvement and Façade Grant program.
- Participating in the State of Michigan Main Street Program

It has not had financial resources to address other projects during the term of the current Development Plan.

SUMMARY ANALYSIS OF PROGRAMS AND PROJECTS

As shown in the narrative statements, the DDA has over the past years, taken careful action to implement several projects in an orderly and financially prudent manner. The City and DDA have successfully completed many of the scheduled and budgeted programs and projects using funds collected from the tax increment financing district process, albeit with a period of inaction since 2020.

This update is intended to reactivate the DDA's financing capacity to plan for the implementation, beginning in 2026, of the projects and programs:

- 1) Downtown Marketing and Wayfinding
- 2) Downtown Public Spaces - operations and maintenance
- 3) Tin Shop Theatre – operations and program assistance
- 4) Pears Mill - operations and program assistance
- 5) Farmers Market - operations and program assistance
- 6) Building façade grants / loans
- 7) Special Community Events

SECTION THREE

DEVELOPMENT PLAN UPDATE AND TAX INCREMENT PLAN

MISSION STATEMENT OF THE DDA

The Board of Directors reconfirms its original goals: to halt property value deterioration, increase property tax valuation, and promote economic growth.

LEGAL BASIS OF THE PLAN

This Development Plan Update and Tax Increment Plan is prepared pursuant to requirements of Section 217 of the Act, as amended. It addresses the Downtown Development District as amended by City Commission. A descriptive map, ordinance and legal description describing district is contained in the appendix.

DEVELOPMENT PLAN REQUIREMENTS

This section of the Development Plan Update provides specific information required in Section 217 Act. It consists of responses to specific information requested in subsections 2(a) through 2(p).

Section 217.2(a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

The DDA legal description and map are contained in the Appendix A.

Section 217.2(b) The location and extent of existing streets and other public facilities within the development area and shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the development area.

A copy of the Future Land Use map prepared by the City Planning Commission is contained in the Appendix B showing the relationship of the DDA boundary to other relevant uses of land and transportation routes.

Section 217.2(c) A description of improvements to be made in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

A description of specific improvement projects that are contemplated within the development district is contained in the project schedule and budget at the end of this section.

Section 217.2(d) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

A description, including cost estimate and schedule of implementation, for each improvement project that will be completed within the district is contained in the project schedule and budget at the end of this section.

Section 217.2(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

A description, including a cost estimate and implementation schedule for each specific improvement project that is proposed to be undertaken within the district is contained in the project schedule and budget at the end of this section.

Section 217.2(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

A copy of the Future Land Use map, prepared by the City Planning Commission, is contained in the appendix showing the relationship of land uses, including open spaces proposed within the DDA boundary.

Section 217.2(g) A description of any portion of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and proposed terms.

This Plan does not contemplate the acquisition, disposition or exchange of property with the municipality.

Section 217.2(h) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

All contemplated alterations to streets and utilities are shown within the context of the Future Land Use map prepared by the City Planning Commission.

Section 217.2(i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange financing.

A description, including cost estimate for individual projects and method of financing is contained in the project schedule and budget at the end of this section.

Section 217.2(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.

Information concerning the names of persons for whom benefits may accrue are unknown at this time as final development plans and projects have not been prepared. Therefore, such information is unavailable.

Section 217.2(k) The procedure for bidding for the leasing, purchasing, or conveying of all or a portion of the development 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 these persons.

The DDA Board of Directors has no publicly announced commitments for the acquisition or sale of property under supervisory responsibility of the DDA. Therefore, such information is unavailable.

Section 217.2(l) Estimates of the number of persons residing in the development area and the number of families and individual 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 displace families and individuals.

The estimated number of residential properties in the district is estimated at 31 units and no citizen council is required pursuant to Section 221 of the Act. No acquisition of residential

units nor relocation of families or individuals is contemplated within the scope of this proposed Development Plan Update and Tax Increment Financing Plan.

Section 217.2(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

No relocation of families or individuals is contemplated within the scope of this proposed Development and Tax Increment Plan. Therefore, relocation plans are not required.

Section 217.2 (n) Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incidental to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation and real property acquisitions policies act of 1970, being Public Law 91-646, 42 USC sections 4601et seq.

No relocation of families or individuals is contemplated within the scope of this proposed Development and Tax Increment Financing Plan. Therefore, relocation plans are not required.

Section 217.2(o) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

No relocation of individuals or families through the acquisition of property is contemplated within the scope of this proposed Development and Tax Increment Financing Plan. Therefore, financial assistance for displaced businesses or individuals is not required.

Section 217.2(p) Other material which the authority, local public agency, or governing board considers pertinent.

No added information was deemed necessary for this update.

DEVELOPMENT & TAX INCREMENT FINANCING PLAN - SCHEDULE & BUDGET

Development Plan Update and Tax Increment Financing Plan is presented on the following pages. It describes specific programs and projects addressing DDA goals. Accompanying each program or construction project is information concerning the implementation schedule, estimated cost and source of funding. The schedule begins in the Year 2026 and ends in the Year 2040. Projects have been scheduled based on priority of need and the anticipated ability of the DDA to finance individual projects.

In the Year 2040, the DDA will consider action to update the Development Plan and Tax Increment Financing Plan or make recommendation for the rescission of the ordinance establishing the DDA and termination of the tax increment financing district.

The schedule and budget assume the DDA will complete all projects before 2040, however, where projects require continuation beyond this date, the DDA will assign completion responsibilities to other City agencies and obligate funds for completion, should a decision to cancel operation of the DDA be contemplated.

If DDA revenues exceed the anticipated needs of all projects contained the budget, excess revenue shall be remitted to respective taxing units in proportion to applicable tax millage rates imposed on property in the DDA District, as required by the Section 215(2) of Act.

SECTION FOUR

DEVELOPMENT FINANCING PLAN

DESCRIPTION OF CURRENT FINANCIAL POSITION

Current Assets and Revenue

Per the City Treasurer who also serves as the Treasurer for the DDA, the DDA expected to have a fund balance of approximately \$505,140.00 at the close of the fiscal year (June 30, 2025). The DDA has no other assets or obligations.

Expenses

Per the proposed DDA budget, all proposed budget expenditures address specific projects. Administrative expenses of the DDA are funded through the general administrative budget of the City

DURATION OF THE DDA AND TAX INCREMENT FINANCING DISTRICT

The ordinance for the formation of the DDA is silent concerning the duration of the DDA. It is assumed the City Commission intended the DDA to prepare a work program and determine the duration of the DDA based, in part, on the time needed to complete the work program. This Plan establishes a budget for a 15-year period.

TAX INCREMENT FINANCING PLAN

The Downtown Development Act, requires the DDA to address three legislative requirements in the Tax Increment Financing Plan. These provide information about funds anticipated to be received by the DDA and its impact upon taxing jurisdictions. These requirements are found in Section 214(1) of the Act and states that "when the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 217 ...".

Specifically, the Tax Increment Financing Plan must include, pursuant to Section 214(1) of the Act:

- 1) A detailed explanation of the tax increment process,
- 2) The maximum amount of bonded indebtedness to be incurred, and
- 3) The duration of the program.

The introduction to this Plan includes a detailed description of the tax increment financing process and reference is made to this explanation

CONTEMPLATED USE OF DEBT

The Board of Directors continues a "pay-as-you-go" funding philosophy and will not consider the use of debt for implementation of these projects

The DDA has determined that tax increment financing is necessary for a 15-year period to complete all the projects contained in the Project List and Budget. Based on current City resources, the City Commission and DDA members realize that limited budgetary resources and the lack of other economic development funding sources prohibit the City of Buchanan from achieving the goals of the DDA without use of tax increment financing. There are no City or other sources of funds currently available for these programs that can replace the use of tax increment financing.

TAX INCREMENT AND DDA REVENUE PROJECTION

Section 214(1) further requires the tax increment financing analysis to address "a statement of the estimated impact of the tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located." The following table contains DDA revenue projections for the period between the years 2026 and 2040. This analysis is based on the assumption that the value of the DDA District will increase by 2.5% annually.

Table 1 - displays estimated tax income revenue for the term of the plan.

TAX UNIT IMPACT ANALYSIS

Table 2 - illustrates the probable impact upon various taxing jurisdictions based on the non-homestead applicable 2026 tax millage rate.

USE OF TAX INCREMENT AND DDA REVENUE

Table 3 - displays the schedule and estimated cost for each project listed in the development plan.

APPENDIX A – LEGAL DESCRIPTION

Commencing at the corner common to sections 25, 26, 35 and 36, City of Buchanan, Berrien County, Michigan; thence south on the line common to sections 35 and 36 a distance of 117.5 feet; thence west 165 feet; thence south 42 feet; thence east 132 feet to the west line of Redbud Trail; thence south on said west line 66 feet; thence west 177 feet; thence south 132 feet; thence east 177 feet to the west line of Redbud Trail; thence south on said west line 66 feet; thence west 132 feet; thence south 66 feet to the north right-of-way line of Central Court; thence west 155.5 feet to the east line of Days Avenue; thence south on said east line 82.5 feet to the centerline of Roe Street extended; thence west on said centerline and centerline extended 437.25 feet to the centerline of Oak Street; thence north on said centerline 297 feet to the north line of Charles Court extended; thence west on said north line and north line extended 294.75 feet; thence north 46 feet; thence east 49 feet; thence north 234.25 feet to the south right-of-way line of Front Street; thence west 43 feet along the south line of Front Street; thence north 231 feet; thence east 288.75 feet to the centerline of Oak Street; thence north on said centerline approximately 220 feet to the centerline of Dewey Street; thence east on said centerline 222.75 feet to the centerline of Main Street; thence north on said centerline 280.5 feet to the centerline of Third Street; thence east on said centerline 264 feet to the east line of Short Street extended; thence south on said east line 90.75 feet; thence east 132 feet; thence south 66 feet; thence east 66 feet; thence north 132 feet to the south line of Third Street; thence east on said south line and south line extended 132 feet to the east line of Redbud Trail; thence north on said east line approximately 292 feet to a point approximately 20 feet north of the southwest corner of block 3 of the Hatch Addition to the City of Buchanan; thence east a distance of 93 feet; thence north 157 feet; thence east 6 feet; thence north along the east line and east line extended of said block 3 to the westerly line of lot 2, block 3 of said Hatch Addition; thence northwesterly on said westerly line of lot 2, block 3 to the southerly line of River Street; thence northeasterly on said southerly line to the east line of block 2 of said Hatch Addition a distance of 228.35 feet; thence southeasterly along said lot line 192.36 feet; thence south 69° 41' west 58.65 feet; thence south 18° 21' east 50 feet; thence south 0° 22' 52" east 271.72 feet to the northern edge of the Third Street right-of-way, also being the northern edge of McCoy Creek; thence southwesterly 340.65 feet along the western right-of-way of Third Street to the southeast corner of lot 10, block 3 of the Hatch Addition to the City of Buchanan; thence south 66 feet across the Third Street right-of-way; thence southwesterly along the eastern edge of lot 1 of Assessor's Plat No. 1 to the City of Buchanan and the property line extended 295.16 feet to the south right-of-way line of Dewey Street; thence northeasterly 66 feet; thence east 105.5 feet; thence south 9° 51' 30" east 349.76 feet to the northern right-of-way line of Front Street; thence easterly approximately 185 feet along the northern right-of-way line of Front Street to a point also known as the southeast corner of unplatted parcel 11-58-0025-0014-00-7 as of 8/15/06; thence south 66 feet to the south right-of-way line of Front Street; then easterly along the south right-of-way line of Front Street 606.14 feet; thence north approximately 27 feet to a point also known as the southwest corner of unplatted parcel 11-58-0025-0015-10-1 as of 8/15/06; thence east 165 feet; thence northerly 396 feet; thence westerly 165 feet; thence northerly 244.9 feet; thence westerly

47.53 feet; thence northerly 83.26 feet; thence north $18^{\circ} 40'$ west 339.9 feet; thence north $25^{\circ} 26' 10''$ west 84.18 feet; thence north $4^{\circ} 20' 10''$ west 151.08 feet to the south right-of-way line of Third Street; thence northeasterly approximately 570 feet to the westernmost point of lot 6 of Assessor's Plat No. 1 to the City of Buchanan, a point which also lies along the western right-of-way of Third Street; thence northeasterly 505.3 feet; thence northeasterly 409.2 feet to the northeastern corner of lot 6 of Assessor's Plat No. 1 to the City of Buchanan; thence south 271.6 feet; thence east 150 feet to the north and south quarter line of said section 25; thence south on said quarter line to the south quarter corner of said section 25; thence west on the section line common to said sections 25 and 36 a distance of 77.8 feet; thence southerly approximately 329.5 feet; thence west 202 feet; thence southerly approximately 30 feet; thence west approximately 600 feet; thence northwesterly approximately 140 feet; thence westerly 298.85 feet to the centerline of liberty street; thence north on said centerline 126 feet; thence west 274.5 feet; thence south 162.9 feet; thence northwesterly approximately 419 feet along a line parallel with the centerline of Rynearson Street; thence south $4^{\circ} 15'$ west 174 feet to the centerline of Rynearson Street; thence northwesterly on said centerline approximately 745 feet to the line common to sections 35 and 36; thence north 20 feet along said common line to the point of beginning.

Except parts of blocks A and D of Central Addition to the City of Buchanan commencing 399.9 feet west and 33 feet south of the northeast corner of section 35, township 7 south, range 18 west; thence south 230.25 feet; thence north $89^{\circ} 45'$ west 127.9 feet; thence north $0^{\circ} 12' 30''$ east 113.04 feet; thence north $69^{\circ} 57'$ east 4.08 feet; thence north $0^{\circ} 21'$ east 15.23 feet; thence east 29.5 feet; thence north $0^{\circ} 21'$ east 18.94 feet; thence east 1 foot, thence north $0^{\circ} 05'$ on building wall 81.06 feet to south line of Front Street; thence east 94.27 feet to the point of beginning being a part of lots 1, 2, 3, 7 and 8 block A and part of lots 1 through 6 of block D of said plat.

APPENDIX A – BOUNDARY MAP



0 0.05
Miles
Scale: 1" = 10'
Author: Berrien County GIS
Aerial Photography: 2024
Date: 2025

Sec_30_77

County of Berrien
All Rights Reserved - 1997.
Parcel Lines are Generalized.



APPENDIX B – FUTURE LAND USE MAP

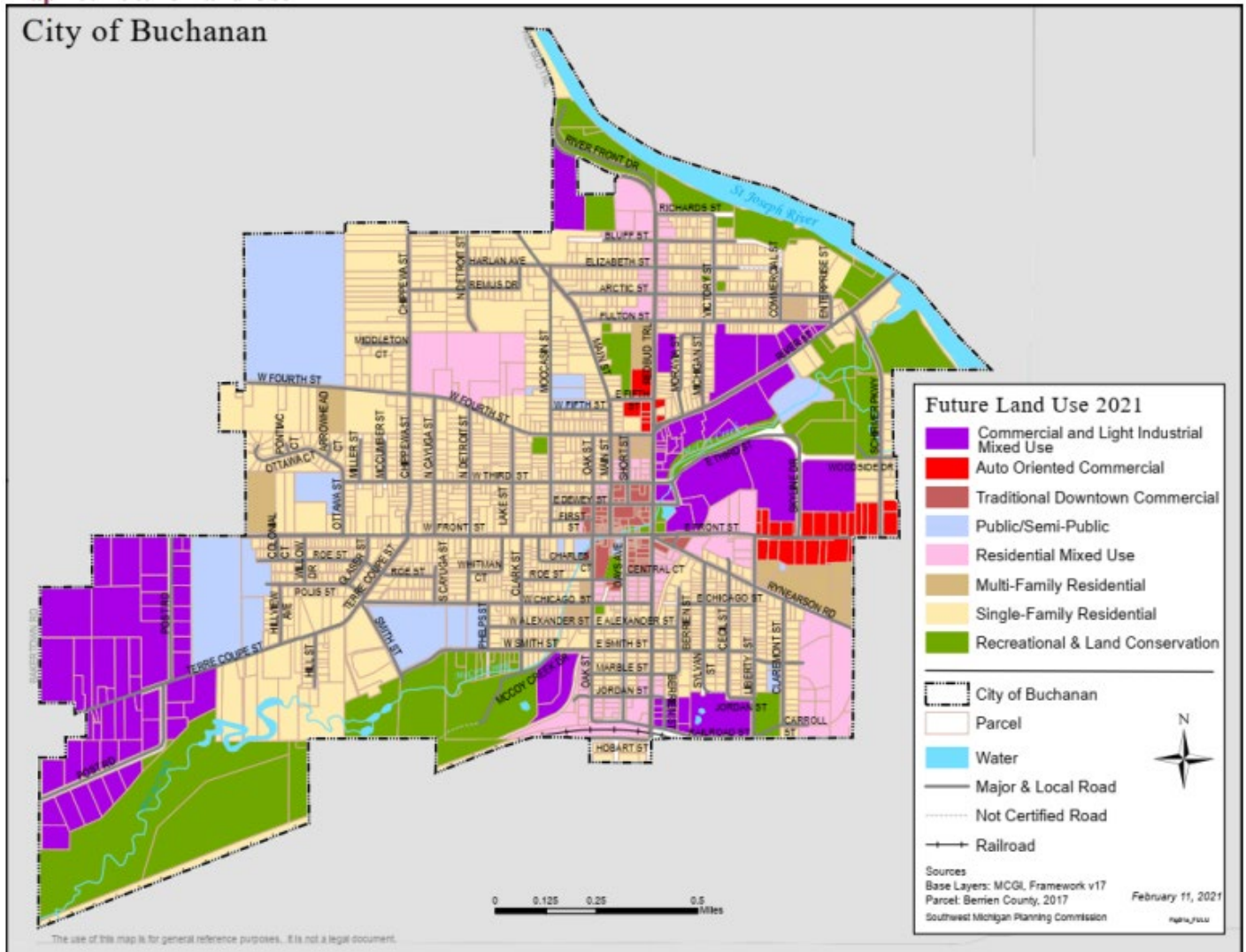


Table 1

Buchanan DDA PROJECTED TAX VALUE CAPTURE AND TIF REVENUE GENERATION

Tax Year	Captured Value	TAXABLE VALUE CAPTURE			High Projection		Moderate Projection		Low Projection	
		High	Moderate	Low	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
2025	4,026,526									
2026	1	4,227,852	4,127,189	4,066,791	115,138	115,138	112,397	112,397	110,752	110,752
2027	2	4,439,245	4,230,369	4,107,459	120,895	236,034	115,207	227,604	111,860	222,612
2028	3	4,661,207	4,336,128	4,148,534	126,940	362,974	118,087	345,691	112,978	335,590
2029	4	4,894,268	4,444,531	4,190,019	133,287	496,261	121,039	466,730	114,108	449,698
2030	5	5,138,981	4,555,645	4,231,919	139,951	636,212	124,065	590,795	115,249	564,947
2031	6	5,395,930	4,669,536	4,274,238	146,949	783,161	127,167	717,962	116,402	681,349
2032	7	5,665,726	4,786,274	4,316,981	154,296	937,458	130,346	848,308	117,566	798,915
2033	8	5,949,013	4,905,931	4,360,151	162,011	1,099,469	133,605	981,913	118,741	917,656
2034	9	6,246,463	5,028,579	4,403,752	170,112	1,269,581	136,945	1,118,858	119,929	1,037,585
2035	10	6,558,787	5,154,294	4,447,790	178,617	1,448,198	140,368	1,259,226	121,128	1,158,712
2036	11	6,886,726	5,283,151	4,492,268	187,548	1,635,746	143,878	1,403,104	122,339	1,281,052
2037	12	7,231,062	5,415,230	4,537,190	196,926	1,832,672	147,475	1,550,578	123,563	1,404,614
2038	13	7,592,615	5,550,611	4,582,562	206,772	2,039,444	151,161	1,701,740	124,798	1,529,413
2039	14	7,972,246	5,689,376	4,628,388	217,111	2,256,555	154,940	1,856,680	126,046	1,655,459
2040	15	8,370,858	5,831,610	4,674,672	227,966	2,484,521	158,814	2,015,494	127,307	1,782,766

ANNUAL COMPOUND GROWTH RATE ASSUMPTIONS

Future growth predictor:

High	5.0%
Moderate	2.5%
Low	1.0%

APPLICABLE MILLAGE RATE FOR CAPTURE

City General	16.8230
City Spec	0.9908
Library	1.1874
LMC	2.2654
County General	4.7680
County Spec	1.1987
Total	<u>27.2333</u>

Table 2

Buchanan DDA TAXING JURISDICTION IMPACT ANALYSIS - MODERATE GROWTH ASSUMPTION																		
	TAX YEAR															Total		
	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15			
Total Tax Increment	4,127,189	4,230,369	4,336,128	4,444,531	4,555,645	4,669,536	4,786,274	4,905,931	5,028,579	5,154,294	5,283,151	5,415,230	5,550,611	5,689,376	5,831,610			
City	17.8138	73,521	75,359	77,243	79,174	81,153	83,182	85,262	87,393	89,578	91,818	94,113	96,466	98,877	101,349	103,883	1,318,372	65%
Library	1.1874	4,901	5,023	5,149	5,277	5,409	5,545	5,683	5,825	5,971	6,120	6,273	6,430	6,591	6,756	6,924	87,878	4%
RESA	0.0000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SET	0.0000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
School Ops	0.0000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
LMC	2.2654	9,350	9,583	9,823	10,069	10,320	10,578	10,843	11,114	11,392	11,677	11,968	12,268	12,574	12,889	13,211	167,659	
	2.2654	9,350	9,583	9,823	10,069	10,320	10,578	10,843	11,114	11,392	11,677	11,968	12,268	12,574	12,889	13,211	167,659	8%
County General	4.7680	19,678	20,170	20,675	21,192	21,721	22,264	22,821	23,391	23,976	24,576	25,190	25,820	26,465	27,127	27,805	352,872	
911	0.4495	1,855	1,902	1,949	1,998	2,048	2,099	2,151	2,205	2,260	2,317	2,375	2,434	2,495	2,557	2,621	33,267	
Law Enforcement	0.3496	1,443	1,479	1,516	1,554	1,593	1,632	1,673	1,715	1,758	1,802	1,847	1,893	1,940	1,989	2,039	25,873	
Senior Citizen	0.2997	1,237	1,268	1,300	1,332	1,365	1,399	1,434	1,470	1,507	1,545	1,583	1,623	1,664	1,705	1,748	22,180	
Parks	0.0999	412	423	433	444	455	466	478	490	502	515	528	541	555	568	583	7,393	
	5.9667	24,626	25,241	25,872	26,519	27,182	27,862	28,558	29,272	30,004	30,754	31,523	32,311	33,119	33,947	34,795	441,586	22%
Total	27.2333	112,397	115,207	118,087	121,039	124,065	127,167	130,346	133,605	136,945	140,368	143,878	147,475	151,161	154,940	158,814	2,015,494	
City Share		73,521	75,359	77,243	79,174	81,153	83,182	85,262	87,393	89,578	91,818	94,113	96,466	98,877	101,349	103,883	1,318,372	
Other Local Unit Share		38,876	39,848	40,844	41,865	42,912	43,985	45,084	46,211	47,367	48,551	49,765	51,009	52,284	53,591	54,931	697,123	

Table 3

Buchanan DDA																
FIFTEEN-YEAR CASH FLOW ANALYSIS																
TAX YEAR	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Base Value	4,026,526															
Increment	4,127,189	4,230,369	4,336,128	4,444,531	4,555,645	4,669,536	4,786,274	4,905,931	5,028,579	5,154,294	5,283,151	5,415,230	5,550,611	5,689,376	5,831,610	
Total Value	8,153,715	8,256,895	8,362,654	8,471,057	8,582,171	8,696,062	8,812,800	8,932,457	9,055,105	9,180,820	9,309,677	9,441,756	9,577,137	9,715,902	9,858,136	
INCOME																
TIF	112,397	115,207	118,087	121,039	124,065	127,167	130,346	133,605	136,945	140,368	143,878	147,475	151,161	154,940	158,814	2,015,494
Improvement Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fees (Farmers Market)	5,800	5,916	6,034	6,155	6,278	6,404	6,532	6,662	6,796	6,932	7,070	7,212	7,356	7,503	7,653	100,302
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	118,197	121,123	124,121	127,194	130,343	133,571	136,878	140,267	143,740	147,300	150,948	154,686	158,517	162,443	166,467	2,115,796
EXPENSES																
<i>Operating Expenses</i>																
Board Member Expenses	1,500	1,538	1,576	1,615	1,656	1,697	1,740	1,783	1,828	1,873	1,920	1,968	2,017	2,068	2,119	26,898
Annual Audit	2,500	2,563	2,627	2,692	2,760	2,829	2,899	2,972	3,046	3,122	3,200	3,280	3,362	3,446	3,532	44,830
Cost Allocation to City	2,500	2,563	2,627	2,692	2,760	2,829	2,899	2,972	3,046	3,122	3,200	3,280	3,362	3,446	3,532	44,830
<i>Programs</i>																
Downtown Marketing, Signage & Wayfinding (1)	130,000	30,000	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,466	38,403	39,363	40,347	41,355	625,569
Special Events	30,000	30,750	31,519	32,307	33,114	33,942	34,791	35,661	36,552	37,466	38,403	39,363	40,347	41,355	42,389	537,958
Tin Shop Theatre (2)	13,250	13,581	13,921	14,269	14,626	14,991	15,366	15,750	16,144	16,547	16,961	17,385	17,820	18,265	18,722	237,598
Pears Mill (2)	11,900	12,198	12,502	12,815	13,135	13,464	13,800	14,145	14,499	14,861	15,233	15,614	16,004	16,404	16,814	213,390
Farmers Market (2)	10,850	11,121	11,399	11,684	11,976	12,276	12,583	12,897	13,220	13,550	13,889	14,236	14,592	14,957	15,331	194,561
Building Façade Grants (3)	-	50,000	51,250	52,531	53,845	55,191	-	-	-	-	-	-	-	-	-	262,816
Downtown Public Spaces Ops & Maint. (2)	25,000	25,625	26,266	26,922	27,595	28,285	28,992	29,717	30,460	31,222	32,002	32,802	33,622	34,463	35,324	448,298
Improvement Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loan Loss Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	227,500	179,938	184,436	189,047	193,773	198,617	147,012	150,688	154,455	158,316	162,274	166,331	170,489	174,751	179,120	2,636,748
REVENUE OVER/UNDER EXPENSES	(109,303)	(58,815)	(60,315)	(61,853)	(63,430)	(65,047)	(10,135)	(10,421)	(10,714)	(11,016)	(11,326)	(11,645)	(11,972)	(12,308)	(12,653)	(520,952)
CASH FLOW																
Beginning Balance (4)	505,140	-	-	-	-	-	-	-	-	-	-	-	-	-	-	505,140
Additions to Cash Flow TIF	118,197	121,123	124,121	127,194	130,343	133,571	136,878	140,267	143,740	147,300	150,948	154,686	158,517	162,443	166,467	2,115,796
Additions to Cash Flow Interest	3.50% 17,680	14,473	12,921	11,262	9,492	7,604	5,593	5,434	5,260	5,069	4,861	4,635	4,389	4,124	3,837	116,635
Subtraction from Cash Flow	(227,500)	(179,938)	(184,436)	(189,047)	(193,773)	(198,617)	(147,012)	(150,688)	(154,455)	(158,316)	(162,274)	(166,331)	(170,489)	(174,751)	(179,120)	(2,636,748)
ANNUAL	413,517	(44,342)	(47,393)	(50,590)	(53,938)	(57,443)	(4,541)	(4,986)	(5,454)	(5,947)	(6,465)	(7,010)	(7,583)	(8,184)	(8,816)	
CUMULATIVE		369,175	321,782	271,192	217,254	159,811	155,270	150,284	144,829	138,882	132,416	125,406	117,823	109,639	100,823	100,823

(1) Estimated Based on City of St. Joe, St. Joe Today, Niles Mainstreet budgets
 (2) Annual Operating & Maintenance Costs per City Finance Dept 11-06-25 & 12-10-25
 (3) Provides for 20 Façade Grants at \$12,500 per Grant
 (4) Cash, Investments and Receivables per City Finance Dept 12-10-25

Attachment B



**CITY OF BUCHANAN
BERRIEN COUNTY, MICHIGAN
ORDINANCE NO. _____**

AN ORDINANCE APPROVING THE AMENDMENT TO THE DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN OF THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF BUCHANAN AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

THE CITY OF BUCHANAN ORDAINS:

WHEREAS, pursuant to the provisions of Act 57, Michigan Public Acts of 2018 ("Act 57"), formerly Act 197 of 1975, and Ordinance No. XXXXXX, the City Commission of the City of Buchanan has established the Downtown Development Authority of the City of Buchanan (the "Authority"); and

WHEREAS, the Authority has submitted to the City Commission a Tax Increment Financing Plan and Development Plan for approval by the City commission(the "Plan") with respect to certain area within the Authority's jurisdiction described as the Development Area in the Plan; and

WHEREAS, on XXXXXX, 2026, the City Commission held a public hearing on the Plan following appropriate notice as required by Act 57; and

WHEREAS, The City Commission has given the taxing jurisdictions in which the Development Area is located an opportunity to meet with the City Commission and to express their views and recommendations regarding the Plan, as required by Act 57; and

WHEREAS, after consideration of the Plan and discussion with representatives of the various taxing jurisdictions, the City Commission has determined that it is necessary and in the best interests of the City to approve the Plan.

NOW THEREFORE, THE CITY OF BUCHANAN, BERRIEN COUNTY, MICHIGAN ORDAINS:

SECTION 1. Findings.

- A.* The Plan Amendment meets the requirements set forth in the Act.
- B.* The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.
- C.* The development is reasonable and necessary to carry out the purposes of the Act.
- D.* Any land included within the Development Area to be acquired is reasonably necessary to carry out the purposes of the Act.
- E.* The Plan Amendment is in reasonable accord with the master plan of the City.

- F. Public services, such as fire and police protection and utilities, are or will be adequate to service the Development Area.
- G. Changes in zoning, streets, street levels, intersections, and utilities, to the extent required by the Plan Amendment, are reasonably necessary for the Plan and for the City.

SECTION 2. Public Purpose. The City Commission hereby determines that the Plan Amendment constitutes a public purpose.

SECTION 3. Best Interest of the Public. The City Commission hereby determines that it is in the best interests of the public to halt property value deterioration, increase property tax valuation, eliminate the causes of the deterioration in property values, and to promote growth in the Downtown District to proceed with the Plan Amendment.

SECTION 4. Approval and Adoption of Plan Amendment. The Plan Amendment is hereby approved and adopted. A copy of the Plan Amendment, and all later amendments thereto shall be maintained on file in the City Clerk's office.

SECTION 5. Preparation of Annual Tax Increment Assessment Roll. Each year within 15 days following the final equalization of property in the Development Area, the City Assessor shall prepare the tax increment assessment roll. The tax increment assessment roll shall show the initial taxable value of each parcel of property within the Development Area, the amount by which the current taxable value as finally equalized for all taxable property in the Development Area exceeds the initial taxable value of the property as shown on the base year assessment roll (the "captured taxable value"). Copies of the annual tax increment assessment roll shall be transmitted by the Assessor to the City Finance Director, the County Treasurer, the Authority and the treasurer of each taxing jurisdiction within the Development Area, together with a notice that it has been prepared in accordance with this Ordinance and the Amendments.

SECTION 6. Establishment of Project Fund; Approval of Depository. The Treasurer of the Authority shall establish a separate fund which shall be kept in a depository bank account or accounts in a bank or banks approved by the Finance Director of the City, to be designated Downtown Development Authority Project Fund. All moneys received by the Authority pursuant to the Plan shall be deposited in the Project Fund. All moneys in the Project Fund and earnings thereon shall be used only in accordance with the Plan.

SECTION 7. Payment of Tax Increments to Authority. The City Finance Director and the Berrien County Treasurer shall, as ad valorem and specific taxes are collected on the property in the Development Area, pay that proportion of the taxes, except for penalties and collection fees, that the captured taxable value bears to the initial taxable value to the treasurer of the Authority for deposit in the Project Fund. The payments shall be made on the

date or dates on which the City Finance Director and the Berrien County Treasurer are required to remit taxes to each of the taxing jurisdictions.

SECTION 8. Annual Report. Within 90 days after the end of each fiscal year, the Authority shall submit to the City Commission, with copies to each taxing jurisdiction, a report on the status of the Project Fund. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the amount of principal and interest on any outstanding indebtedness, the amount in any bond reserve account, the initial taxable value of the Development Area, the captured taxable value of the Development Area and the amount of captured taxable value retained by the Authority, the tax increments received and the amount of any surplus from the prior year, and any additional information requested by the City Commission or deemed appropriate by the Authority. The secretary of the Authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the City.

SECTION 10. Conflict and Severability. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of the Ordinance are to the extent of such conflict hereby repealed, and each section of the Ordinance and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void shall not be deemed or hold to affect the validity of any other section or subdivision of the Ordinance.

SECTION 11. Paragraph Headings. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be a part of the Ordinance.

SECTION 12. Publication and Recordation. The Ordinance shall be published in full promptly after its adoption in the XXXXXXXXXXXX, a newspaper of general circulation in the City, qualified under State law to publish legal notices, and shall be recorded in the Ordinance Book of the City, which recording shall be authenticated by the signature of the City Clerk.

SECTION 13. Effective Date. The Ordinance is hereby determined by the City Commission to be immediately necessary for the interests of the City and shall be in full force and effect from and after its passage and publication as required by law. The foregoing Ordinance was adopted by vote of the City Commission of the City of Buchanan, Berrien County, Michigan, at a meeting held on XXXXX, 2026 AND IT WAS PUBLISHED IN THE BERRIEN COUNTY RECORD NEWSPAPER ON THE ____ DAY OF _____, 2026.

MARK WEEDON, MAYOR _____

KALLA LANGSTON-WEISS, CITY CLERK _____

CERTIFICATION

I hereby certify that the above is a true and complete copy of an ordinance adopted by the City Commission of the City of Buchanan, County of Berrien, State of Michigan, at a regular meeting held on the ____ day of _____, 2026, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, as required by said Act.