

ORDINANCE NO. 89-5

An Ordinance to provide for the adoption of a Development Plan and for the establishment of a Tax Increment Financing Plan to make possible the financing of the public improvements necessary or desirable to halt current, and prevent future, deterioration within the Development Area, as defined in Ordinance No. 89-2 of the Township of Birch Run Development Authority created pursuant to Ordinance No. 89-2; to correct and prevent deterioration in the business district of the Township; to encourage historic preservation; to promote economic development and growth within the Development Area, to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidence of indebtedness; and to authorize the use of tax increment financing.

This Ordinance is created pursuant to the Downtown Development Authority Act, Act No. 197 of the Public Acts of 1975, as amended, effective August 13, 1975; being Section 125.1650 et seq. of Michigan Compiled Laws.

THE TOWNSHIP OF BIRCH RUN ORDAINS:

Section 1 - Development Plan

Act 197 of Public Acts of Michigan, of 1975, as amended ("DDA Act") requires that certain information be set forth in a development plan, and this development plan, therefore, is as follows:

- A. The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

The boundaries of the proposed development area shall be the same as the current Downtown Development District as described in Exhibit A and as shown on Exhibit B.

The boundaries of the development area on the north vary from Canada Road west of US-10 and US-23 (Dixie Highway) to the northern property line of the Dixie Motor Speedway + 1,320 feet north of Canada Road; the south boundaries vary up to 1/2 mile south of Birch Run Road; the western boundaries lie along the easterly right-of-way line of I-75 and the eastern boundaries vary from the eastern right-of-way line of US-10 and US-23 (Dixie Highway) to + 3,000 feet easterly of Dixie Highway.

- 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 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.

The location and extent of existing streets, the approximate location and size of existing public utilities, including watermains, sanitary sewers, sewage pumping stations, and storm sewers are shown on the enclosed maps labeled Exhibit 'C' "Location of Public Facilities within Downtown Development Area."

The existing zoning of the proposed development area is shown on Exhibit D. The existing land use is shown on Exhibit E.

- C. A description of existing improvements 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.

AND

- 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.

AND

- E. A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

Any projects to be undertaken by the Downtown Development Authority will have approvals by the Downtown Development Authority and Birch Run Township Board.

The Downtown Development Authority is proposing the following projects. The projects listed in this Development Plan are as follows:

#### PROPOSED PROJECTS

1. Develop 5 year - 10 year Development Plan for DDA District, including Long Range/Short Range Plans.
2. Sanitary Sewer Improvements.
3. Water System Improvements.
4. Road Improvements.
5. Street Lighting Improvements.

The construction time table for each project is dependent to a large extent on Tax Increment Revenues which in turn are dependent primarily on new construction in the development area. A supplemental or amended Development Plan and Tax Increment Financing Plan will be submitted for approval, if necessary, prior to the commencement of any future project.

- F. A description of any parts of the development area to be left as open space and the use contemplated for the space.

The development of the district will control what open space would be left. There are no plans at this time to designate specific open space areas.

- G. A description of any portions of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

At the present time, the Authority has no plans to sell, donate, exchange or lease to or from the Municipality any part of the development area.

- H. A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

No changes in streets, street levels, or intersections are contemplated as part of the projects noted in the Development Plan.

The Planning Commission is currently updating the Township Master Plan which could possibly change certain zoning districts.

If changes in streets or intersections are to occur, the DDA would revise the plan to incorporate these changes.

- 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 the financing.

#### Master Plan for Development District

The DDA plans on preparing a master development plan for the development area. The master development plan will consist of both a short range and long range plan which will be used for future development of the district in order to halt the deterioration of property values in the development area and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

The master development plan cost will be dependent on the extent of time and expenses incurred to prepare a plan which will be acceptable to the DDA and Township Board. The DDA may elect to apply for grant funding to help finance this project, with the balance of funds required coming from tax increment revenues.

#### Sanitary Sewer Improvements

The DDA and Township are considering the installation of sanitary sewers to service all or a part of the development area. The entire development district currently does not have municipal sanitary sewer, and must have municipal sewers to adequately allow development to occur which will help reduce further deterioration of the District. The project will be undertaken with tax increment revenues which are dependent on the tax increment revenues received each year.

#### Municipal Water System Improvements

The DDA and Township are proposing to extend municipal water into the development district from the ending of the municipal water line which is located approximately 2,600 feet north of Birch Run Road on the west side of the Dixie Highway. The water extension would provide a reliable source of potable water which is required for any type of commercial development. The areas to be serviced have not been fully defined at this time. The project will be undertaken with tax increment revenues which are dependent on the tax increment revenues received each year.

#### Other Projects

All other projects will be undertaken with tax increment revenues not used for other projects listed above, these

projects are dependent on the tax increment revenues received each year.

An amended development plan and tax increment financing plan would be submitted to the Township Board for approval prior to undertaking any future projects.

- 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 in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

The Downtown Development Authority has no immediate plans to lease, sell, or convey any property or buildings within the development area.

- K. The procedures for bidding for the leasing, purchasing, or conveying in any manner 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 in any manner to those persons.

If the DDA would purchase property for resale, the DDA would request approval from the Township Board for the procedure that would be used to solicit bids for the property.

- L. Estimate of the number of persons residing in the development area 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, 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, and 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.

The estimated number of persons residing in the development area is 150. No occupied residences are designated for acquisition and clearance by the authority.

- M. A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area, presently not applicable.
- 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 accord with the standards and provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, being Public Law 91-646, 42 U.S.C. Sections 4601, et seq., presently not applicable.

- 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, presently not applicable.
- P. Other material which the authority, local public agency, or governing body deem pertinent.

The development area may be expanded as deemed pertinent. When and if such modification are required, an amended or supplemental development plan and tax increment financing plan will be submitted.

#### Section 2 - Tax Increment Financing Plan

1. Development Plan: The Development Plan for the Development Area, prepared in accordance with Section 17 of the Act, is set forth in Section 1 of this Ordinance.

#### A. Detailed Explanation of the Tax Increment Financing Procedure.

The DDA Act enables downtown development authorities to undertake a broad range of downtown improvement activities which will contribute to the economic growth and the halting of deterioration of property values in a designated downtown district. These improvement activities include, but are not limited to, the following: plan and propose construction, renovation, repair, remodeling, rehabilitation, restoration or reconstruction of public facilities; development of long range plans; and otherwise implement any plan of development in the downtown district necessary to achieve the purposes of the DDA Act.

In order to provide the Downtown Development Authority with the means of financing the planning and implementation of development proposals, the DDA Act affords the opportunity to undertake tax increment financing of the development program. These programs must be identified in a tax increment financing plan which has been approved by the governing body of a municipality.

Simply stated, tax increment financing permits the authority to capture tax revenues attributable to increases in value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alteration, additions, or to such other factors as the assessor may deem appropriate.

At the time the tax increment financing plan is approved, the sum of the most recently assessed values, i.e., the values as finally equalized by the State Board of Equalization, of those taxable properties located within the development area is established as the "Initial Assessed Value". Property exempt from taxation at the time of determination of the Initial Assessed Value shall be included as zero.

In each subsequent year, the total assessed value of real property within the district is termed the "Current Assessed Value".

The difference in any one year between the Current Assessed Value and the Initial Assessed Value is the "Captured Assessed

Value". During that period during which the tax increment financing plan is in place, local taxing jurisdictions continue to receive ad valorem taxes based on the Initial Assessed Value. Taxes paid on the Captured Assessed Value in years subsequent to the establishment of the development are, however, are payable to the authority for the purposes set forth in the tax increment financing plan.

For example, in Year One a development area is created in the downtown district. An Initial Assessed Value of \$10,000,000 is established. Assuming a 50 mill tax rate, the tax revenue from the development area is \$500,000. In Year Two, new construction within the development area increases the total assessed valuation to \$11,000,000. The difference between the Current Assessed Value, \$11,000,000, and the Initial Assessed Value, \$10,000,000. While the normal taxing jurisdictions continue to receive \$500,000 the authority would receive tax increment revenue equal to the Captured Assessed Value, \$1,000,000, times the rate, 50 mills.

The tax increment payable to the authority in Year Two is, therefore, \$50,000. Additional increases in value would augment the authority's tax increment revenues commensurately while the normal taxing jurisdictions would continue to receive \$500,000 annually for the duration of the tax increment financing program.

B. Maximum Amount of Bonded Indebtedness to be Incurred.

There are no projects to be bonded at this time.

C. The Duration of the Program.

The plan will remain in effect until the projects, as listed in the development plan, are fully completed.

D. Compliance with Section 15 of Act No. 197, Public Acts of Michigan, 1975, as amended.

It is recognized that the amount of tax increment revenue to be transmitted to the authority by the Township Treasurer and County Treasurer shall be that portion of the tax levy of all taxing bodies paid annually on the assessed value of real property only in the development area in excess of the initial assessed value.

The Downtown Development Authority will not collect any tax increment revenue which is generated from all residential and agricultural properties where the state tax commission applies a readjustment factor due to increases from sales.

The Downtown Development Authority will reimburse the school district the appropriate milage levy for debt retirement and will reimburse the special education district its appropriate milage levy. Such funds shall be transmitted to each of the above parties within a reasonable time period after the Downtown Development Authority has collected the tax increment revenue from the Township Treasurer and County Treasurer.

It is further recognized that tax increment revenues shall be expended only in accordance with the provisions of the tax increment financing plan and the surplus tax increment revenues

not used for projects as listed in the development plan, shall revert proportionately to the respective local taxing jurisdictions.

It is also recognized that tax increment revenues shall not be used to circumvent existing levy limit laws and that the Birch Run Township Board may abolish the tax increment financing plan when it finds that the purposes for which the plan was created are accomplished. Pursuant to Section 15(3) of the DDA Act, the authority shall submit to the Birch Run Township Board an annual report on the status of the tax increment financing account. The report shall include, but not be limited to, the following items:

1. Amount and source of revenue in the account.
2. Amount and purpose of expenditures from the account.
3. Amount of principal and interest on outstanding bonded indebtedness, if any.
4. Initial assessed value of the project area.
5. Captured assessed value retained by the authority.
6. Tax increments received by the authority.
7. Such other additional information as is deemed necessary by the Birch Run Township Board.

The authority shall publish or cause to be published the annual tax increment financing account report in the local legal newspaper, that currently being the Birch Run Herald.

- E. Statement of the estimated impact of tax increment financing on the assessed value of all taxing jurisdictions in which the development area is located.

The tax increment financing plan will in no way diminish the assessed values of property within the area boundaries. Local taxing jurisdictions, Birch Run Township, Saginaw County, Birch Run School District, Delta College, Saginaw County Intermediate School District, will therefore, suffer no loss of current tax revenues.

For the period during which the tax increment financing plan is in effect, the assessed values of properties within the development area will effectively remain constant insofar as the local taxing jurisdictions are concerned. Any increase in property values will generate tax increment revenues which will be available only to the authority during the duration of the plan unless excess funds are available and if available will be distributed proportionately to the taxing units.

It should be noted, however, that Act No. 404 of the Public Acts of 1974, as amended, specifically authorizes the exclusion of the Captured Assessed Value of the development area in computations made by school districts to determine state financial assistance.

It is anticipated that the development activities of the authority financed in whole or in part by tax increment

revenues will produce a positive, material effect on the assessed values of property within and in the proximity of the development and will ultimately result in the eventual collection of greater real property tax revenues than would otherwise have been available; and that the improvements will be fully paid for in less than twenty years.

Pursuant to Section 14(4) of the DDA Act, the authority shall fully inform the members of the Saginaw County Board of Commissioners and the members of the various school boards of the fiscal and economic implications of the proposed development area.

- F. Statement of the portion of the Captured Assessed Value intended to be used by the authority.

In view of the necessity of halting property value deterioration and of promoting economic growth within the development area, it is the intention of the authority to expend or otherwise obligate all tax increment revenues collected to achieve the purposes of the DDA Act.

The tax increment revenues which are generated by the Captured Assessed Value will be used to pay costs which are not financed by the issuance of bonds, in connection with the described projects or to amortize bonds if used for future projects.

### Section 3 - Publication

This Ordinance shall be published, as required by law, and a copy of the same shall be filed with the Secretary of State of the State of Michigan, such publication to be in a newspaper of general circulation in the Township of Birch Run.

### Section 4 - Conflicting Ordinances, Resolutions or Orders

All ordinances, resolutions or orders, or any part thereof, in conflict with the provisions of this ordinance, are, to the extent of any such conflict, repealed.

### Section 5 - Severability

If any paragraph, sentence, clause or phrase or part of this Ordinance shall be declared invalid for any reason whatsoever, such decision shall not affect the remaining portion of this Ordinance, and the provisions in this Ordinance are declared to be severable.

### Section 6 - Effective Date

It is hereby declared that the enactment of this Ordinance is required to protect the health, welfare, safety and property interests of the public, and shall take effect immediately upon publication, and as provided by the provisions of Act 197 of the Public Acts of 1975, as amended, or any successor statute thereof.

### Section 7 - Where Ordinance can be Inspected or Obtained

A copy of this Ordinance may be inspected, and/or obtained, from the office of the Birch Run Township Clerk, 8411 Main Street, Birch Run, Michigan 48415.



This Ordinance is declared to have been adopted by the Birch Run Township Board, County of Saginaw, State of Michigan, at a regular meeting held on the 10 day of October, 1989, and ordered to be given publication in the manner prescribed by law.

We, (position vacant), Supervisor of the Township of Birch Run, and MARCIA STRONG, Clerk of the Township of Birch Run, do hereby certify that the foregoing is a true copy of the Ordinance adopted by the Township Board, at said meeting held on the 10 day of October, 1989.

(position vacant)

Supervisor, Birch Run Township

Marcia Strong  
 MARCIA STRONG  
 Clerk, Birch Run Township

	AYE	NAY	NOT VOTING
Supervisor (position vacant)	_____	_____	_____
Clerk Marcia Strong	<u>X</u>	_____	_____
Treasurer Edgar Scharrer	<u>X</u>	_____	_____
Trustee Maria Foerster	<u>X</u>	_____	_____
Trustee Thomas Totten	<u>X</u>	_____	_____

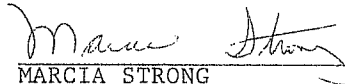
I, MARCIA STRONG, Birch Run Township Clerk, do hereby certify that the foregoing is a true and certified copy of the Ordinance duly enacted by the Township of Birch Run.

Marcia Strong  
 MARCIA STRONG  
 Clerk, Birch Run Township

This Ordinance was given publication on the 19 day of October, 1989, in the Birch Run Herald.

Marcia Strong  
 MARCIA STRONG  
 Clerk, Birch Run Township

A copy of this Ordinance was mailed to the office of the Secretary  
of State of the State of Michigan on OCT. 11, 1989.

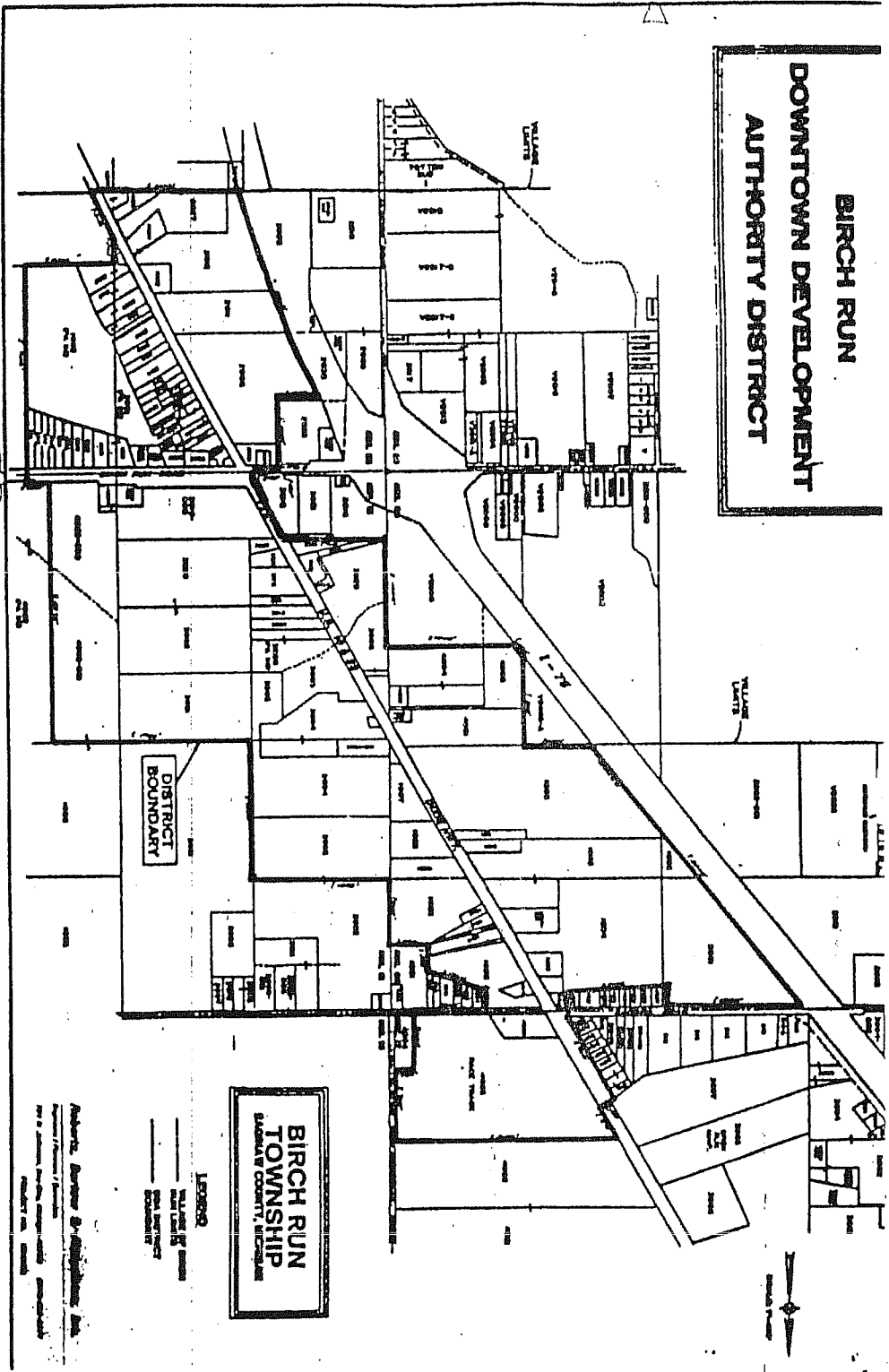
  
\_\_\_\_\_  
MARCIA STRONG  
Clerk, Birch Run Township

## EXHIBIT "A"

Commencing at the southwest corner of Section 21, Township 10 North, Range 6 East, Birch Run Township, Saginaw County, Michigan, thence easterly along said section line 1003 feet more or less to the point of beginning, thence northerly 50 feet more or less to the north right-of-way line of Birch Run Road, thence easterly along said right-of-way line 170 feet more or less, thence northeasterly along said right-of-way line 103 feet more or less, to the westerly right-of-way line of US-10 and US-23, "Dixie Highway" said right-of-way line also being the limits of the Village of Birch Run, thence 571 feet more or less along said line to the north line of the Village of Birch Run village limits, thence westerly along said south line 960 feet more or less to the east line of the Village of Birch Run village limits, thence north 1007 feet more or less along said east line to the north line of the Village of Birch Run village limits, thence west 1200 feet more or less to the easterly right-of-way line of I-75, thence northwesterly along said right-of-way line 180 feet more or less to the east line of the Village of Birch Run village limits, thence north along said east line 860 feet more or less to the north line of the Village of Birch Run village limits, thence west along said north line 620 feet more or less to the easterly right-of-way line of I-75, thence northwesterly along said right-of-way line 3300 feet more or less to the south right-of-way line of Canada Road, thence easterly along said right-of-way line of Canada Road 1320 feet more or less to a line common to parcels 2001 and 1027, thence south along said line 206 feet more or less to the rear lot line of parcels 1027, 1028, 1029, 1030, 1031, 1033, 1021, and 1023, thence easterly 910 feet more or less along said rear line to a line common to parcels 1023 and 1012, thence north along said line 221 feet more or less to the northerly right-of-way line of Canada Road, thence east along said right-of-way line to the westerly right-of-way line of US-10 and US-23, "Dixie Highway", thence 960 feet more or less along said right-of-way line, thence northeasterly 150 feet to the easterly right-of-way line of US-10 and US-23, "Dixie Highway", thence northwesterly along said right-of-way line 370 feet more or less to a line common to parcels 4003 and 4002, thence east along said line 2180 feet more or less to the westerly right-of-way line of Bayer Road, thence southerly along said right-of-way line of Bayer Road 740 feet more or less to the north line of parcel 4004, thence westerly 211 feet more or less along said north line to the west line of said parcel, thence southerly along said line, thence 610 feet more or less to the southerly right-of-way line of Canada Road, thence westerly along said southerly right-of-way line of Canada Road 616 feet more or less to a line common to parcels 1003 and 1034, thence southerly along said line 199 feet more or less, thence southeasterly along the rear line of parcels 1034, 1025, 1024, 1019, 1018, and 1017, thence 575 feet more or less along said rear line to the west line of parcel 1001, thence southerly 245 feet more or less, along said west line to the south line of said parcel thence east 330 feet more or less to the east section line of

southerly 245 feet more or less, along said west line to the south line of said parcel thence east 330 feet more or less to the east section line of Section 20, Town 10 North, Range 6 East, Birch Run Township, thence south along said section line 660 feet more or less to a line common to parcels 2002 and 2003, thence east 1320 feet more or less along said line to a line common to parcels 2001, 2003, and 2004, thence south 1320 feet more or less, to a line common to parcels 2001, 3001, 1006, and 4003-001, thence east 1980 feet more or less along said line to a line common to parcels 4003-000, 4003-001, and 4002, thence south 2570 feet more or less along said line to the north right-of-way line of Birch Run Road, thence easterly along said right-of-way line 230 feet more or less to the east line of parcel 1011, thence south 1960 feet more or less to the south line of parcel 1002, thence westerly 870 feet more or less along the south property line of said parcel to the east line of parcel 2003, thence south 240 feet more or less to the easterly right-of-way line of US-10 and US-23, "Dixie Highway", thence southeasterly 500 feet more or less along said right-of-way line to the south Village of Birch Run village limits line extended east, thence westerly 1480 feet more or less along said line to the easterly right-of-way of I-75, thence northwesterly along said right-of-way line 2160 feet more or less to the Village of Birch Run village limits, thence easterly 410 feet more or less along said line to the east Village of Birch Run village limits line, thence north 660 feet more or less along said line to point of beginning.

**BIRCH RUN  
DOWNTOWN DEVELOPMENT  
AUTHORITY DISTRICT**

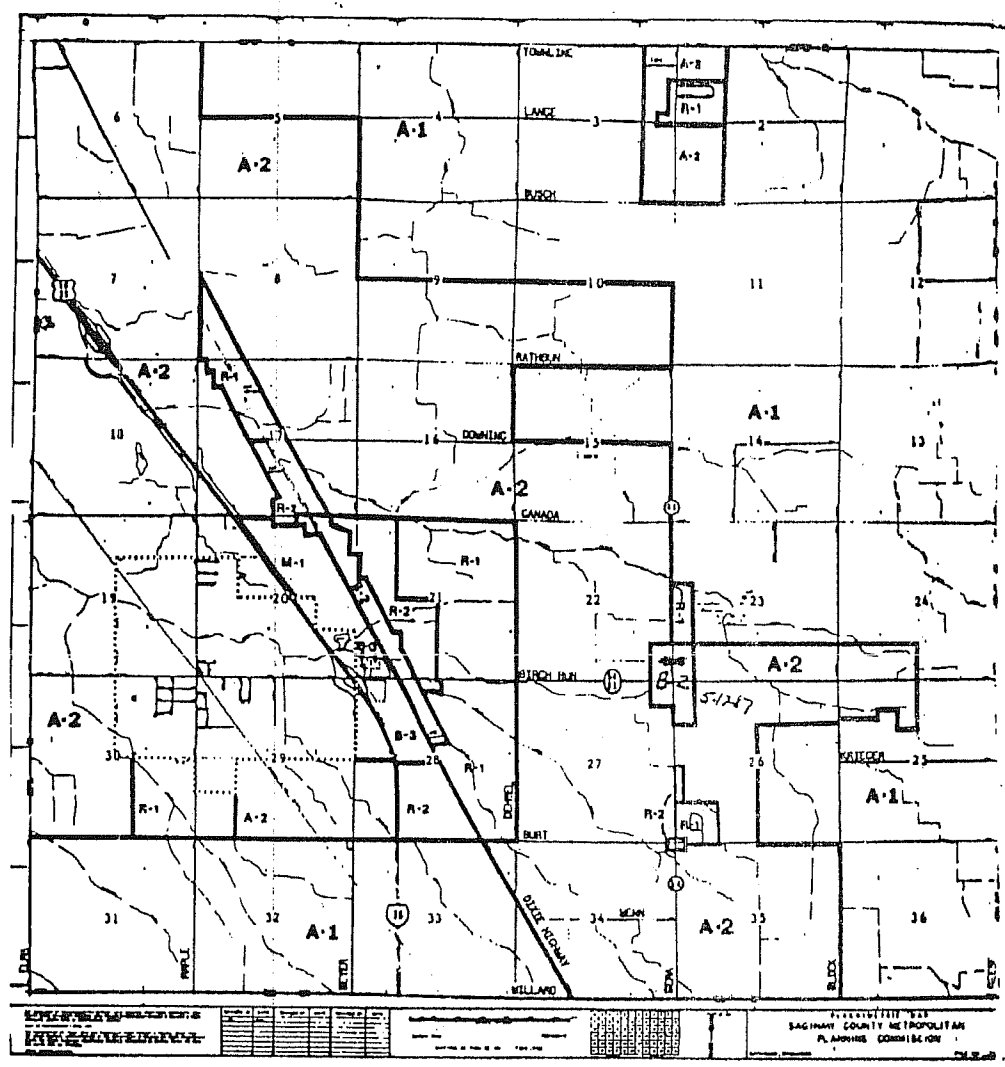


**EXHIBIT 'B'  
DISTRICT BOUNDARIES**

**BIRCH RUN  
TOWNSHIP**  
SABRETT COUNTY, OKLAHOMA

**LEGEND**  
— BOUNDARY OF TOWNSHIP  
— BOUNDARY OF SUBDIVISION  
— DISTRICT BOUNDARY

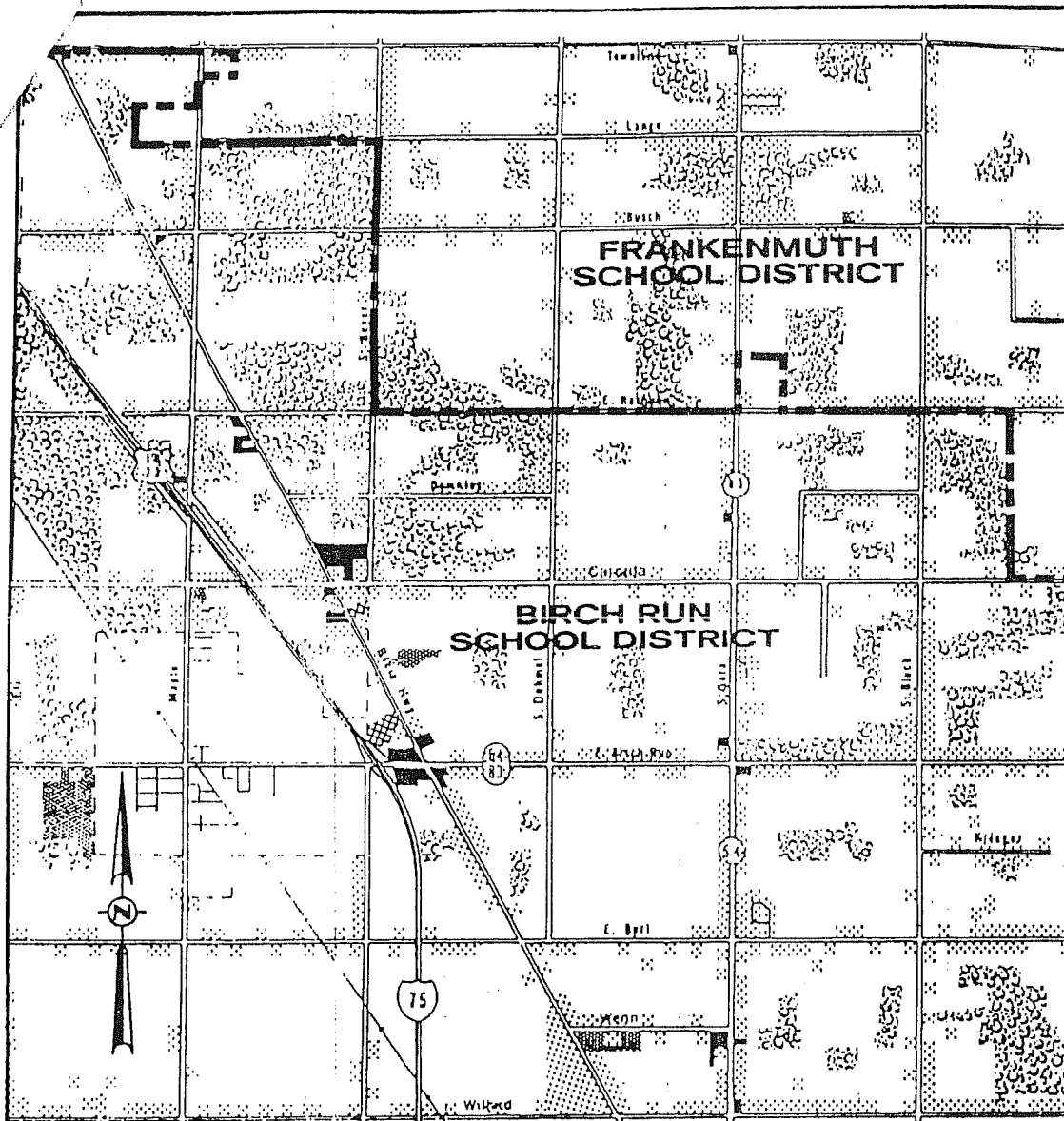
Prepared by: **Robert, Arthur & Associates, Inc.**  
1000 North Lincoln Street  
Oklahoma City, Oklahoma 73102  
Date: 10/1/88



**BIRCH RUN TOWNSHIP**  
**ZONING MAP**  
1954

- A-1 PRIMARY AGRICULTURE (Low & Fine Production)
- A-2 GENERAL FARMING & WOODLOT (DISPERSED RESIDENTIAL)
- R-1 RESIDENTIAL DISTRICT (SINGLE FAMILY)
- R-2 RESIDENTIAL DISTRICT (MULTIPLE FAMILY)
- B-2 COMMERCIAL DISTRICT (COMMUNITY COMMERCIAL)
- M-1 INDUSTRIAL DISTRICT (GENERAL SERVICES)
- B-1 BUSINESS DISTRICT







**EXHIBIT "D"**



**BIRCH RUN TOWNSHIP  
GENERALIZED LAND USE  
AND  
SCHOOL DISTRICT MAP**

**EXHIBIT "E"**

**LEGEND**

-  Residential
-  Commercial
-  Public-Quasi Public
-  Industrial
-  Wooded
-  School District Boundary