DEVELOPMENT AND TAX INCREMENT FINANCING PLANS

Shelby Township Downtown Development Authority

Adopted: December 26, 2019

ACKNOWLEDGEMENTS

The Shelby Township Downtown Development Authority was established in 2006, pursuant to the Recodified Tax Increment Financing Act (Act 57 of 2018). The purpose of the Authority is to purpose is to correct and prevent deterioration and promote economic growth within Shelby Township's principal business district.

For their vision and support, the following community leaders should be recognized:

TOWNSHIP BOARD
- RICHARD STATHAKIS, SUPERVISOR
- STANLEY T. GROT, CLERK
- MICHAEL FLYNN, TREASURER
- LISA CASALI, TRUSTEE
- JOHN VERMUELEN, TRUSTEE
- VINCE VIVIANO, TRUSTEE
- LYNN WILHELM, TRUSTEE

DDA BOARD OF DIRECTORS
- GREG GAGNON, CHAIRPERSON
- JEFF SWARTZ, TREASURER
- LYNN WILHELM, SECRETARY
- FRANCO MANCINI, BOARD MEMBER
- BILL HELLEBUYCK, BOARD MEMBER
- JEFF ENGLISH, BOARD MEMBER
- PAT RABAUT KONRAD, BOARD MEMBER
- BILL ANDREOPOULOS, BOARD MEMBER
- RICHARD STATHAKIS, BOARD MEMBER

Glenn Wynn, Planning Director (retired)
Julijana Misich, Interim Planning Director
Matt Schmidt, Township Assessor
Laurie Morrison, Assessing Department

This plan was prepared with assistance from:

CIB Planning

LSL Planning, a SAFEbuilt LLC Company

ADOPTED BY AUTHORITY BOARD: October 21, 2019
ADOPTED BY TOWNSHIP BOARD: December 3, 2019

2019 DDA Development and TIF Plan
Shelby Township Downtown Development Authority

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GENERAL OVERVIEW

The Shelby Township Downtown Development Authority (DDA) was created on March 16, 2006. This plan was subsequently updated in 2015 to reflect current conditions. A DDA is governed by a Board of Directors whose primary purpose is to correct and prevent deterioration and promote economic growth within Shelby Township's principal business district. Other purposes of a DDA include reversing declining property values, improving the overall business climate, and increasing employment opportunities. A primary benefit of forming a DDA is the ability to capture the incremental increase in property taxes that result from improvements in the district. These tax revenues are used to finance public improvement projects within the district, which furthers the goal of economic growth.

A Development Plan is one tool the DDA relies upon for identifying and implementing projects aimed at spurring new private investment. The goals, objectives and recommended actions presented in this document are intended to plan and prioritize projects, and ensure that development and redevelopment within the corridor occurs in an orderly manner. Recommendations also ensure that improvements match the available revenues, and can enable the DDA to become eligible for other funding sources. Plan was prepared in accordance with the Recodified Tax Increment Financing Act, PA 57 of 2018.

A DDA can capture new tax increment in the district (TIF) and use it to pay for improvements that otherwise could not be afforded by either local businesses or township government. Moreover, creation of a TIF district does not take away current tax revenue; it just captures any new increment that results from improvements to property or an increase in value.

DEVELOPMENT PLAN

LEGAL BASIS OF THE PLAN

The Development Plan and Tax Increment Financing Plan are prepared pursuant to the requirements of Sections 214 and 217 of the Recodified Tax Increment Financing Act (Act 57 of 2018), as amended.

DEVELOPMENT PLAN REQUIREMENTS

Section 17 also indicates that the development plan shall contain all of the following:

A. **THE DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO HIGHWAYS, STREETS, STREAMS, OR OTHERWISE.**
The boundaries for the corridor improvement district are shown on Map 1. Included are areas along Van Dyke Road, between 25 Mile and 26 Mile Roads, which are part of the expansion from the original plan. The list of parcels contained within the DDA boundaries is found in Appendix A, Development Area Boundary, along with the amendment ordinance.

B. **THE LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES WITHIN THE DEVELOPMENT AREA, DESIGNATING 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 INCLUDING A LEGAL DESCRIPTION OF THE DEVELOPMENT AREA.**
As indicated in the Van Dyke Corridor description, the district encompasses a wide variety of land uses including office, retail, industrial, residential, service and open space. There are also parcels that contain public and recreation uses, both indoor and outdoor. Existing Land Uses are shown on Map 2: Existing Land Use.

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.**
The description of existing improvements to be demolished and associated schedule for implementation is provided in this plan under the heading "Proposed Improvements."

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.**
To expand upon what was indicated above, the location, character and estimated cost/timing of the improvements is provided below:

PROPOSED IMPROVEMENTS

1. **Gap Funding $25,000-$100,000**
   Recognizing that the recent recession led to the decline in new real estate development, the Township may, at its own discretion, commit project-specific future tax increment capture back to private projects for a specified period of time. The goal is to provide funding to close the "gap" that prevents the project from becoming a reality due to financial feasibility.

2. **Public Spaces $100,000-$500,000**
   To better create a sense of place in the Town Center and at strategic locations in the DDA District, the DDA will support the development and enhancement of public spaces including pedestrian plazas, parks, restroom facilities, open spaces, gardens, gazebos, performance areas, walkways, and supporting site amenities. Pedestrian improvements are planned to improve access to the municipal campus in the center of the DDA district. For example, a crosswalk on 24 Mile Road east of Van Dyke is needed to improve access from the residential neighborhood to the north to the park, library and other public facilities at the municipal site.

3. **Develop a DDA Marketing Effort and Prepare Promotional Materials $125,000**
   It is the Township's desire to create a unified image and market the Van Dyke Corridor as a cohesive business district, especially the Town Center area. To that end, the following projects are needed:

   - *Promotional Activities*. The DDA currently sponsors an annual July 4th fireworks event. They are also discussing combined activities with the city of Utica to the south and Washington Township to the north.
   - *Market Analysis*. DDA businesses may benefit from a market study that identifies the range of businesses that could be supported along Van Dyke based on market conditions
   - *Promotional Materials*. The preparation of marketing materials that can be presented to developers, retailer and real estate firms promoting the Van Dyke Corridor. This may include brochures, exhibits, trade area data, web site materials, social media activities, etc.

4. **DDA Property Acquisition $150,000-$750,000**
   Property acquisition will be a necessary part of the development projects contained herein including, but not limited to, site redevelopment, road improvements, storm water facilities, and entryway enhancements. The goal is to use tax increment financing to leverage private investment and eventually eliminate the need for financial assistance. Possible acquisition targets are existing parcels on Van Dyke abutting the municipal campus. Acquiring these parcels would give the municipal campus more exposure to Van Dyke.

5. **Parking Improvements $50,000-$250,000**
   Parking improvements will be needed for specific projects, primarily in and around the Town Center area. This may include parking lot enhancements, property acquisition, the creation of new public lots, parking decks, underground parking for specific projects, wayfinding, etc.

6. **Streetscape & Entryway Improvements $15,000-$250,000**
   Coordinated streetscape improvements will be needed throughout the corridor to achieve the desired look for the various sections of Van Dyke Road. This will include items such as brick pavers, street trees, lights, sidewalks, signage, benches, waste receptacles, etc. Entryway with landscaping, signage,

lighting and architectural features like brick knee walls, will let people know they have arrived in the corridor.

7. **Infrastructure Improvements $250,000-$1,000,000**
    To support development throughout the corridor, funding will be used toward various infrastructure improvements including, but not limited to, storm water management, roads, sewer & water lines, and private utilities.

8. **Public Buildings $100,000-$2,000,000**
    DDA funding will be provided to assist with public buildings that support the goals of the District, especially in the Town Center area. This can include a Library building, Recreation Center, or other structures identified as development occurs. The DDA may also want to consider sponsoring an incubator for new businesses.

    Total Cost of All Projects: $815,000-4,975,000

E. **A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION OF EACH STAGE.**
    The specific projects to be undertaken by the DDA are not known at this time. The "Proposed Improvements" table above will be updated to show the construction planned, and the estimated time of completion, for each project as this information is known.

F. **A DESCRIPTION OF ANY PARTS OF THE DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND THE USE CONTEMPLATED FOR THE SPACE.**
    Future land uses for DDA District are shown on Map #3 and it identifies existing and proposed open space.

G. **A DESCRIPTION OF ANY PORTIONS OF THE DEVELOPMENT AREA THAT 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 lease, own, or otherwise control property in its own name. Should acquisition of property be required in the future to accomplish the objectives of the DDA, or should the Authority receive property by donation, through purchase, or by any other means of acquisition, the Authority will establish and formally adopt appropriate procedures for property disposition, subject to applicable Federal, State, and local regulations.

H. **A DESCRIPTION OF DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, TRAFFIC FLOW MODIFICATIONS, OR UTILITIES.**
    The Township Planning Commission is currently updating the Township Master Plan and upon adoption, will likely update the zoning for some of the properties in the DDA boundary area. Those changes will be added to the Appendix of this document when completed. Proposed changes in infrastructure such as streets, sidewalks, utilities, etc. are not known at this time but will also be added to the Appendix.

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.**

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 in this plan under "Proposed Improvements."

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.**

Information concerning the names of people for whom benefits may accrue is unknown at this time and will not be available until phases of implementation are underway.

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.**

All such procedures will follow both township and state law and at the present time there are no commitments made.

L. **ESTIMATES 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 OR UNDER CONSTRUCTION, THE CONDITION OF THOSE 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, AN ESTIMATE OF THE TOTAL DEMAND FOR HOUSING IN THE COMMUNITY, AND THE ESTIMATED CAPACITY OF PRIVATE AND PUBLIC HOUSING AVAILABLE TO DISPLACED FAMILIES AND INDIVIDUALS.**

At the present time, no known relocation of families or individuals will take place within the scope of this proposed Development Plan or Tax Increment Financing Plan. Should said displacement be planned during implementation of the plan, the above information will be gathered accordingly.

M. **A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA.**

At the present time, no known relocation of families or individuals will take place within the scope of this proposed Development Plan or Tax Increment Financing Plan.

N. **PROVISION FOR THE COSTS OF RELOCATING PERSONS DISPLACED BY THE DEVELOPMENT AND FINANCIAL ASSISTANCE AND REIMBURSEMENT OF EXPENSES, INCLUDING LITIGATION EXPENSES AND EXPENSES INCIDENT TO THE**

TRANSFER OF TITLE, IN ACCORDANCE WITH THE STANDARDS AND PROVISIONS OF THE UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970, PUBLIC LAW 91-646, 84 STAT. 1894.

At the present time, no know relocation of families or individuals will take place within the scope of this proposed Development Plan or Tax Increment Financing Plan.

O. A PLAN FOR COMPLIANCE WITH THE FEDERAL UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970 AND ACT 227 OF THE PUBLIC ACTS OF 1972.

At the present time, no know relocation of families or individuals will take place within the scope of this proposed Development Plan or Tax Increment Financing Plan.

P. OTHER MATERIAL THAT THE AUTHORITY, LOCAL PUBLIC AGENCY, OR GOVERNING BODY CONSIDERS PERTINENT.

Such other material will be identified or added as the need arises.

Map 1: Boundaries

Map labels (top to bottom, grid lines): 26 MILE, 25 MILE, 24 MILE, 23 MILE, 22 MILE, 21 MILE

1 inch = 1,003 feet

Charter Township of Shelby
Planning and Zoning Department

DDA District Boundary

Map 2: Existing Land Use

Land Use Categories

- Single-Family Residential
- Single-Family Residential (Vacant)
- Multi Family Residential
- Office
- Office (Partially Vacant)
- Commercial
- Commercial (Partially Vacant)
- Industrial
- Semi Public
- Public
- Vacant
- DDA Boundary

1 inch = 1,003 feet
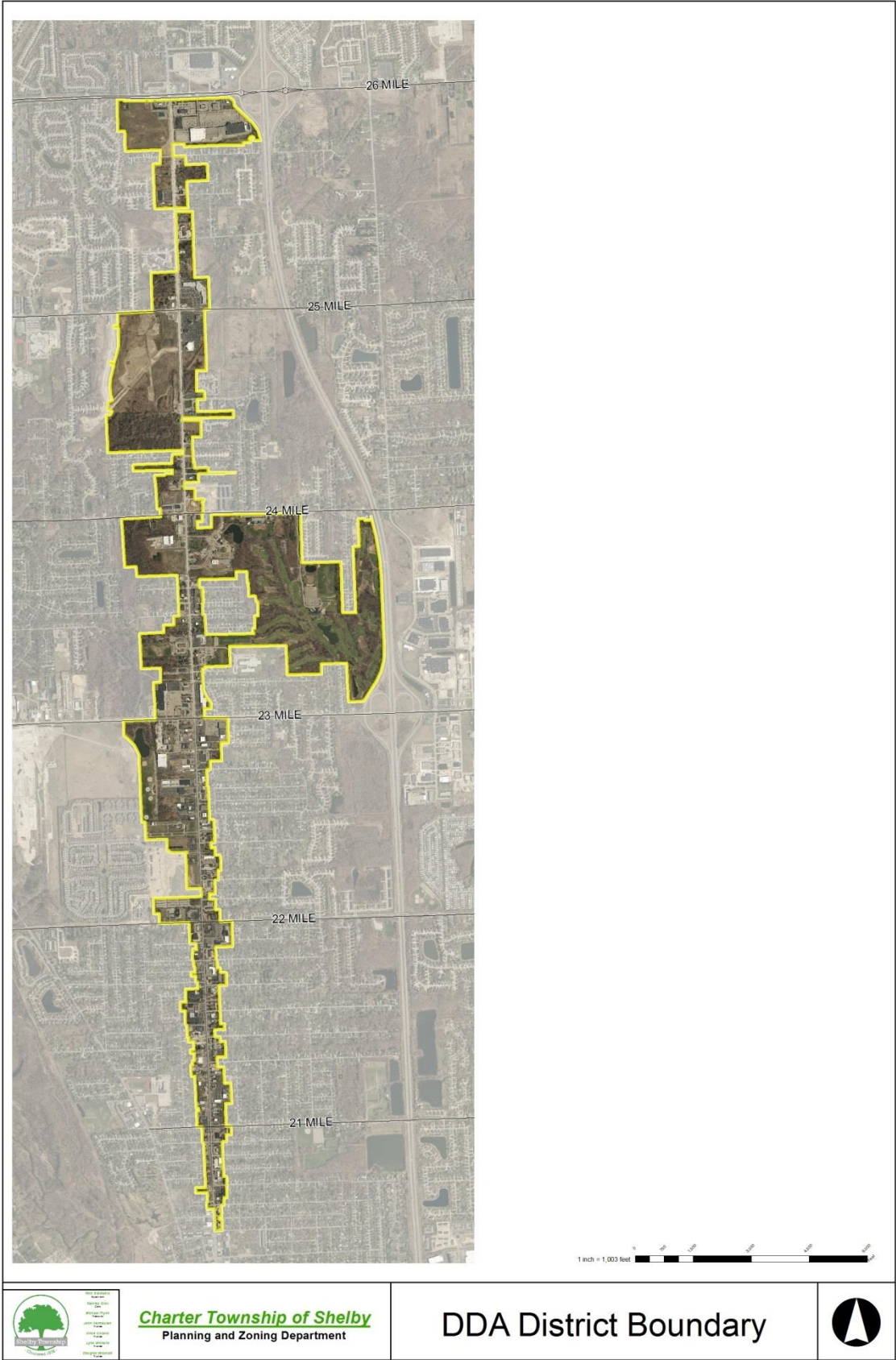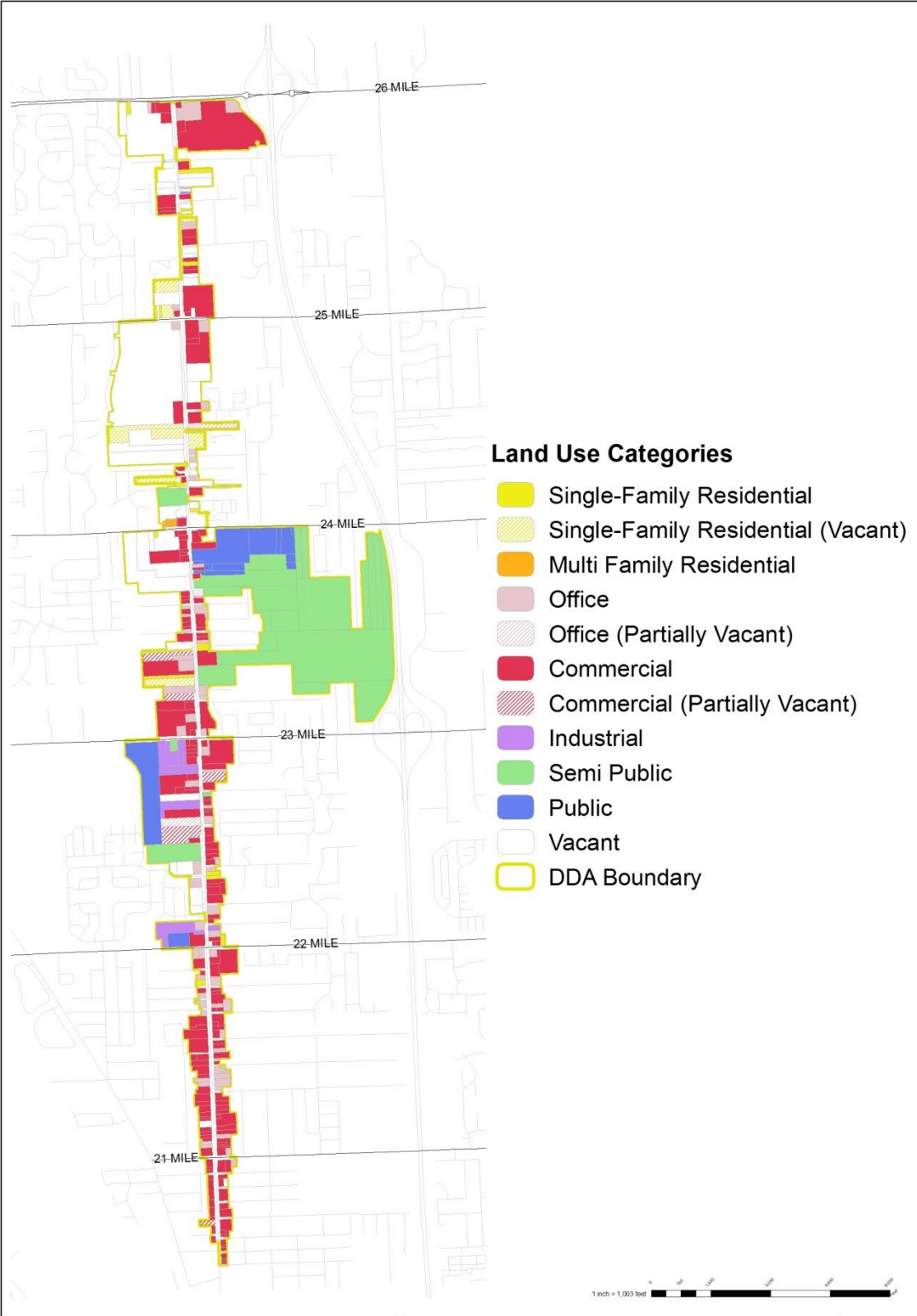
Charter Township of Shelby
Planning and Zoning Department

DDA Existing Land Use Map

Map 3: Future Land Use

Land Use Categories

- Regional Commercial
- Community Commercial
- Town Center Mixed-Use
- Service Corridor
- Consumer Corridor
- Redevelopment Corridor
- Mixed Residential
- Public/Recreation
- DDA Boundary

26 MILE

25 MILE

24 MILE

23 MILE

22 MILE

21 MILE

1 inch = 1,003 feet

Charter Township of Shelby
Planning and Zoning Department

DDA Future Land Use Map
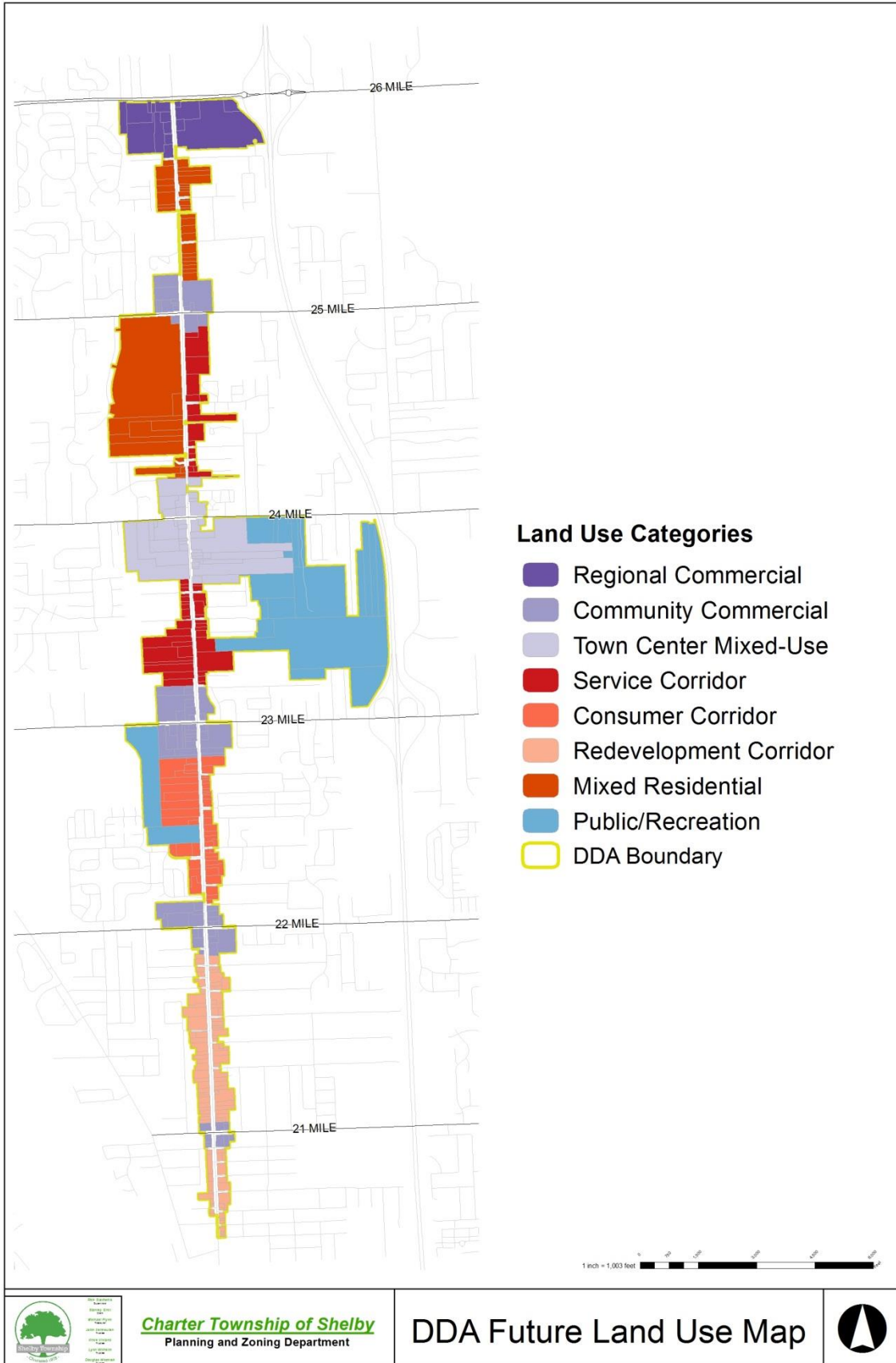
EXPLANATION OF THE TAX INCREMENT PROCEDURE

Tax Increment Financing (TIF financing) is a method of funding public investments in an area slated for (re)development by capturing, for a time, all or a portion of the increased tax revenue that may result from increases in property values, either as a result of (re)development or general market inflation. The concept of tax increment financing is applied only to the Development Area for which a development plan has been prepared by the Downtown Development Authority and adopted by the Township Board.

As provided in PA 57 of 2018, tax increment financing is an effective tool for financing redevelopment and planning of designated development areas within a Downtown Development Authority District. TIF financing can be used to fund facilities, structures, or improvements within the district and to: 1) market businesses within the district; 2) plan for property within the district; 3) acquire land; 4) improve sites; 5) construct buildings; and 6) administer the Development Plan. Because TIF financing involves capture of tax revenue for certain parcels, TIF dollars must be used for improvements that will generally benefit those same parcels.

Captured Value

"Captured Assessed Value" can be described as the difference in amount in
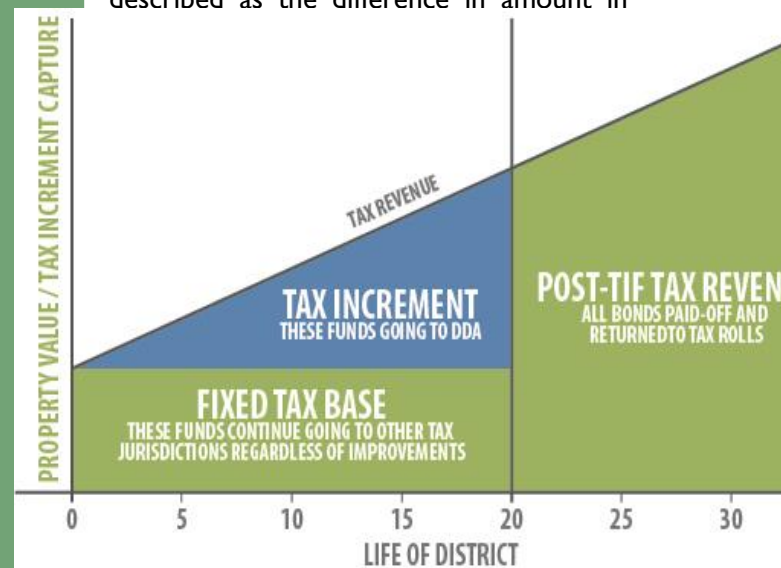
[...] assessed value (current year total) is the value of property for which taxes can be captured and (re)invested by the DDA.

1. Increase in taxable value. The initial assessed value ("SEV") for this plan is the assessed value of all real and personal property in the development area as determined on December 31, 2019 and finally equalized by the state in May 2020. This is commonly considered the SEV for 2019. As shown in Table 1, the base value of real property in the district is $123,532,307.

Estimated Taxable Value Increase [1]

Table 1

ESTIMATED TAX CAPTURE VALUE 2020 - 2049

	Fiscal Year	Base Value	% Value Increase	Taxable Value
Base Year:	2020	$123,532,307	2.0%	$126,002,953
	2021	$123,532,307	2.0%	$128,523,012
	2022	$123,532,307	2.0%	$131,093,472
	2023	$123,532,307	2.0%	$133,715,342
	2024	$123,532,307	2.0%	$136,389,649
	2025	$123,532,307	2.0%	$139,117,442
	2026	$123,532,307	2.0%	$141,899,791
	2027	$123,532,307	2.0%	$144,737,786
	2028	$123,532,307	2.0%	$147,632,542
	2029	$123,532,307	2.0%	$150,585,193
	2030	$123,532,307	2.0%	$153,596,897
	2031	$123,532,307	2.0%	$156,668,835
	2032	$123,532,307	2.0%	$159,802,211
	2033	$123,532,307	2.0%	$162,998,256
	2034	$123,532,307	2.0%	$166,258,221
	2035	$123,532,307	2.0%	$169,583,385
	2036	$123,532,307	2.0%	$172,975,053
	2037	$123,532,307	2.0%	$176,434,554
	2038	$123,532,307	2.0%	$179,963,245
	2039	$123,532,307	2.0%	$183,562,510
	2040	$123,532,307	2.0%	$187,233,760
	2041	$123,532,307	2.0%	$190,978,435
	2042	$123,532,307	2.0%	$194,798,004
	2043	$123,532,307	2.0%	$198,693,964
	2044	$123,532,307	2.0%	$202,667,843
	2045	$123,532,307	2.0%	$206,721,200
	2046	$123,532,307	2.0%	$210,855,624
	2047	$123,532,307	2.0%	$215,072,737
	2048	$123,532,307	2.0%	$219,374,191
	2049	$123,532,307	2.0%	$223,761,675

(1)   This table assumes capture based on inflation only - no new development or increase in value due to improvements. New development would increase capture.

(2)   2020 - 2049 assume 2.0% growth/year.

The purpose of the Tax Increment Financing Plan is to ensure that revenues from tax increment capture will be sufficient to cover anticipated costs, especially when it comes to bond debt. Therefore, some assumptions are involved in order to project property values into the future to determine anticipated revenues. Since the economy is currently in the midst of an upswing, the following assumptions provide the basis for the figures in Table 1.A modest increase in property values was assumed.   A conservative growth rate of 3.0% was used in the projections for future TIF revenue.

2. **Capturable Taxable Value.** A limited amount of development is expected over the entire DDA District. To provide conservative estimates, the TIF revenues are based on increases in property values based on the market, not improvements to property.

Estimate of Taxable Value Capture Amounts
Table 2

	Fiscal Year	Base Taxable Value	% Value Increase (1)	New Taxable Value	Capturable Taxable Value (2)
Base Year:	2020	$123,532,307	2.0%	$126,002,953	$2,470,646
	2021	$123,532,307	2.0%	$128,523,012	$4,990,705
	2022	$123,532,307	2.0%	$131,093,472	$7,561,165
	2023	$123,532,307	2.0%	$133,715,342	$10,183,035
	2024	$123,532,307	2.0%	$136,389,649	$12,857,342
	2025	$123,532,307	2.0%	$139,117,442	$15,585,135
	2026	$123,532,307	2.0%	$141,899,791	$18,367,484
	2027	$123,532,307	2.0%	$144,737,786	$21,205,479
	2028	$123,532,307	2.0%	$147,632,542	$24,100,235
	2029	$123,532,307	2.0%	$150,585,193	$27,052,886
	2030	$123,532,307	2.0%	$153,596,897	$30,064,590
	2031	$123,532,307	2.0%	$156,668,835	$33,136,528
	2032	$123,532,307	2.0%	$159,802,211	$36,269,904
	2033	$123,532,307	2.0%	$162,998,256	$39,465,949
	2034	$123,532,307	2.0%	$166,258,221	$42,725,914
	2035	$123,532,307	2.0%	$169,583,385	$46,051,078
	2036	$123,532,307	2.0%	$172,975,053	$49,442,746
	2037	$123,532,307	2.0%	$176,434,554	$52,902,247
	2038	$123,532,307	2.0%	$179,963,245	$56,430,938
	2039	$123,532,307	2.0%	$183,562,510	$60,030,203
	2040	$123,532,307	2.0%	$187,233,760	$63,701,453
	2041	$123,532,307	2.0%	$190,978,435	$67,446,128
	2042	$123,532,307	2.0%	$194,798,004	$71,265,697
	2043	$123,532,307	2.0%	$198,693,964	$75,161,657
	2044	$123,532,307	2.0%	$202,667,843	$79,135,536
	2045	$123,532,307	2.0%	$206,721,200	$83,188,893
	2046	$123,532,307	2.0%	$210,855,624	$87,323,317
	2047	$123,532,307	2.0%	$215,072,737	$91,540,430
	2048	$123,532,307	2.0%	$219,374,191	$95,841,884
	2049	$123,532,307	2.0%	$223,761,675	$100,229,368
TOTAL					**$1,405,728,573**

(1)   2020 - 2049 assume 2.0% growth/year.

(2)   This table assumes taxable value increase based on inflation only - no new development or increase in value due to improvements. New development would increase capture.

3. **Tax Increment Capture.** Beginning with the 2020 tax collection, and for each year within the term of the plan, municipal and county treasurers transmit directly to the DDA, the applicable portion of the tax levy set by the taxing units on the real property in the development area, including that portion of any commercial facilities tax levied pursuant to P.A. 255 of 1978 and that portion on an industrial facilities tax levied pursuant

to PA 198 of 1974. Voted and separately identified debt millage revenues do not come to the DDA, but go directly to the intended taxing units.

"Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the Development Area. Tax increment revenues do not include any of the following:

a. Taxes under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.
b. Taxes levied by local or intermediate school districts.
c. Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to the ad valorem property taxes.
d. Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to the ad valorem property taxes.
e. Ad valorem property taxes exempted from capture under section 18(5) or specific local taxes attributable to the ad valorem property taxes.
f. Ad valorem property taxes specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit or specific taxes attributable to those ad valorem property taxes.

To utilize tax increment financing, the DDA must prepare a development plan and a tax increment financing plan. Both plans are submitted to the Township Board, who must approve the plans. These plans may be amended in the future to reflect changes desired by the DDA or the Township. All amendments must follow the procedures of the Act.

MAXIMUM AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED

The Downtown Development Authority may explore the possibility of bonding against future revenues to supply the funds required to accomplish larger public improvement projects. The extent of the indebtedness and the timing of the debt retirement will be determined by the extent of the tax increment revenues. The maximum indebtedness, as stated in PA 57 of 2018, cannot exceed the ability to service the debt from tax increments. Only 80% of projected revenues are available as debt service funds. There is currently no bonded indebtedness for the DDA. Future plan updates will consider outstanding debt as it plans for continued investment in the district.

DURATION OF THE DEVELOPMENT PROGRAM

The duration of the tax increment financing plan is thirty (30) years, commencing upon approval by the Township Board in 2019 and will cease with tax collections due in December 2049, unless this plan is amended to extend or shorten its duration.

STATEMENT OF THE ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON TAXING JURISDICTIONS IN WHICH THE DEVELOPMENT AREA IS LOCATED.

In addition to Shelby Township, the DDA is eligible to capture tax increment revenues from Macomb County, Macomb County Community College, and SMART. HCMA decided to opt out of the plan and not participate in redevelopment of the DDA District.

The most important impact on the affected taxing jurisdictions is that the amount of revenue they currently receive from property within the district will not increase during the life of the Plan. Once the base value of the district is set, the DDA will capture the revenue from any increase in property value. The base amount would still flow to the appropriate taxing jurisdictions. In other words, the revenue to each taxing jurisdiction would effectively be frozen at the base value for the entire term of the DDA Plan.

The impact of tax increment financing on the revenues of all taxing properties is illustrated in Table 3 on the following page.

Estimated TIF Increment Capture by Taxing Jurisdiction
Fiscal Year Ending June 30, 2020
Table 3

	Millage Rates	*8.2999*	*4.5685*	*1.4212*	*1.0000*	*15.2896*
Fiscal Year	Capture Amount [1]	Shelby Twp.	Macomb Co.	MCC	SMART	Total Annual Capture
2020	$2,470,646	$20,506	$11,287	$3,511	$2,471	$37,775
2021	$4,990,705	$41,422	$22,800	$7,093	$4,991	$76,306
2022	$7,561,165	$62,757	$34,543	$10,746	$7,561	$115,607
2023	$10,183,035	$84,518	$46,521	$14,472	$10,183	$155,695
2024	$12,857,342	$106,715	$58,739	$18,273	$12,857	$196,584
2025	$15,585,135	$129,355	$71,201	$22,150	$15,585	$238,290
2026	$18,367,484	$152,448	$83,912	$26,104	$18,367	$280,831
2027	$21,205,479	$176,003	$96,877	$30,137	$21,205	$324,223
2028	$24,100,235	$200,030	$110,102	$34,251	$24,100	$368,483
2029	$27,052,886	$224,536	$123,591	$38,448	$27,053	$413,628
2030	$30,064,590	$249,533	$137,350	$42,728	$30,065	$459,676
2031	$33,136,528	$275,030	$151,384	$47,094	$33,137	$506,644
2032	$36,269,904	$301,037	$165,699	$51,547	$36,270	$554,552
2033	$39,465,949	$327,563	$180,300	$56,089	$39,466	$603,419
2034	$42,725,914	$354,621	$195,193	$60,722	$42,726	$653,262
2035	$46,051,078	$382,219	$210,384	$65,448	$46,051	$704,103
2036	$49,442,746	$410,370	$225,879	$70,268	$49,443	$755,960
2037	$52,902,247	$439,083	$241,684	$75,185	$52,902	$808,854
2038	$56,430,938	$468,371	$257,805	$80,200	$56,431	$862,806
2039	$60,030,203	$498,245	$274,248	$85,315	$60,030	$917,838
2040	$63,701,453	$528,716	$291,020	$90,533	$63,701	$973,970
2041	$67,446,128	$559,796	$308,128	$95,854	$67,446	$1,031,224
2042	$71,265,697	$591,498	$325,577	$101,283	$71,266	$1,089,624
2043	$75,161,657	$623,834	$343,376	$106,820	$75,162	$1,149,192
2044	$79,135,536	$656,817	$361,531	$112,467	$79,136	$1,209,951
2045	$83,188,893	$690,459	$380,048	$118,228	$83,189	$1,271,925
2046	$87,323,317	$724,775	$398,937	$124,104	$87,323	$1,335,139
2047	$91,540,430	$759,776	$418,202	$130,097	$91,540	$1,399,617
2048	$95,841,884	$795,478	$437,854	$136,210	$95,842	$1,465,384
2049	$100,229,368	$831,894	$457,898	$142,446	$100,229	$1,532,467
TOTAL	$1,405,728,573	$11,667,407	$6,422,071	$1,997,821	$1,405,729	**$21,493,028**

(1) 2020 - 2049 assume 2.0% growth/year.

Methodology for this Table: Total capture amount for each year was taken from the Captured Amount column in the Estimated TIF CaptureTable. Those amounts were then divided by 1000 and multiplied by the millage rates above to establish the tax capture for each taxing agency.

Tax Auth	Mils		Total
Shelby Twp.	8.2999		8.2999
Macomb County	4.5685		4.5685
MCC	1.4212		1.4212
SMART	1.0000		1.0000
Total	15.2896		**15.2896**

PLAN FOR THE EXPENDITURE OF CAPTURED ASSESSED VALUE BY THE AUTHORITY

1. **Estimate of Tax Increment Revenues.** Table 3 on page 1 summarizes the estimated tax increment revenues by year. The projected annual growth in taxable value is estimated at 2% annually and is shown in Tables 1 and 2 above. Additional increases in the assessed valuation for the Development Area and consequent tax increment revenues may result from other new construction, rehabilitation, expansion, or additional appreciation in property values beyond the estimated 2% figure. These increases are beyond those projected in this plan but if such increases result, the tax increment revenues will be spent according to this plan to accelerate the implementation of the public improvement program.

2. **Expenditure of Tax Increment Revenues.** Any additional tax increment revenues beyond those projected in this plan will:
   a. be used to expedite any debt service,
   b. further the implementation of the public improvement program, or
   c. be returned, pro-rata, to the taxing units.

   Should the tax increment revenues be less than projected, the DDA may choose to:
   a. Collect and hold the captured revenues until a sufficient amount is available to implement specific public improvements,
   b. Consider implementing public improvement projects based upon the ability to match existing funds with expenditures while seeking out additional funding sources,
   c. Amend the development plan and/or tax increment financing plan to allow for alternative projects and funding.

TABLE 4
PARCELS IN THE DDA DISTRICT

23-07-03-101-003	23-07-04-226-028	23-07-09-478-036	23-07-10-352-001
23-07-03-101-040	23-07-04-226-029	23-07-09-479-001	23-07-10-352-003
23-07-03-101-041	23-07-04-226-030	23-07-09-479-002	23-07-10-353-012
23-07-03-102-001	23-07-04-226-031	23-07-09-479-003	23-07-10-354-005
23-07-03-102-002	23-07-04-226-032	23-07-09-479-004	23-07-10-354-015
23-07-03-102-003	23-07-04-276-014	23-07-04-479-005	23-07-10-354-026
23-07-03-102-004	23-07-04-277-006	23-07-09-479-006	
23-07-03-102-005	23-07-04-277-009	23-07-09-479-007	**Section 15**
23-07-03-102-006	23-07-04-277-010	23-07-09-479-008	23-07-15-101-004
23-07-03-126-002	23-07-04-278-011	23-07-09-479-009	23-07-15-101-007
23-07-03-151-011	23-07-04-278-014	23-07-09-479-010	23-07-15-101-010
23-07-03-151-030	23-07-04-278-015	23-07-09-479-011	23-07-15-101-016
23-07-03-151-031	23-07-04-278-017	23-07-09-479-012	23-07-15-101-020
23-07-03-151-014	23-07-04-476-004	23-07-09-479-013	23-07-15-101-022
23-07-03-151-015	23-07-04-476-005	23-07-09-479-014	23-07-15-126-001
23-07-03-151-016	23-07-04-476-006	23-07-09-479-015	23-07-15-126-002
23-07-03-151-017	23-07-04-476-007	23-07-09-479-016	23-07-15-126-003
23-07-03-151-029	23-07-04-476-008	23-07-09-476-017	23-07-15-126-004
23-07-03-153-012	23-07-04-476-014	23-07-09-476-018	23-07-15-151-003
23-07-03-153-013	23-07-04-476-015	23-07-09-476-019	23-07-15-151-008
23-07-03-301-002	23-07-03-476-016	23-07-09-476-020	23-07-15-152-004
23-07-03-301-003	23-07-04-476-019		23-07-15-152-024
23-07-03-301-004		**Section 10**	23-07-15-152-025
23-07-03-301-021	**Section 9**	23-07-10-101-001	23-07-15-153-031
23-07-03-303-003	23-07-09-200-008	23-07-10-101-003	23-07-15-153-033
23-07-03-303-004	23-07-09-200-020	23-07-10-101-004	23-07-15-153-034
23-07-03-303-005	23-07-09-200-022	23-07-10-101-008	23-07-15-177-009
23-07-03-303-007	23-07-09-426-001	23-07-10-101-009	23-07-15-179-001
23-07-03-303-013	23-07-09-426-002	23-07-10-151-002	23-07-15-179-002
23-07-03-303-014	23-07-09-426-003	23-07-10-151-003	23-07-15-201-002
23-07-03-303-019	23-07-09-426-004	23-07-10-151-004	23-07-15-227-021
23-07-03-351-011	23-07-09-426-005	23-07-10-152-001	23-07-15-227-022
23-07-03-351-012	23-07-09-427-021	23-07-10-301-005	23-07-15-227-026
23-07-03-351-013	23-07-09-476-018	23-07-10-301-007	23-07-15-251-001
	23-07-09-476-019	23-07-10-301-008	23-07-15-278-001
Section 4	23-07-09-477-001	23-07-10-302-005	23-07-15-278-002
23-07-04-201-010	23-07-09-477-003	23-07-10-303-001	23-07-15-301-002
23-07-04-226-008	23-07-09-477-004	23-07-10-303-021	23-07-15-301-003
23-07-04-226-022	23-07-09-478-031	23-07-10-351-001	23-07-15-301-004
23-07-04-226-025	23-07-09-478-033	23-07-10-351-002	23-07-15-301-005
23-07-04-226-027	23-07-09-478-035	23-07-10-351-014	23-07-15-301-007

23-07-15-304-018
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23-07-15-326-001
23-07-15-351-005
23-07-15-352-004
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23-07-15-401-002
23-07-15-451-006
23-07-15-476-010

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23-07-16-226-009
23-07-16-226-010
23-07-16-226-014
23-07-16-226-016
23-07-16-226-017
23-07-16-226-020
23-07-16-226-021
23-07-16-226-024
23-07-16-226-025
23-07-16-226-026
23-07-16-226-027
23-07-16-226-028
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23-07-16-276-021
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23-07-16-277-038
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23-07-16-426-011
23-07-16-426-012
23-07-16-426-013
23-07-16-426-014
23-07-16-426-016
23-07-16-426-018
23-07-16-426-019
23-07-16-476-003
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23-07-16-476-011

23-07-16-476-014
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23-07-16-476-024
23-07-16-476-025
23-07-16-476-026
23-07-16-476-027

Section 21
23-07-21-201-003
23-07-21-226-007
23-07-21-226-008
23-07-21-226-009
23-07-16-226-010
23-07-16-226-011
23-07-21-226-012
23-07-21-226-013
23-07-21-226-017
23-07-16-226-021
23-07-21-226-029
23-07-21-226-032
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23-07-21-476-010

Section 22
23-07-22-101-001
23-07-22-101-002
23-07-22-101-004
23-07-22-103-025
23-07-22-103-026
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23-07-22-152-011
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23-07-22-352-052
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Section 27
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23-07-27-101-017
23-07-27-101-023
23-07-27-101-025
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Section 28
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23-07-28-478-026
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23-07-28-478-028
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23-07-33-226-041
23-07-33-276-037
23-07-33-276-038
23-07-33-276-039
23-07-33-276-041
23-07-33-276-049
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23-07-33-277-030

Section 34
23-07-34-101-003
23-07-34-101-030
23-07-34-101-031
23-07-34-102-001
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