

**LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE CITY OF CLARE**

**DEVELOPMENT PLAN
AND
TAX INCREMENT FINANCING PLAN**

**CITY OF CLARE
COUNTIES OF CLARE AND ISABELLA
STATE OF MICHIGAN**

Approved by the Board of the Local Development Finance Authority on July 31, 2014

Approved by the City Commission on August 14, 2014

CITY OF CLARE CITY OFFICIALS

City Commission

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Jean McConnell, Mayor Pro Tem
Bob Bonham
Gus Murphy
Karla Swanson

City Officials

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Steven J. Kingsbury, Treasurer
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Table of Contents

1.0 Executive Summary	1-2
2.0 Introduction.....	3
3.0 Development Plan.....	4-5
Section 15 (2)(a)	6
Section 15 (2)(b)	7
Section 15 (2)(c)	8
Section 15 (2)(d)	9
Section 15 (2)(e)	10-11
Section 15 (2)(f).....	12
Section 15 (2)(g)	13
Section 15 (2)(h)	14
Section 15 (2)(i)	15
Section 15 (2)(j)	16
Section 15 (2)(k)	17
Section 15 (2)(l)	18
Section 15 (2)(m)	19
Section 15 (2)(n)	20
Section 15 (2)(o)	21
Section 15 (2)(p)	22
4.0 Tax Increment Financing Plan	23
Section 12 (a)	24
Section 12 (b).....	25
Section 12 (c)	26
Section 12 (d).....	27
Section 12 (e)	28
Section 12 (f).....	29
Section 12 (g).....	30
Section 12 (h).....	31
Section 12 (i).....	32
Section 12 (j).....	33
Section 12 (k).....	34

Legal Description

Legal Description.....6

Maps

Map 1– Physical location.....7

Tables

Table 1 – List of Projects and Costs.....11
Table 2 – Projected Tax Increment Revenues and Impact of
Plan on Taxing Jurisdictions.....35

Executive Summary

The City Commission of the City of Clare, Counties of Clare and Isabella, Michigan (the “City”), having determined that it is necessary for the best interests of the public to encourage local development to prevent conditions of unemployment and promote economic growth, adopted a resolution on March 17, 2014, declaring its intention to create and provide for the operation of a local development finance authority.

The City Commission of the City (the “City Commission”) has received and reviewed reports from the City administration that these objectives are furthered by the creation of a local development finance authority and the exercise of powers granted to the board of a local development finance authority pursuant to the Local Development Financing Act, Act 281 of 1986, as amended (the “Act”).

In order to create a local development finance authority, the Act requires the Commission (a) to declare by resolution its intention to create and provide for the operation of a local development finance authority and designate the boundaries of the authority district or districts; (b) to publish and provide a notice of the public hearing in accordance with the requirements set forth in Section 4 of the Act (MCL 125.2154); (c) to conduct a public hearing affording a resident, taxpayer, or property owner from a taxing jurisdiction in which the proposed district is located or an official from the taxing jurisdiction with millage that would be subject to capture a right to be heard in regard to the establishment of the local development finance authority and the boundaries of the proposed district; and (d) to adopt a resolution establishing the local development finance authority and designating the boundaries of the district or districts within which its powers are exercised.

In accordance with the Act, on April 14, 2014 the City Commission held a public hearing to consider the creation of a local development finance authority. The City Commission directed City administration to proceed with the preparation of a resolution establishing the Local Development Finance Authority of the City of Clare (the “LDFA”) and designating the boundaries of the authority district in which the LDFA will exercise its powers (the “LDFA District”) pursuant to and in accordance with the provisions of the Act, for consideration at the regular meeting on June 16, 2014.

On June 16, 2014, the City Commission adopted a resolution confirming the creation of the LDFA and designated the boundaries of the LDFA District pursuant to and in accordance with the provisions of the Act. The LDFA District is the site of the Clare Industrial Park North, located within the geographical region north of the City and under the jurisdiction of the City pursuant to an intergovernmental conditional transfer of property agreement under Act 425, Public Acts of Michigan, 1984, as amended, dated as of September 9, 2008, by and between the City and the Township of Grant, County of Clare, Michigan.

The LDFA District will be designated as a business development area (as defined in the Act) and will be developed as an industrial park for the purpose of attracting and facilitating the development of eligible properties (as defined in the Act) engaged in the manufacture of goods or materials or the processing of goods or materials by physical or chemical change in accordance with the provisions of the Act. The development of the LDFA District will support future business growth and expansion in the City.

The purpose of the Development Plan and the Tax Increment Financing Plan (the “TIF Plan”) set forth herein is to provide for the acquisition, construction, installation and financing of certain public facilities (as defined in the Act) necessary for the development of the LDFA District. The acquisition, construction and installation of the public facilities described herein will encourage and facilitate the development of eligible properties in the LDFA District.

Introduction

The City is located in the Counties of Clare and Isabella. The City Commission, having determined that it is necessary for the best interests of the public to encourage local development to prevent conditions of unemployment and promote economic growth, established the LDFA on June 16, 2014, in accordance with the Act.

The Act seeks to accomplish its goals by providing local units of government with the necessary legal, monetary and organization tools, to eliminate conditions of unemployment, underemployment, and joblessness and to promote economic growth through publicly initiated projects undertaken cooperatively with private sector participation.

The Development Plan outlines public facilities that are needed to support continued economic growth and prosperity in the City. It is recognized that local economic development efforts will not only benefit City residents, but also the region as a whole. It is for this reason that tax increment financing is proposed to be utilized to defray the costs of the acquisition, construction, installation of public facilities necessary to support the development of the LDFA District.

To meet the requirements of the Act, it is necessary to prepare a Development Plan and TIF Plan for the LDFA to adhere to when implementing and financing the LDFA District improvements.

The organization of the Development Plan and TIF Plan are in accordance with the requirements and follow the format presented in the Act. The Development Plan must include a legal description and map of the district, a description of the proposed construction activities, an implementation schedule, estimated construction costs and other pertinent information regarding the LDFA District. The TIF Plan provides a summary of the methods proposed to generate the revenue needed to fund the proposed projects.

Development Plan

The presentation of the Development Plan follows the statutory requirements of the Act, specifically Section 15(2)(a) through (p). (MCL 125.2165(a) through (p)).

The Act requires that a development plan contain all of the following:

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

(l) Estimates of the number of persons residing on the property to which the plan applies and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those 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.

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

(n) Provisions 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 42 U.S.C 4601 to 4655.

(o) A plan for compliance with 1972 PA 227, MCL 213.321 to 231.332. of the Michigan Compiled Laws.

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

Section 15(2)(a)

A description of the property to which the plan applies in relation to the boundaries of the authority district and a legal description of the property. (MCL 125.2165(2)(a)).

At the June 16, 2014 regular meeting, the City Commission adopted a resolution creating the LDFA and establishing the boundaries of the authority district now identified as the LDFA District.

The LDFA District is the site of the proposed Clare Industrial Park North, a 60 acre parcel located within the geographical region north of the City and under the jurisdiction of the City pursuant to an intergovernmental conditional transfer of property agreement under Act 425, Public Acts of Michigan, 1984, as amended, dated as of September 9, 2008, by and between the City and the Township of Grant, County of Clare, Michigan (the "Land Transfer Agreement").

This Development Plan and TIF Plan applies to all of the property located in the LDFA District. The LDFA District constitutes a business development area in accordance with Section 2(h) of the Act.

LDFA District Legal Description:

Parcel 051-023-300-03: T17N R4W SEC 23 BEG N89 DEG 27'03"E 1968.62 FT FROM SW SEC COR TH NO DEG 39'12"E 995.19 FT TH N89 DEG 27'03"E 546.22 FT TH S59 DEG 41'27"E 54.72 FT TH 199.20 FT ON A 90 FT RADIUS CURVE TO THE LEFT WITH A L.C. S33 DEG 05'51"E 160.96 FT TH 89.49 FT ON A 118 FT RADIUS CURVE TO RIGHT WITH A L.C. S74 DEG 46'44"E 87.36 FT TH S53 DEG 03'12"E 110.56 FT TH 216.07 FT ON A 234 FT RADIUS CURVE TO RIGHT WITH A L.C. S26 DEG 36'E 208.48 FT TH S0 DEG 08'48"E S54.97 FT TH S89 DEG 51'12"W 295.08 FT TO S ¼ SEC COR TH S89 DEG 27'03"W 665.05 FT BK TO POB. 20 AC M/L; and

Parcel 051-023-400-14: T17N R4W SEC 23 BEG N89 DEG 27'03"E 1968.62 FT AND NO DEG 39'12"E 995.19 FT FROM SW SEC COR TH CONT NO DEG 39'12"E 322.39 FT TH N89 DEG 35'44"E 665.88 FT TH N89 DEG 47'47"E 1320.09 FT TH S0 DEG 41'26"W 1317.23 FT TH S89 DEG 51'12"W 1025 FT TH N0 DEG 08'48"W 554.97 FT TH 216.07 FT ON A 234 FT RADIUS CURVE TO THE LEFT WITH A L.C. N26 DEG 36'W 208.48 FT TH N53 DEG 03'12"W 110.56 FT TH 89.49 FT ON A 118 FT RADIUS CURVE TO LEFT WITH A L.C. N74 DEG 46'44"W 87.36 FT TH 199.20 FT ON A 90 FT RADIUS CURVE TO RIGHT WITH A L.C. N33 DEG 05'51"W 160.96 FT TH N59 DEG 41'27"W 54.72 FT TH S89 DEG 27'03"W 546.22 FT BK TO POB. 40 AC M/L.

Section 15(2)(b)

The designation of boundaries of the property to which the plan applies in relation to highways, streets, or otherwise. (MCL 125.2165(2)(b)).

Map 1 below depicts the LDFA District boundaries (comprising the area depicted in **Map 1** as the proposed Clare Industrial Park North) as it relates to highways, streets, and other public thoroughfares.

[INSERT MAP]

Section 15(2)(c)

The location and extent of existing streets and other public facilities in the vicinity of the property to which the plan applies; the location, character, and extent of the categories of public and private land uses then existing and proposed for the property to which the plan applies, including residential, recreational, commercial, industrial, educational, and other uses. (MCL 125.2165(2)(c)).

Map 1 shows the location of existing streets in the vicinity of the LDFA District (comprising the area depicted in **Map 1** as the proposed Clare Industrial Park North). The LDFA District is located approximately one-third of a mile east of Clare Avenue, west of Eberhart Avenue and bounded to the south by Colonville Road.

No public facilities currently exist in the LDFA District.

Current zoning for the site is commercial and light industrial; the proposed use is allowed within this zoning category. The property located within the LDFA District is currently vacant.

Section 15(2)(d)

A description of public facilities to be acquired for the property to which the plan applies, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements. (MCL 125.2165(2)(d)).

Public facilities to be acquired under this Development Plan to service the LDFA District include, but are not limited to: water system improvements, including construction of an elevated water tank and connecting water mains; sanitary sewer system improvements, including construction of a new sewage lift station and the acquisition and installation of sewer mains; the construction and improvement of streets to provide access to, around and within the LDFA District; street lighting; storm water system improvements; the installation of non-City owned utilities, including electric, gas, telephone, cable and internet lines and other necessary utility lines or pipelines; and other necessary public facilities.

The project also includes all administrative costs related to the public facilities described above, including, but not limited to, architectural, engineering, legal and accounting fees and other financing and related costs.

Construction of the improvements is expected to begin in Fall 2014 and will take approximately eighteen (18) months to complete.

Section 15(2)(e)

The location, extent, character, and estimated cost of the public facilities for the property to which the plan applies, and an estimate of the time required for completion. (MCL 125.2165(2)(e)).

The public facilities to be acquired under this Development Plan will be located inside the LDFA District and outside the LDFA District as required for the development and improvement of public facilities necessary to service the eligible property. The estimated location and currently estimated cost of the public improvements is set forth in **Table 1**.

Construction of the improvements is expected to begin in Fall 2014 and will take approximately eighteen (18) months to complete.

Table 1

[Insert List of Projects and Costs]

OPINION OF PROBABLE CONSTRUCTION COSTS					
CITY OF CLARE					
PROPOSED INDUSTRIAL PARK ON EAST COLONVILLE ROAD					
60 ACRE PARCEL, 8 PROPOSED SITES, (ON-SITE)					
OPCC #1 WATER MAIN WITHIN INDUSTRIAL PARK MAP SHEET 2					
No.	Item	Unit	Est. Qty.	Unit Price	Item Cost
1	Water Main, 12"	LF	2,970	\$31.10	\$92,367.00
2	Gate Valve and Box, 12"	EA	4	\$1,400.00	\$5,600.00
3	Fire Hydrant Assembly	EA	6	\$2,450.00	\$14,700.00
4	Fire Services, 8"	EA	8	\$2,500.00	\$20,000.00
5	Water Service, 2"	EA	8	\$1,200.00	\$9,600.00
6	Connect to Existing Water Main	LS	1	\$2,000.00	\$2,000.00
SITWORK CONSTRUCTION COSTS SUBTOTAL					\$144,300.00
5% CONTINGENCY					\$7,200.00
DESIGN ENGINEERING, CONSTRUCTION ADMINISTRATION					\$30,300.00
TOTAL OPCC #1					\$181,800.00
OPCC #2 SEWER & LIFT STATION WITHIN INDUSTRIAL PARK MAP SHEET 2					
No.	Item	Unit	Est. Qty.	Unit Price	Item Cost
1	Sewer Main, 8"	LF	2,810	\$21.35	\$59,994.00
2	Manhole, 4' Dia.	EA	6	\$2,100.00	\$12,600.00
3	Wye Assembly, 8" x 6"	EA	8	\$300.00	\$2,400.00
4	IPP Manholes	EA	8	\$1,800.00	\$14,400.00
5	Sewer Lead, 6"	LF	400	\$17.00	\$6,800.00
6	Connect to Existing Sanitary Sewer	LS	1	\$1,000.00	\$1,000.00
7	Sanitary Sewer Lift Station (see breakdown below)	LS	1		\$416,000.00
a.	Installation of Packaged Sanitary Sewer Lift Station			\$330,000.00	
b.	Site Electrical			\$20,000.00	
c.	Access Driveway			\$2,000.00	
d.	Landscaping			\$2,500.00	
e.	Restoration			\$1,500.00	
f.	Generator			\$60,000.00	
Forcemain along Colonville within Industrial Park					
8	Forcemain, 8"	LF	377	\$36.00	\$13,600.00
9	Clean-out Assembly, 8"	EA	1	\$3,500.00	\$3,500.00
SITWORK CONSTRUCTION COSTS SUBTOTAL					\$530,300.00
5% CONTINGENCY					\$26,500.00
DESIGN ENGINEERING, CONSTRUCTION ADMINISTRATION					\$111,400.00
TOTAL OPCC #2					\$668,200.00

OPCC #3 ELEVATED WATER TANK MAP SHEET 2					
No.	Item	Unit	Est.Qty.	Unit Price	Item Cost
1	500,000 Gallon Elevated Water Storage Tank (see breakdown below)	LS	1		\$1,250,000.00
	a. Tank and Foundation			\$1,222,000.00	
	b. Access Driveway/Restoration			\$13,000.00	
	c. Security Fence			\$10,000.00	
	d. Electrical for Tank			\$5,000.00	
SITWORK CONSTRUCTION COSTS SUBTOTAL					\$1,250,000.00
5% CONTINGENCY					\$62,500.00
DESIGN ENGINEERING, CONSTRUCTION ADMINISTRATION					\$262,500.00
TOTAL OPCC #3					\$1,575,000.00

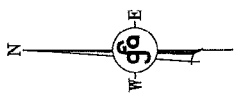
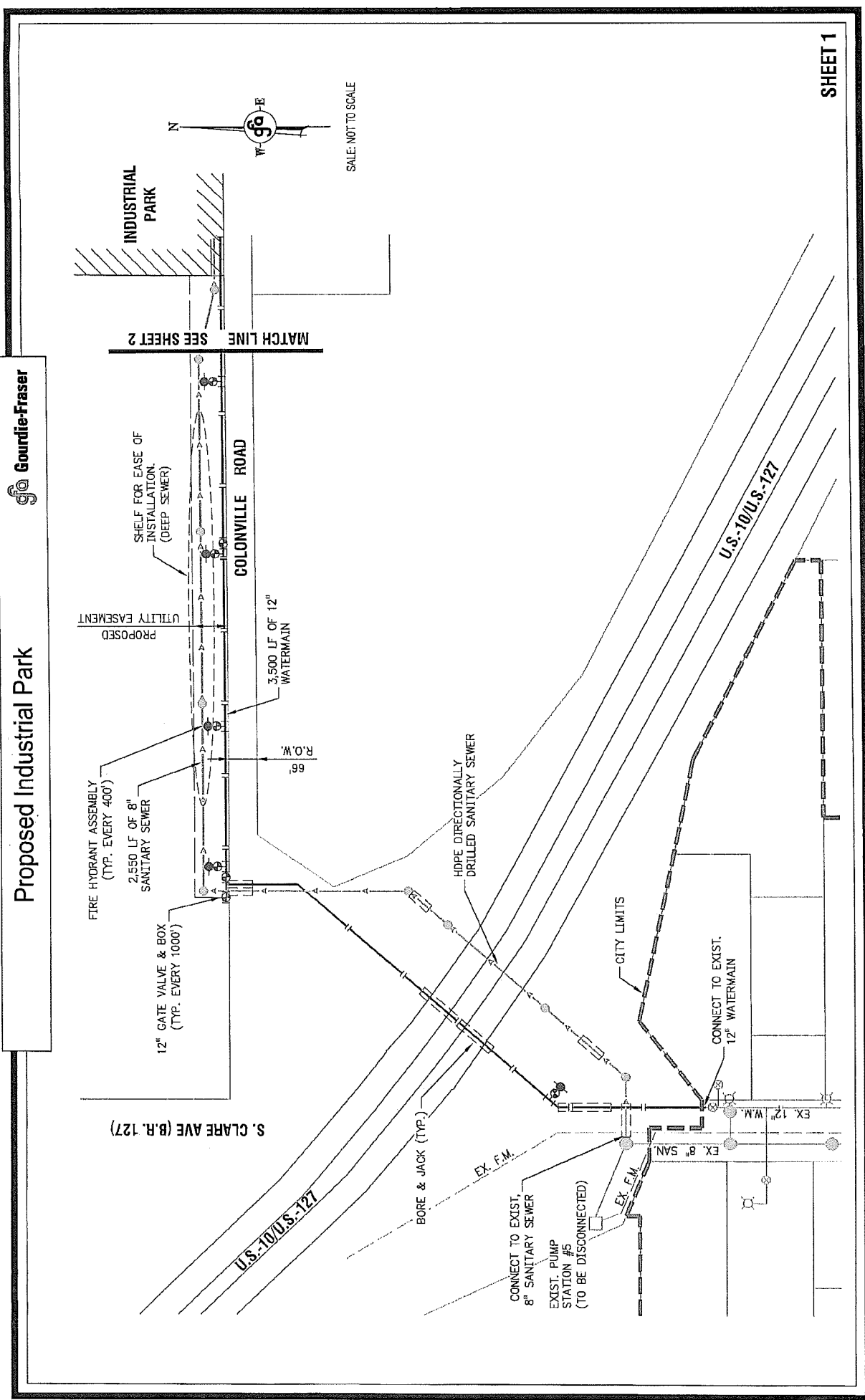
OPCC #4 INDUSTRIAL PARK INFRASTRUCTURE MAP SHEET 2					
No.	Item	Unit	Est.Qty.	Unit Price	Item Cost
1	Storm Sewer, 12"	LF	1,200	\$17.50	\$21,000.00
2	Storm Sewer End Sections	EA	6	\$135.00	\$810.00
3	Storm Catch Basin, 4"	EA	3	\$1,300.00	\$3,900.00
4	Storm Catch Basin, 24"	EA	3	\$900.00	\$2,700.00
5	Rip-Rap	SY	80	\$40.00	\$3,200.00
6	Stormwater Retention Basin	LS	2	\$5,000.00	\$10,000.00
7	Restoring Topsoil, Seed, Mulch	LS	1	\$16,000.00	\$16,000.00
8	Machine Grading	LS	1	\$40,000.00	\$40,000.00
9	Silt Fence	LF	1,200	\$1.20	\$1,440.00
10	Clearing/Grubbing	LS	1	\$20,000.00	\$20,000.00
11	Street Lighting	LS	1	\$20,000.00	\$20,000.00
12	Conduits	LF	600	\$7.00	\$4,200.00
13	Concrete Curb	LF	3,400	\$9.00	\$30,600.00
14	Bituminous Leveling Course	TN	410	\$50.00	\$20,500.00
15	Bituminous Wearing Course	TN	410	\$50.00	\$20,500.00
16	22A Aggregate Base, 8"	SY	5,300	\$4.50	\$23,850.00
17	Striping	LS	1	\$500.00	\$500.00
18	Trees	LS	25	\$250.00	\$6,250.00
19	Sub Base, 15"	CY	4,500	\$7.00	\$31,500.00
20	Underdrain, 6"	LF	2,800	\$10.00	\$28,000.00
SITWORK CONSTRUCTION COSTS SUBTOTAL					\$305,000.00
5% CONTINGENCY					\$15,200.00
DESIGN ENGINEERING, CONSTRUCTION ADMINISTRATION					\$64,000.00
TOTAL OPCC #4					\$384,200.00

OPINION OF PROBABLE CONSTRUCTION COST #5					
CITY OF CLARE					
WATER MAIN EXTENSION TO PROPOSED INDUSTRIAL PARK					
CONNECTING TO THE EXISTING 12" WATER MAIN SOUTH OF US-127 ON McEWAN AVE.					
AND EXTENDING THE 12" WATER MAIN NORTH TO COLONVILLE ROAD,					
EASTERLY TO THE PROPOSED WEST LINE OF THE INDUSTRIAL PARK					
(WITHIN EASEMENT) MAP SHEET 1					
No.	Item	Unit	Est.Qty.	Unit Price	Item Cost
1	Water Main, 12"	LF	3,500	\$35.00	\$122,500.00
2	Bore and Jack Steel Casing, 24"	LF	360	\$203.00	\$73,080.00
3	Blow-Off Assembly, 12"	EA	1	\$2,000.00	\$2,000.00
4	Gate Valve and Box, 12"	EA	4	\$2,100.00	\$8,400.00
5	Fire Hydrant Assembly	EA	18	\$2,100.00	\$37,800.00
6	Station Improvements	LS	1	\$90,000.00	\$90,000.00
7	Road, Bituminous	SY	400	\$36.00	\$14,400.00
8	Restoration	LS	1	\$20,000.00	\$20,000.00
SITWORK CONSTRUCTION COSTS SUBTOTAL					\$368,200.00
5% CONTINGENCY					\$18,400.00
DESIGN ENGINEERING, CONSTRUCTION ADMINISTRATION					\$77,300.00
TOTAL OPCC #5					\$463,900.00

OPINION OF PROBABLE CONSTRUCTION COST #6					
CITY OF CLARE					
SANITARY SEWER FROM MC EWAN SOUTH OF US-127 EXTENDING NORTH					
TO COLONVILLE ROAD EASTERLY TO THE WEST LINE OF THE					
INDUSTRIAL PARK MAP SHEET 1					
No.	Item	Unit	Est.Qty.	Unit Price	Item Cost
1	Sanitary Sewer, 8" PVC Truss	LF	2,800	\$60.00	\$168,000.00
2	Sanitary Sewer, 8" PVC	LF	655	\$41.80	\$27,400.00
3	Sanitary HDPE, Dir. Drilled	LF	400	\$125.00	\$50,000.00
4	Bore & Jack, 16"	LF	200	\$140.00	\$28,000.00
5	Manhole, 4' Dia.	EA	9	\$3,500.00	\$31,500.00
6	Shelf for Ease of Construction	LS	1	\$36,000.00	\$36,000.00
7	Connect to Existing	LS	1	\$5,000.00	\$5,000.00
8	Patch Asphalt Road/Driveway	SY	30	\$250.00	\$7,500.00
9	Restoration	LS	1	\$25,000.00	\$25,000.00
10	Decommissioning Lift Station	LS	1	\$5,000.00	\$5,000.00
SITWORK CONSTRUCTION COSTS SUBTOTAL					\$383,400.00
5% CONTINGENCY					\$19,200.00
DESIGN ENGINEERING, CONSTRUCTION ADMINISTRATION					\$80,500.00
TOTAL OPCC #6					\$483,100.00

OPINION OF PROBABLE CONSTRUCTION COST #7					
CITY OF CLARE					
UTILITIES FOR THE INDUSTRIAL PARK (NOT ELIGIBLE)					
No.	Item	Unit	Quantity	Unit Price	Item Cost
1	Natural Gas (existing to the Park)	LS	1	\$90,000.00	\$90,000.00
2	Elctrical (existing to the Park)	LS	1	\$68,000.00	\$68,000.00
3	Phone/Cable/Internet (existing to the Park)	LS	1	\$22,000.00	\$22,000.00
4	Gas (Installed in Park) *	LF	1,400	\$30.00	\$42,000.00
5	Electric (Installed in Park) **	LF	1,400	\$20.92	\$29,288.00
6	Television, Cable, Etc. (Installed in Park) ***	LF	1,400	\$14.40	\$20,160.00
SITWORK CONSTRUCTION COSTS SUBTOTAL					\$271,400.00
5% CONTINGENCY					\$13,600.00
DESIGN ENGINEERING, CONSTRUCTION OBSERVATION					\$57,000.00
TOTAL (NOT ELIGIBLE) OPCC #7					\$342,000.00
OPINION OF PROBABLE CONSTRUCTION COST #8					
CITY OF CLARE					
FORCE MAIN PIPING FROM THE INDUSTRIAL PARK TO A POINT OF DISCHARGE AT THE EXSTING WASTE WATER TREATMENT FACILITY					
No.	Item	Unit	Quantity	Unit Price	Item Cost
1	Force Main, 6"	LF	10,100	\$35.00	\$353,500.00
2	Forcemain 8" HDPE, Directional Drilled	LF	350	\$85.00	\$29,750.00
3	Air Release Structure, 6"	EA	6	\$6,000.00	\$36,000.00
4	Clean-out Assemblies, 6"	EA	11	\$5,000.00	\$55,000.00
5	Connect to Existing	EA	2	\$6,500.00	\$13,000.00
6	Asphalt Replacement	SY	60	\$25.00	\$1,500.00
7	Restoration	LS	1	\$30,000.00	\$30,000.00
SITWORK CONSTRUCTION COSTS SUBTOTAL					\$518,800.00
5% CONTINGENCY					\$25,900.00
DESIGN ENGINEERING, CONSTRUCTION OBSERVATION					\$108,900.00
TOTAL OPCC #8					\$653,600.00

Proposed Industrial Park



SCALE: NOT TO SCALE

17:PROPOSALS/2012 PROPOSALS/12-242/INDUSTRIAL PARK REVISED.DWG (05-24-11 11:44 AM) GHALANCE

Section 15(2)(f)

A statement of the construction or stages of construction planned, and the estimated time of completion of each stage. (MCL 125.2165(2)(f)).

The project is expected to begin in August-September of 2014 and is expected to take eighteen (18) months from the beginning of construction to complete.

Section 15(2)(g)

A description of any portions of the property to which the plan applies, which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms. (MCL 125.2165(2)(g)).

Not applicable.

Section 15(2)(h)

A description of desired zoning changes and changes in streets, street levels, intersections, and utilities. (MCL 125.2165(2)(h)).

Current zoning for the site is commercial and light industrial; the proposed use is allowed within this zoning category.

The project will involve the construction of new water and sanitary sewer system improvements; the construction and improvement of streets to provide access to, around and within the LDFA District; street lighting; the construction of storm water system improvements; and the installation of non-City owned utilities, including electric, gas, telephone, cable and internet lines, in and around the eligible property as described in this Development Plan.

Section 15(2)(i)

An estimate of the cost of the public facility or facilities, a statement of the proposed method of financing the public facility or facilities, and the ability of the authority to arrange the financing. (MCL 125.2165(2)(i)).

The estimated cost of the public improvements described in this Development Plan and as outlined in **Table 1** above is approximately \$4,751,800.

The activities of the authority and the development of public improvements described in this Development Plan shall be financed from one or more of the following sources:

- Tax Increment Financing (TIF)
- Private cooperation in the LDFA District
- Funding received through grant programs, including specifically grant funding through the Economic Development Administration, U.S. Department of Commerce (“EDA”)
- Municipal participation
- Proceeds of tax increment bonds issued by the LDFA pursuant to the Act to pay part of the cost of the public improvements.
- Proceeds of bonds issued by the City pursuant to various state statutes to pay part of the cost of the public improvements.

The LDFA intends that the City will issue bonds pursuant to various state statutes in the aggregate principal amount of not to exceed \$1,600,000 to generate capital for the public improvements. The bonds are intended to be sold to the U.S. Government through its Department of Agriculture, Rural Development program. The LDFA may pledge its tax increment revenues for payment of any or all of the bonds to be issued by the City.

Section 15(2)(j)

Designation of the person or persons, natural or corporate, to whom all or a portion of the public facility or facilities is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken, if that information is available to the authority. (MCL 125.2165(2)(j)).

The public facilities are expected to be owned by the City, with the exception of the non-City owned utilities described in this Development Plan which are expected to be owned by the public utilities providing utility service to the eligible properties.

The site of the Clare Industrial Park North is being developed pursuant to this Development Plan for the purpose of attracting and facilitating the development of eligible properties in order to contribute to business growth and expansion in the area.

Section 15(2)(k)

The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the public facility or facilities upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons. (MCL 125.2165(2)(k)).

No portion of the public facilities described in this Development Plan is expected to be sold, conveyed or leased upon its completion.

The City presently owns and expects to sell certain parcels of land in the LDFA District for the private development of eligible properties engaged in the manufacture of goods or materials or the processing of goods or materials by physical or chemical change in accordance with the provisions of the Act. The public facilities described in this Development Plan will service the eligible properties and will be located on public property or in a public, utility, or transportation easement or right-of-way.

Section 15(2)(l)

Estimates of the number of persons residing on the property to which the plan applies and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those 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. (MCL 125.2165(2)(l)).

Not applicable.

Section 15(2)(m)

**A plan for establishing priority for the relocation of persons displaced by the development.
(MCL 125.2165(2)(m)).**

Not applicable.

Section 15(2)(n)

Provisions 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. (MCL 125.2165(2)(n)).

Not applicable.

Section 15(2)(o)

A plan for compliance with 1972 PA 227, MCL 213.321 to 231.332. (MCL 125.2165(2)(o)).

Not applicable.

Section 15(2)(p)

Other material which the authority or governing body considers pertinent. (MCL 125.2165(2)(p)).

As required, the LDFA shall submit amendments to the Development Plan or Tax Increment Finance Plan to the governing body (City Commission) for review and approval.

Tax Increment Financing Plan

The projects detailed within the Development Plan are designed to stimulate private sector investment within the LDFA District to achieve a true economic growth and opportunity for new employment. A number of potential funding sources are available to the LDFA. The following narrative describes how programming expenditures will be funded.

The presentation of the Tax Increment Financing Plan follows the statutory requirements of the Act, specifically Section 12(1)(a) through (k). (MCL 125.2162(a) through (k)).

- (a) A statement of the reasons that the plan will result in the development of captured assessed value that could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means.
- (b) An estimate of the captured assessed value for each year of the plan.
- (c) The estimated tax increment revenues for each year of the plan.
- (d) A detailed explanation of the tax increment procedure.
- (e) The maximum amount of note or bonded indebtedness to be incurred, if any.
- (f) The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.
- (g) The costs of the plan anticipated to be paid from tax increment revenues as received.
- (h) The duration of the development plan and tax increment financing plan.
- (i) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is or is anticipated to be located.
- (j) A legal description of the eligible property to which the tax increment financing plan applies or shall apply upon qualification as eligible property.
- (k) An estimate of the number of jobs to be created as a result of implementation of the tax increment financing plan.

Section 12(a)

A statement of the reasons that the plan will result in the development of captured assessed value that could no otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means. (MCL 125.2162(1)(a)).

An industrial park will be developed in the LDFA District which is intended to attract new manufacturing and industrial businesses and assist local businesses wishing to expand in the area. Currently, the City of Clare and the County of Clare are lacking in developed industrial property that hinders efforts to attract businesses. The Development Plan provides for the development of the public facilities described in the Development Plan for the purpose of attracting and facilitating the development of eligible properties in the LDFA District. The LDFA District constitutes a business development area in accordance with Section 2(h) of the Act.

Section 12(b)

An estimate of the captured assessed value for each year of the plan. (MCL 125.2162(1)(b)).

See attached **Table 2**.

Section 12(c)

The estimated tax increment revenues for each year of the plan. (MCL 125.2162(1)(c)).

See attached **Table 2**.

Section 12(d)

Detailed explanation of the tax increment procedure. (MCL 125.2162(1)(d)).

Tax increment financing (TIF) is a governmental financing mechanism which contributes to economic growth and development by dedicating a portion of the tax base resulting from economic growth and development to certain public facilities and structures or improvements of the type designed and dedicated to public use and thereby facilitates certain projects which create economic growth and development.

The LDFA adopts by reference and incorporates the contents of the Development Plan contained herein to be adopted simultaneously with the TIF Plan.

TIF is a method of funding public investments in an area slated for redevelopment by capturing, for a time, all or a portion of the incremental tax revenues that result from increased property values through private investment and inflation. The capture of incremental tax revenues is applied only to the designated district for which a development plan has been prepared and approved by the LDFA and governing body. This plan contains both the Development Plan and TIF Plan.

The Act treats all increases in valuation resulting from the Development Plan whether in fact these increases bear any relation to the development, or from inflationary increases on taxable values in the district. With some exceptions, the incremental tax revenues levied by other governmental units are captured through the approved TIF Plan. These include the City, county, community college, and any other millages that exist or that may apply in the future. The amount to be transmitted to a LDFA is that portion of the tax levy of all of these applicable taxing bodies paid each year on real property.

“Initial assessed value” means the taxable value of the eligible property identified in the tax increment financing plan at the time the resolution establishing the tax increment financing plan is approved as shown by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted or, for property that becomes eligible property after the date the tax increment financing plan is approved, at the time the property becomes eligible property. Property exempt from taxation at the time of determination of the initial assessed value shall be included as zero. “Captured assessed value” means the amount in any one year by which the current taxable value of the eligible property identified in the tax increment financing plan exceeds the initial assessed value. Tax dollars accrued from any incremental increase in taxable value, as a result of new development or annual inflationary increases, above the initial assessed value (base year total) will then be captured and used by the LDFA for the improvement and development of public facilities in the LDFA District.

Data presented in **Table 2** represents the anticipated capture on the taxable value for the LDFA District through the end of the fiscal year 2054. The initial base year (2014) taxable value for the LDFA District is \$0.

Section 12(e)

The maximum amount of note or bonded indebtedness to be incurred. (MCL 125.2162(1)(e)).

The maximum amount of bonded indebtedness to be incurred by or on behalf of the LDFA for the purpose of financing the Development Plan shall not exceed \$1,600,000, as described in Section 15(2)(i) of the Development Plan.

Section 12(f)

The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues. (MCL 125.2162(1)(f)).

The City intends to issue bonds in an amount not to exceed \$1,600,000 to finance a portion of the public facilities described in the Development Plan and will contribute funds on hand for certain costs of public facilities under the Development Plan. All or a portion of the bonds issued by the City and funds on hand provided by the City to pay costs of public facilities under the Development Plan are intended to be repaid from tax increment revenues of the LDFA to the extent possible.

Section 12(g)

The costs of the plan anticipated to be paid from tax increment revenues as received. (MCL 125.2162(1)(g)).

It is anticipated that part of the costs of the implementation of the Development Plan will be paid from the net proceeds of the bonds to be issued by the City on behalf of the LDFA and from funds on hand of the City. All or a portion of the bonds issued by the City and funds on hand provided by the City to pay costs of public facilities under the Development Plan are intended to be repaid from tax increment revenues of the LDFA to the extent possible. Costs of implementation of the Development Plan are also intended to be paid from grant funds received from the EDA, as described in the Development Plan.

Section 12(h)

The duration of the development plan and tax increment plan. (MCL 125.2162(1)(h)).

The duration of this Development Plan and Tax Increment Financing Plan is 40 years or until all bond indebtedness issued to fund LDFA projects and paid directly or indirectly from captured tax increment revenues is retired commencing on its adoption by the City Commission in August 2014 and terminating at the end of the LDFA's fiscal year on June 30, 2054 unless the Development Plan and Tax Increment Finance Plan are amended to extend or shorten its duration. The Development Plan and Tax Increment Financing Plan may not be abolished until the principal of and interest on bonds or other obligations of or on behalf of the LDFA have been paid or funds sufficient to make that payment have been segregated and placed in an irrevocable trust for the benefit of the holders of the bonds or obligations.

Section 12(i)

An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is or is anticipated to be located. (MCL 125.2162(1)(i)).

See attached **Table 2**.

Section 12(j)

A legal description of the eligible property to which the tax increment financing plan applies or shall apply upon qualification as eligible property. (MCL 125.2162(1)(j)).

All real and personal property related to the manufacture of goods or materials or the processing of goods or materials by physical or chemical change of businesses that are located or that locate in the future within the site of the proposed Clare Industrial Park North, a 60 acre parcel located within the geographical region north of the City and under the jurisdiction of the City pursuant to the Land Transfer Agreement.

L DFA District Legal Description:

Parcel 051-023-300-03: T17N R4W SEC 23 BEG N89 DEG 27'03"E 1968.62 FT FROM SW SEC COR TH NO DEG 39'12"E 995.19 FT TH N89 DEG 27'03"E 546.22 FT TH S59 DEG 41'27"E 54.72 FT TH 199.20 FT ON A 90 FT RADIUS CURVE TO THE LEFT WITH A L.C. S33 DEG 05'51"E 160.96 FT TH 89.49 FT ON A 118 FT RADIUS CURVE TO RIGHT WITH A L.C. S74 DEG 46'44"E 87.36 FT TH S53 DEG 03'12"E 110.56 FT TH 216.07 FT ON A 234 FT RADIUS CURVE TO RIGHT WITH A L.C. S26 DEG 36'E 208.48 FT TH S0 DEG 08'48"E S54.97 FT TH S89 DEG 51'12"W 295.08 FT TO S ¼ SEC COR TH S89 DEG 27'03"W 665.05 FT BK TO POB. 20 AC M/L; and

Parcel 051-023-400-14: T17N R4W SEC 23 BEG N89 DEG 27'03"E 1968.62 FT AND NO DEG 39'12"E 995.19 FT FROM SW SEC COR TH CONT NO DEG 39'12"E 322.39 FT TH N89 DEG 35'44"E 665.88 FT TH N89 DEG 47'47"E 1320.09 FT TH S0 DEG 41'26"W 1317.23 FT TH S89 DEG 51'12"W 1025 FT TH N0 DEG 08'48"W 554.97 FT TH 216.07 FT ON A 234 FT RADIUS CURVE TO THE LEFT WITH A L.C. N26 DEG 36'W 208.48 FT TH N53 DEG 03'12"W 110.56 FT TH 89.49 FT ON A 118 FT RADIUS CURVE TO LEFT WITH A L.C. N74 DEG 46'44"W 87.36 FT TH 199.20 FT ON A 90 FT RADIUS CURVE TO RIGHT WITH A L.C. N33 DEG 05'51"W 160.96 FT TH N59 DEG 41'27"W 54.72 FT TH S89 DEG 27'03"W 546.22 FT BK TO POB. 40 AC M/L.

Section 12(k)

An estimate of the number of jobs to be created as a result of implementation of the tax increment-financing plan. (MCL 125.2162(1)(k)).

It is estimated that the implementation of the tax increment financing plan will create approximately 130 jobs.

Table 2

**Projected Tax Increment Revenues and
Impact of Plan on Taxing Jurisdictions**

[INSERT TABLE]

City of Clare
North Industrial Park
Local Development Finance Authority
Tax Increment Property Tax Capture

<u>Year</u>	<u>Total Taxable Value</u>	<u>Non-Capturable Base Value</u>	<u>Total Captured Taxable Value</u>	<u>City of Clare</u>	<u>Pere Marquette District Library</u>	<u>Clare County</u>	<u>Mid Michigan Community College</u>	<u>Anticipated Tax Increment Revenue</u>
2015	\$1,600,000.00	\$ -	\$1,600,000.00	\$ 30,400.00	\$ 1,588.96	\$ 9,339.52	\$ 1,957.12	\$ 43,285.60
2016	2,632,000.00	-	2,632,000.00	50,008.00	2,613.84	15,363.51	3,219.46	71,204.81
2017	4,684,640.00	-	4,684,640.00	89,008.16	4,652.32	27,345.18	5,730.25	126,735.91
2018	5,778,332.80	-	5,778,332.80	109,788.32	5,738.46	33,729.28	7,068.06	156,324.13
2019	6,643,899.46	-	6,643,899.46	126,234.09	6,598.06	38,781.77	8,126.82	179,740.73
2020	6,776,777.45	-	6,776,777.45	128,758.77	6,730.02	39,557.41	8,289.35	183,335.55
2021	6,912,312.99	-	6,912,312.99	131,333.95	6,864.62	40,348.55	8,455.14	187,002.26
2022	7,050,559.25	-	7,050,559.25	133,960.63	7,001.91	41,155.52	8,624.24	190,742.30
2023	7,191,570.44	-	7,191,570.44	136,639.84	7,141.95	41,978.63	8,796.73	194,557.15
2024	7,335,401.85	-	7,335,401.85	139,372.64	7,284.79	42,818.21	8,972.66	198,448.29
2025	7,482,109.88	-	7,482,109.88	142,160.09	7,430.48	43,674.57	9,152.12	202,417.26
2026	7,631,752.08	-	7,631,752.08	145,003.29	7,579.09	44,548.06	9,335.16	206,465.60
2027	7,784,387.12	-	7,784,387.12	147,903.36	7,730.67	45,439.02	9,521.86	210,594.92
2028	7,940,074.87	-	7,940,074.87	150,861.42	7,885.29	46,347.81	9,712.30	214,806.82
2029	8,098,876.36	-	8,098,876.36	153,878.65	8,042.99	47,274.76	9,906.55	219,102.95
2030	8,260,853.89	-	8,260,853.89	156,956.22	8,203.85	48,220.26	10,104.68	223,485.01
2031	8,426,070.97	-	8,426,070.97	160,095.35	8,367.93	49,184.66	10,306.77	227,954.71

**City of Clare
North Industrial Park
Local Development Finance Authority
Tax Increment Property Tax Capture**

<u>Year</u>	<u>Total Taxable Value</u>	<u>Non-Capturable Base Value</u>	<u>Total Captured Taxable Value</u>	<u>City of Clare</u>	<u>Pere Marquette District Library</u>	<u>Clare County</u>	<u>Mid Michigan Community College</u>	<u>Anticipated Tax Increment Revenue</u>
2032	8,594,592.39	-	8,594,592.39	163,297.26	8,535.29	50,168.35	10,512.91	232,513.81
2033	8,766,484.24	-	8,766,484.24	166,563.20	8,706.00	51,171.72	10,723.16	237,164.08
2034	8,941,813.92	-	8,941,813.92	169,894.46	8,880.12	52,195.16	10,937.63	241,907.36
2035	9,120,650.20	-	9,120,650.20	173,292.35	9,057.72	53,239.06	11,156.38	246,745.51
2036	9,303,063.20	-	9,303,063.20	176,758.20	9,238.87	54,303.84	11,379.51	251,680.42
2037	9,489,124.47	-	9,489,124.47	180,293.36	9,423.65	55,389.92	11,607.10	256,714.03
2038	9,678,906.96	-	9,678,906.96	183,899.23	9,612.12	56,497.72	11,839.24	261,848.31
2039	9,872,485.10	-	9,872,485.10	187,577.22	9,804.36	57,627.67	12,076.02	267,085.28
2040	10,069,934.80	-	10,069,934.80	191,328.76	10,000.45	58,780.22	12,317.54	272,426.98
2041	10,271,333.49	-	10,271,333.49	195,155.34	10,200.46	59,955.83	12,563.90	277,875.52
2042	10,476,760.16	-	10,476,760.16	199,058.44	10,404.47	61,154.94	12,815.17	283,433.03
2043	10,686,295.37	-	10,686,295.37	203,039.61	10,612.56	62,378.04	13,071.48	289,101.69
2044	10,900,021.27	-	10,900,021.27	207,100.40	10,824.81	63,625.60	13,332.91	294,883.73
2045	11,118,021.70	-	11,118,021.70	211,242.41	11,041.31	64,898.12	13,599.56	300,781.40
2046	11,340,382.13	-	11,340,382.13	215,467.26	11,262.13	66,196.08	13,871.56	306,797.03
2047	11,567,189.78	-	11,567,189.78	219,776.61	11,487.38	67,520.00	14,148.99	312,932.97
2048	11,798,533.57	-	11,798,533.57	224,172.14	11,717.12	68,870.40	14,431.97	319,191.63

**City of Clare
North Industrial Park
Local Development Finance Authority
Tax Increment Property Tax Capture**

Year	Total Taxable Value	Non-Capturable Base Value	Total Captured Taxable Value	City of Clare	Pere Marquette District Library	Clare County	Mid Michigan Community College	Anticipated Tax Increment Revenue
2049	12,034,504.24	-	12,034,504.24	228,655.58	11,951.47	70,247.81	14,720.61	325,575.46
2050	12,275,194.33	-	12,275,194.33	233,228.69	12,190.50	71,652.76	15,015.02	332,086.97
2051	12,520,698.21	-	12,520,698.21	237,893.27	12,434.31	73,085.82	15,315.32	338,728.71
2052	12,771,112.18	-	12,771,112.18	242,651.13	12,682.99	74,547.54	15,621.62	345,503.28
2053	13,026,534.42	-	13,026,534.42	247,504.15	12,936.65	76,038.49	15,934.06	352,413.35
2054	13,287,065.11	-	13,287,065.11	252,454.24	13,195.38	77,559.26	16,252.74	359,461.62

Captured Property Tax Millage Includes:

City of Clare - Operating Millage	17.5000
City of Clare - Street Millage	0.7500
City of Clare - Parks Millage	0.7500
Clare County Allocated Millage	4.7072
Pere Marquette District Library	0.9931
Clare County Transit Authority Milla	0.3000
Clare County Seniors Citizens Millage	0.4800
Clare County Extra 911 Millage	0.3500
Mid Michigan Community College	1.2232
	<u>27.0535</u>