

**CITY OF HARTFOR
DOWNTOWN DEVELOPMENT AUTHORIT
TAX INCREMENT FINANCE PLAN**

TAX INCREMENT FINANCING PLAN
FOR CITY OF HARTFORD
DOWNTOWN DEVELOPMENT DISTRICT AREA.

This tax increment-financing plan is established to make possible the financing of all or a portion of the costs associated with carrying out and completion of those activities and improvements contained in the officially adopted Development Plan for the Development District as may be amended from time to time.

A. Tax Increment Finance Procedure.

The Tax increment financing procedure as outlined in the act requires the adoption by the City, by Ordinance, of a development plan and a tax increment-financing plan. Following the adoption of that Ordinance, the municipal and county treasurers are required by law to transmit to the DDA that portion of the tax levy of all taxing bodies paid each year on the "Captured Assessed Value of all real and personal property located in the Development Area". The Tax amounts to be transmitted are hereinafter referred to as "Tax Increment Revenue". The " Captured Assessed Value" is defined by the Act as "the amount in any 1year, by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes... exceeds the initial assessed value". The initial assessed value is defined by the Act as " the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of initial assessed value, shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax, shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific tax was paid in lieu of a property tax shall be determined as provided in subdivision (c)" of the Act.

When the authority determines that it is necessary for 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 17.2 of the Act, a detailed explanation of the tax increment procedure, and the maximum amount of

bonded indebtedness to be incurred, the duration of the program and shall be in compliance with section 15 of the Act. The plan shall contain a statement of estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captures assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment-financing plan.

Approval of the tax increment- financing plan shall be pursuant to the notice, hearing, and disclosure provisions of section 18 of the Act. If the development plan is part of the tax increment- financing plan, only 1 hearing and approval procedure is required for the 2 plans together. Presented in Exhibit B are schedules of the current or "initial assessed values of all real and personal property in the Development Area.

In order to provide for an efficient and proper means of accounting assessed values on personal property in the Development Area, the City of Hartford will, by the adoption of this plan, establish a tax report filing system, requiring owners of personal property to file on a yearly basis a separate report to the City Assessor of possession located within the boundaries of the Development Area.

Provided under Exhibit A is the procedure for preparing the tax rolls for the Development and Tax increment Financing Area.

B. Estimates of Captured Assessed Values and Tax Increment Revenues.

The initial estimate of the captured assessed values and Tax increment revenues will be totally dependent on the inflation factor as allowed by the law. The projection set forth in exhibit C would include potential new construction in the coming year. The DDA will only be able to collect 20.2938 mills in tax increment within the Development Area, and it can only be utilized by the DDA in that area.

C. Use of Tax Increment Revenue:

The Tax increment revenue paid to the DDA by the municipal and county treasurers is to be disbursed by the DDA from time to time in such manner as the DDA may deem necessary and appropriate in order to carry out the purposes of the development plan, including but not limited to the following:

- The principal, interests and reserve payments required for any bonded indebtedness to be incurred in its behalf for purposes provided in the Development Plan.
- Cash payments for initiating and completing any improvements or activity called for in the Development Plan.
- Any annual operating deficits, that the DDA incur from acquired and/or leased property in the Development Area.
- Interest payments on any sums that the DDA should borrow before or during the construction of any improvement or activity to be accomplished by the Development Plan, after approval by the City of Hartford.
- Payments required establishing and maintaining a capital replacement reserve.
- Payments required to establishing and maintaining a capital expenditure reserve.
- Payments required establishing and maintaining any required sinking fund.
- Payments to pay the costs of any additional improvements to the development area that are determined necessary by the DDA and approved by the City of Hartford.
- Any administrative expenditure required to meet the cost of operation of the DDA and to repay any cash advances provided by the City of Hartford. This may include quarterly payments to the City to support overhead expenses.

The DDA may modify the priority of projects and payments at any time if, within its discretion, such modification is necessary to facilitate the development plan then existing and is permitted under the term of any outstanding indebtedness.

D. Bonded Indebtedness to be incurred. (If any)

Revenues to support these costs shall be derived from any of the following sources

1. There is no present bonded indebtedness and none is anticipated in the nearest future.
2. If any funds is borrowed from the City of Hartford at rates and terms to be agreed upon or as set forth elsewhere in this Development and Financing Plan and ?or
3. Cash.

Tax collections generated by the "Captured Assessed Value" are adequate to provide for payment of principal and interest on such revenue bonds or funds borrowed from the City of Hartford.

4. A two (2) mill tax assessment on the properties within the district.

The amounts of bonded indebtedness or indebtedness to be incurred by the DDA and/or the City of Hartford for all bond issues or loans including payments of capitalized interest, principal and required reserve shall be determined by the City of Hartford, upon the recommendation of the DDA. There are presently no bonded indebtedness incurred by the DDA.

E. Annual Surplus of Tax Increment Revenues:

To the extent that the tax increment revenues of the DDA in any one year exceed the sum necessary for the DDA to meet the commitments and payments as set forth above, said surplus funds shall revert proportionately to the respective taxing jurisdictions as provided in Section 15(2) of the act.

F. Duration of Plan:

The Tax increment plan shall last twenty (20) years except as the same may be modified from time to time by the City Commission of the City of Hartford upon notice and upon public hearing and amendments as required by the act.

G. Impact on Assessed Values and Tax Revenues:

The overall impact of the development plan is expected to generate increased economic activity in the Development Area, Downtown District, the City of Hartford and possibly Van Buren County. This increase in activity will, in turn, generate additional amounts of tax revenue to local

employment within the Development Area, the Downtown District, the City of Hartford, neighboring communities and Van Buren County.

H. Use of the Captured Assessed Values:

The development and tax increment financing plan provides for the use of all of the captured assessed value by the DDA for the purposes herein set forth.

I. Reports:

The DDA shall submit annually to the Hartford City Commission and the state tax commission a report on the status of the tax increment financing account. Such report shall comply with the requirements of Section 15(3) of the Act, as amended.

EXHIBIT A.

PROCEDURE FOR THE PREPARATION
OF ASSESSMENT ROLLS

HARTFORD DOWNTOWN DEVELOPMENT AUTHORITY

PREPARATION OF BASE YEAR ASSESSMENT ROLL.

A. Real Property.

In accordance with the boundaries set for the tax increment financing district, the Assessor shall list the individual parcels by permanent parcel number and assessed value opposite the owner of said real property.

Properties (building improvements) qualifying for public Acts 198 of 1974 and 255 of 1978 shall also be listed in a separate itemization by certificate number, address, and the valuation for the initial assessed value placed opposite the holder of said certificate.

B. Personal Property.

In accordance with the boundaries set for the tax increment-financing district, the Assessor shall list the individual parcel account number, and place the initial assessed value on the roll for the personal property located within the project area opposite the name of the taxpayer.

Personal property qualifying for public Act 198 shall also be listed in a separate itemization by certificate number, address and taxpayer and the respective assessed value for that personal property located within the tax increment financing district, placed on the assessment roll.

C. Copies of roll, receipt of.

The Assessor shall submit copies of the initial assessed value assessment roll to the City Treasurer, County Treasurer, Downtown Development Authority, and all other taxing jurisdiction levying property taxes within the Project Area.

D. Notice of Assessment; Hearing on Project Area.

Those property owners and/or taxpayers listed on the aforesaid base year assessment rolls within the boundaries of the project area are the source of subsequent assessment and hearing notices mailing addresses

**PREPARATION OF ANNUAL PROJECT AREA
ASSEMENT ROLL AND TAX ROLL.**

Each year within fifteen days following the final state equalization of property, the assessor shall prepare an updated base year assessment roll. The updated base year assessment roll shall show the information required in the initial base year assessment roll and the captured assessment value for the current year. Copies of this annual project assessment roll are to be submitted to the treasurers of those political subdivisions and agencies levying property taxes within the project area and the Downtown Development authority.

PARCEL IDENTIFICATION:

A. Real Property.

1. Appraisal record cards are to be color and/or number coded or otherwise identified for the tax increment-financing district.
2. The assessor shall record the amount of captured assessment (or loss) for entry to the system.

B. Personal Property.

1. Statements mailed in January are to be color and/or number coded or otherwise identified in order to identify individual accounts with personal property:
 - a. Located in the tax increment-financing district.
 - b. Located out of the tax increment-financing district.
 - c. Partially in partially out of the tax increment financing district.
2. Maps of the tax increment financing area and instructions may be mailed with the annual personal property statement mailing.
3. The Assessor shall determine the captured assessed value increase or decrease from the base value year for separate entry.

pertaining to the Project Area and also for compliance with MCL211.24c (Notices of Assessment Changes).

TAX ROLL AND TAX STATEMENTS:

Tax roll and tax statements will provide:

1. Base year assessment and respective tax levy.
2. Captured assessment and respective tax levy.
3. Valuation changes creating revenue losses that are to be subsequently absorbed in the district net total levy. Distributions are to be made by the City Treasurer to the Downtown Development Authority no later than April 15th following date of levy is.

EXHIBIT B

DDA REAL PROPERTY STATE EQ. VALUES.

Property Number	2000 A.V.
80-52-004-002-50	\$ 9,884.00
80-52-008-001-00	\$14,700.00
80-52-008-001-50	\$20,273.00
80-52-741-002-00	\$25,780.00
80-52-741-001-00	\$24,400.00
80-52-011-001-00	\$ 4,761.00
80-52-011-001-50	\$ 5,694.00
80-52-011-002-00	\$10,611.00
80-52-003-002-01	\$56,630.00
80-52-003-001-01	\$78,786.00
80-52-001-003-00	\$ 0.00
80-52-001-005-00	\$ 3,000.00
80-52-001-004-00	\$28,988.00
80-52-001-006-00	\$ 8,592.00
80-52-001-007-00	\$ 7,660.00
80-52-001-008-00	\$ 6,729.00
80-52-001-009-00	\$57,562.00
80-52-001-017-00	\$17,703.00
80-52-001-012-00	\$23,914.00
80-52-001-014-00	\$19,200.00
80-52-001-016-00	\$ 1,300.00
80-52-001-021-00	\$13,148.00
80-52-001-020-00	\$ 9,000.00
80-52-001-019-00	\$ 5,072.00
80-52-001-018-00	\$ 5,694.00
80-52-001-023-00	\$ 5,694.00
80-52-001-024-00	\$12,423.00
80-52-002-005-00	\$29,000.00
80-52-002-004-50	\$27,400.00
80-52-002-004-00	\$ 1,700.00
80-52-002-004-25	\$ 1,700.00
80-52-402-015-00	\$11,900.00
80-52-402-013-10	\$ 0.00
80-52-402-013-00	\$ 0.00
80-52-402-012-00	\$24,536.00
80-52-402-010-00	\$ 7,500.00
80-52-402-009-10	\$ 0.00
80-52-402-008-00	\$11,000.00
80-52-402-007-00	\$ 9,100.00

80-52-402-004-01	\$16,600.00
80-52-402-004-10	\$ 8,967.00
80-52-402-003-00	\$19,100.00
80-52-402-001-00	\$15,000.00
80-52-402-007-10	\$ 0.00
80-52-551-010-00	\$13,877.00
80-52-002-019-70	\$39,400.00
80-52-004-007-00	\$28,300.00
80-52-04-07-70	\$31,100.00
80-52-004-003-00	\$212,600.00
80-52-004-001-11	\$ 0.00
80-52-005-001-00	\$ 9,200.00
80-52-004-001-20	\$ 2,200.00
80-52-004-001-50	\$ 1,900.00
80-52-004-002-00	\$ 2,600.00
80-52-001-022-00	\$ 17,392.00
80-52-	\$ 0.00
80-52-010-002-00	\$ 34,400.00
80-52-010-001-00	\$ 200.00
80-52-010-001-20	\$ 9,524.00
80-52-010-001-40	\$ 2,000.00
80-52-010-001-60	\$ 2,000.00
80-52-010-001-80	\$ 2,000.00
80-52-701-002-00	\$ 5,000.00
80-52-701-001-00	\$ 13,800.00
80-52-002-006-00	\$ 27,900.00
80-52-002-006-10	\$ 200.00

EXHIBIT C

CITY OF HARTFORD DOWNTOWN DEVELOPMENT AUTHORITY

TAX INCREMENT PROJECTION

Year	Captured Value	x	Millage Rate as of 2000	Tax Increment
2000	0.00		20.29	0.00
2001	\$22,285.90		20.29	\$452.00
2002	\$27,857.38		20.29	\$565.00
2003	\$27,858.65		20.29	\$565.00
2004	\$28,554.45		20.29	\$579.00
2005	\$29,267.85		20.29	\$594.00

CITY OF HARTFORD**COUNTY OF VAN BUREN****AN ORDINANCE TO APPROVE THE DOWNTOWN DEVELOPMENT PLAN
AND TAX INCREMENT FINANCING PLAN OF THE DOWNTOWN
DEVELOPMENT AUTHORITY OF THE CITY OF HARTFORD.****THE PEOPLE OF THE CITY OF HARTFORD ORDAINS:**

SECTION 1. PRELIMINARY FINDINGS. It is hereby preliminarily determined that:

- (a) A public hearing was held on the proposed Downtown Development Plan and Tax Increment Financing Plan, following notice thereof, all in accordance with Act 197 of the Public Acts of 1975, as Amended.
- (b) There are no findings or recommendations of a development area citizen's council, as there was no statutory requirement to form such a development area citizen's council.
- (c) The proposed Downtown Development plan and Tax Increment Financing Plan meet the requirements set forth in Act 197 of the Public Acts of 1975, as Amended.
- (d) The proposed method of financing the proposed development is feasible and the Downtown Development Authority of the City of Hartford has the ability to arrange the financing.
- (e) The proposed development is reasonable and necessary to carry out the purposes of Act 197 of the Public Acts of 1975, as amended.
- (f) Any land included within the proposed development area is reasonably necessary to carry out the purposes of the plan and of Act 197 of the Public Acts of 1975, as amended, in an efficient and economically satisfactory manner.
- (g) The proposed Development Plan is in reasonable accord with the Master plan of the City of Hartford.
- (h) Public services, such as Fire, and Police protection and Utilities, are or will be adequate to service the proposed project area.

Said "Proposed District" is described as:

Beginning at the Northwest corner of Ely Park; then East along the North boundary of Ely Park to the Northeast corner of Ely Park; then along the East boundary of Ely Park to the Northwest corner of Lot 3, Block 9 of the Original Plat of Hartford; then East to the Northeast corner of said Lot 3; then across Maple Street to the Northwest corner of lot 6, Block 2 of said Original Plat; then East to the Northeast corner of Lot 1 of Block 2 of said Original Plat; then East to a point 100 feet West of the West line of Center Street; then North to a point on the North line of Michigan Avenue, 100 feet West of the West line of Center Street; then East to the East line of Center Street; then South to the North line of Olds Street; then East to the East line of Haver Street; then South to the Northwest corner of Lot 1, Block 8 of Olds Addition; then East to the Northeast corner of said Lot 1; then South to the North line of Main Street; then East along said North line of Main Street to the East line of East Street extended; then South along the East line of East Street to a point due East of the South line of Lot 1, Block 1 of said Original Plat extended; then West to the Southwest corner of said Lot 2; then North to the Southeast corner of Lot 2, Block 11 of said Original Plat; then West to the Southwest corner of said Lot 2; then due West across Haver Street to the West line of Haver Street; thence North to the Southeast corner of Lot 3, Block 3 of said Original Plat; then West to the Southwest corner of said Lot 11; then South boundary of Lot 1, Block 1 of the Original Plat, extended; then West across Center Street along the South boundaries of Lots 1, 2 and 4 of Block 1 of said Original Plat to the Southwest corner of said Lot 7; then due West across Maple Street to the West line of Maple Street; then North to the Southwest corner of Lot 1, Block 1, Stratton's Addition; then West to the Southwest corner of said Lot 1; then South to the Southeast corner of Lot 2, Block 1 of Stratton's Addition; then West to the Southwest corner of Lot 1, Block 1 of Stratton's Addition; then due West across Franklin Street to the West line of Franklin Street; then North to the South line of Main Street; then West along the South line of Main Street to its intersection with the West boundary of Ely Park extended; then North to the Southwest corner of Ely Park; then North along the West boundary of Ely Park to the point of beginning; all in the City of Hartford, Van Buren County, Michigan.

said Original Plat; then East to the Northeast corner of Lot 1 of Block 2 of said Original Plat; then East to a point 100 feet West of the West line of Center Street; then North to a point on the North line of Michigan Avenue, 100 feet West of the West line of Center Street; then East to the East line of Center Street; then South to the North line of Olds Street; then East to the East line of Haver Street; then South to the Northwest corner of Lot 1, Block 8 of Olds Addition; then East to the Northeast corner of said Lot 1; then South to the North line of Main Street; then East along said North line of Main Street to the East line of East Street extended; then South along the East line of East Street to a point due East of the South line of Lot 1, Block 1 of said Original Plat extended; then West to the Southwest corner of said Lot 2; then North to the Southeast corner of Lot 2, Block 11 of said Original Plat; then West to the Southwest corner of said Lot 2; then due West across Haver Street to the West line of Haver Street; thence North to the Southeast corner of Lot 3, Block 3 of said Original Plat; then West to the Southwest corner of said Lot 11; then South boundary of Lot 1, Block 1 of the Original Plat, extended; then West across Center Street along the South boundaries of Lots 1, 2 and 4 of Block 1 of said Original Plat to the Southwest corner of said Lot 7; then due West across Maple Street to the West line of Maple Street; then North to the Southwest corner of Lot 1, Block 1, Stratton's Addition; then West to the Southwest corner of said Lot 1; then South to the Southeast corner of Lot 2, Block 1 of Stratton's Addition; then West to the Southwest corner of Lot 1, Block 1 of Stratton's Addition; then due West across Franklin Street to the West line of Franklin Street; then North to the South line of Main Street; then West along the South line of Main Street to its intersection with the West boundary of Ely Park extended; then North to the Southwest corner of Ely Park; then North along the West boundary of Ely Park to the point of beginning; all in the City of Hartford, Van Buren County, Michigan.

SECTION 5.95 OATH; RULES

Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office. The authority shall adopt rules governing its procedure and holding of regular meetings, subject to the approval of the governing body. Special meetings may be held when called in the manner provided in the rules of the Authority. Meetings of the Authority shall be open to the public.

SECTION 5.96 DIRECTOR; PERSONNEL

The Authority may employ and fix the compensation of a director, treasurer, secretary and other personnel pursuant to the provisions of said Act No. 197 of the Public Acts of 1975, as amended. Before entering upon the duties of his office, the director shall take and subscribe to the constitutional oath and

ARTICLE VI
DOWNTOWN DEVELOPMENT AUTHORITY

SECTION 5.90 IN GENERAL

To Establish a Downtown Development Authority in the City of Hartford, Michigan, and designating the boundaries of the Downtown District:

SECTION 5.91 PURPOSE

The purpose of the within Article is to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans; and to promote economic growth of the downtown district hereinafter described.

SECTION 5.92 ESTABLISHMENT

A Downtown Development Authority (hereinafter referred to as the "Authority") is hereby established pursuant to Act No. 197 of the Public Acts of 1975 (MCLA Section 5.3010, et seq.) as amended. See Appendix D for a copy of Public Act 197 of Public Acts of 1975.

SECTION 5.93 MEMBERSHIP, POWERS, DUTIES AND AUTHORITY

The City of Hartford Downtown Development Authority shall be composed of the chief executive officer of the municipality and eight (8) members appointed by the chief executive officer, as is prescribed in said Act 197, and shall have all of the powers and duties prescribed therein, including but not limited to implementing development plans; acquiring and disposing of interests in real development plans; acquiring and disposing of interests in real and personal property; levying an ad valorem tax not to exceed two (2) mills on the real and tangible personal property in the downtown district; issuing bonds and other evidences of indebtedness; and authorizing the use of tax increment financing plans, all as prescribed in said Act 197.

SECTION 5.94 BOUNDARIES

Said "Downtown District" is described as:

Beginning at the Northwest corner of Ely Park; then East along the North boundary of Ely Park to the Northeast corner of Ely Park; then along the East boundary of Ely Park to the Northwest corner of Lot 3, Block 9 of the Original Plat of Hartford; then East to the Northeast corner of said Lot 3; then across Maple Street to the Northwest corner of lot 6, Block 2 of