

KOCHVILLE TOWNSHIP, SAGINAW COUNTY, MICHIGAN

ORDINANCE NO. 06-09 (DDA)

AN ORDINANCE AMENDING KOCHVILLE TOWNSHIP ORDINANCE 89-6(DDA), AS AMENDED BY ORDINANCES 93-4(DDA), 02-02(DDA), AND 06-05(DDA)

Purpose:

An Ordinance amending the Development Plan and Tax Increment Financing Plan established by Kochville Township Ordinance 89-6 (DDA), as amended by Kochville Township Ordinances 93-4(DDA), 02-02(DDA), and 06-05(DDA), to expand and include in the Development Area the expanded area of the Downtown Development Authority (DDA) District as established by Kochville Township Ordinance 06-05(DDA); make possible the financing of the public improvements necessary or desirable to halt current and prevent future deterioration, encourage historic preservation, and promote economic development and growth within the Development Area as defined by Exhibit A and as shown in Map 1 attached hereto;

KOCHVILLE TOWNSHIP ORDAINS:

SECTION 1. AMENDMENTS

1.1 Section 1 of Ordinance 89-6(DDA) shall be amended to read as follows:

- (1) "Act" means the Downtown Development Authority Act, Act No. 197 P.A. of 1975, as amended, effective August 13, 1975; being sections 125.1650 *et seq.* of the Michigan Compiled Laws.
- (2) "Authority" means the Kochville Township Downtown Development Authority created pursuant to Ordinance No. 89-5(DDA), as amended.
- (3) "Authority Ordinance" means the ordinance creating the Kochville Township Downtown Development Authority being ordinance No. 89-5(DDA), as amended.
- (4) "Board" means the Downtown Development Authority Board of Directors.
- (5) "Development Area" means that area described in Exhibit A of this Ordinance, as reflected by the map attached hereto as identified as Map 1 to which this Ordinance applies.
- (6) "Development Plan" or "Plan" means the information set forth in Section 3 of Kochville Township Ordinance 89-6(DDA) and this Amendment to Kochville Township Ordinance 89-6(DDA), identified as the Kochville Township DDA Development Plan and Tax Increment Financing Plan as

amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto.

- (7) “Downtown Development Authority District” means the entire Downtown Development Authority District as defined by Ordinance 89-5, including all amendments currently in effect and adopted in the future.
- (8) “Expanded Downtown Development Authority District” means the parcels of property identified in Kochville Township Ordinance 06-03 (DDA). This term does not include the Original Downtown Development Authority District as hereinafter defined.
- (9) “Governing Body” means the Kochville Township Board which has legislative powers.
- (10) “Ordinance 89-6(DDA)” means Kochville Township Ordinance 89-6(DDA) as amended by Kochville Township Ordinances 93-4(DDA), 02-02(DDA), and 06-05(DDA), and any future amendments to said Ordinances.
- (11) “Original Downtown Development Authority District” means the Downtown Development Authority District as originally established in Ordinance 89-5, Section 16, excluding any amendments.
- (12) “Public Facility” means a street, plaza, pedestrian mall, and any improvements thereto including street furniture and beautification, parks, parking facilities, recreational facilities, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, building and access routes to any of the foregoing, designed and dedicated to use by the public generally, or used by public agency.
- (13) “Tax Increment Financing Plan” means the information set forth in Section 4 of Kochville Township Ordinance 89-6 (DDA) and the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto.
- (14) “Township” means Kochville Township, Saginaw County, Michigan.

1.2 Section 2(I) of Ordinance 89-6(DDA) shall be amended to read as follows:

- I. The Governing Body, after the original public hearing in 1989 as required by Section 18 of the Act, determined that the Development Plan and Tax Increment Financing Plan would:

- (1) Alleviate traffic congestion along Davis Road; and
- (2) Serve to reduce traffic accidents at the intersection of Davis and Tittabawassee Roads;
- (3) Assist in the development of the Development Area; and
- (4) Arrest the deterioration of property values in the Development Area and constitutes a public purpose.

II. The Governing Body, after a public hearing held on July 21, 2006, as required by Section 18 of the Act, approved this Amendment to the Development Plan and Tax Increment Financing Plan. This Amendment identified as the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto, constitutes a public purpose, and would:

- (1) Beautify the Downtown Development Authority district, including, but not limited to, flags, banners, maintenance, street lighting, benches, landscaping, art, clock tower, courtyards, replace or install mailboxes, etc.; and
- (2) Improve, install, re-align, extend, construct, or update roadways and drive accesses, including traffic signals, the purchase of right-of-way, and other safety related features such as stamped crosswalks, to alleviate traffic congestion and promote pedestrian safety within the Downtown Development Authority district; and
- (3) Improve, install, re-align, extend, construct, or update current utilities in the Downtown Development Authority District; and
- (4) Improve, install, or update multi-use pathways and sidewalks located in the Downtown Development Authority district.
- (5) Provide for the safety of individuals, business owners, and businesses in the DDA District by providing law enforcement protection, fire protection, and any other services that are public safety in nature.

III. The Development Plan and Tax Increment Financing Plan and the Amendments thereto are hereby approved based on the following considerations:

- (1) The Development Plan meets the requirements set forth in Section 17(2) of the Act.
- (2) The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.
- (3) The development is reasonable and necessary to carry out the purposes of the Act.

- (4) The Development Plan is in reasonable accord with the master plan of the Township.
- (5) Public services, including but not limited to fire and police protection and utilities, are sufficient to service the Development Area; however, any increase in public services will only enhance the Downtown Development Authority District and assist the Township with conforming to the purpose of the Act.
- (6) Changes in zoning, street levels, intersections, and utilities are stated in Section II(H) of the Amendment identified as the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto.

1.3 Section 3(I) of Ordinance 89-6(DDA) shall be amended to read as follows:

- I. **Boundaries of the Development Area in relation to highways, streets, streams or otherwise.** The boundaries of the Development Area are the same as the district boundaries of the Kochville Downtown Development Authority, as previously adopted by Kochville Township Ordinance 89-5 (DDA), as amended by Kochville Township Ordinances 93-5 (DDA), 02-03 (DDA), and 06-03 (DDA). For a map of the boundaries, see Map 1 attached hereto.

1.4 Section 3(II) of Ordinance 89-6(DDA) shall be amended to read as follows:

- II. **The location and extent of existing streets and other public facilities and present and future public and private uses within the Development Area and a legal description of the Development Area.** The Development Plan, as amended proposes the change of the designation of land uses as those stated in Section II(B) of the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto.

1.5 Section 3(III) of Ordinance 89-6(DDA) shall be amended to read as follows:

- III. **A description of existing improvements to be demolished, repaired, or altered in the Development Area, as amended and an estimate of the time for completion:**
 - (1) Finish Realignment and reconstruction Davis Road. Estimated time to complete: twenty-five (25) years from May 21, 2002.
 - (2) Any existing improvement to be demolished, repaired, or altered in the Development Area and the estimated time for completion, as

identified in Section II(C) of the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto.

1.6 Section 3(IV) of Ordinance 89-6(DDA) shall be amended to read as follows:

IV. Location, Extent, Character and Estimated Costs of improvements Contemplated for Completion:

The following is proposed:

- (1) Land Use and Traffic Study of Development Area with a particular emphasis on the need for improved traffic circulation within the Development Area. Estimated Time to Complete: ten (10) years from July 20, 2006; estimate cost: \$100,000.00.
- (2) Negotiation and acquisition of Easements sufficient to make road improvements as indicated by (1) above. Estimated Time to Complete: twenty (20) years from July 20, 2006; estimated cost: cannot be determined at this time.
- (3) Implementation of additional road system and traffic improvements within the district and maintain such additional roads and traffic improvements. Estimated Time to Complete: twenty (20) years from July 20, 2006; estimated cost: \$1,000,000.00. Costs of and time to complete other public improvements will be estimated as they are contemplated.
- (4) Construction, repairing, replacing, and maintaining and/or improving public utilities within the district, including but not limited to (i) improving lighting and landscaping; (ii) constructing streetscapes; (iii) constructing multi-use paths; (iv) constructing sidewalks; and (v) creating a public park. Estimated Time to Complete: twenty (20) years from July 20, 2006; estimated cost: \$1,660,000.00.
- (5) The purchase of or the aiding or assisting of "Distressed Properties" within the Development Area. For purposes of this Plan, "Distressed Properties" shall mean parcels of land which are in jeopardy of being sold for proposed development that is of a lesser character and quality than that which is desired for the Development Area, and existing buildings which are being utilized or which are proposed to be utilized for purposes less desirable than their initially approved purpose. Costs of the purchase or the

aiding or assisting of “Distressed Properties” and time to complete such projects will be estimated as such projects are contemplated.

- (6) The repair or replacement of public utilities or improvements which are inadequate or which are causing distress on parcels within the Development Area. Costs of such projects and time to complete such projects will be estimated as such projects are contemplated.
- (7) The locations, extent, character, and estimated costs of improvements contemplated for the Development Area and estimated time for completion as indicated in Section II(D) of the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto.

1.7 Section 3(V) of Ordinance 89-6(DDA) shall be amended to read as follows:

- V. **Stages of construction planned and estimated time to complete each stage.** The stages of construction planned and the estimated time to complete each stage is indicated in Section II(E) of the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto.

1.8 Section 3(VI) of Ordinance 89-6(DDA) shall be amended to read as follows:

- VI. **Description of any parts of Development Area to be left as open space and uses contemplated for the space:** The Development Plan contemplates the designation of certain area(s) within the development area as “pocket parks.” At this time the exact locations and/or size(s) of such park(s) cannot be determined. In addition, certain areas within the Development Area identified in Section II(F) of the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto, are identified as open space and discusses the contemplated use for the open space identified.

1.9 Section 3(VII) of Ordinance 89-6(DDA) shall be amended to read as follows:

- VII. **Description of any portions of the Development Area which the Authority desires to sell, donate, exchange, or lease to or from the Township and the proposed terms:** At this time it is contemplated that the Authority will sell, donate, exchange, or lease the “pocket park(s)” and

other open space as identified in Section II(G) of the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto, to the Township under terms and conditions which have not yet been determined.

1.10 Section 3(VIII) of Ordinance 89-6(DDA) shall be amended to read as follows:

VIII. **Description of desired zoning changes and changes in streets, street levels, intersections and utilities:** The Development Plan in Section II(H) of the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto, states the desired zoning changes and changes in streets, street levels, intersections and utilities.

1.11 Section 3(IX) of Ordinance 89-6(DDA) shall be amended to read as follows:

IX. **Estimate of the cost of the development and a statement of the proposed method of financing the development and the ability of the Authority to arrange the financing:** At this time the Authority's best estimate of the cost of the development set forth above is \$2,460,000.00 plus the new amount established in Section II(I) of the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto. The monies currently on deposit with the Authority are not sufficient to pay for the development. The Authority intends to apply for grants from public and/or private sources and to accept in-kind donations as they become available, to supplement the tax increment revenues available to finance the development set forth above. Notwithstanding the foregoing, the Authority will, in its discretion, with the approval of the Governing Body, levy an ad valorem tax pursuant to MCL § 125.1662, not to exceed two (2) mills on real and tangible personal property not exempt by law located within the Development Area. The Authority believes that as it begins work on the Development Plan set forth that tax values will increase and that the aforesaid millage together with the aforesaid grants and in-kind donations will supplement the tax increment financing which in turn will make financing possible. The Authority may also issue revenue bonds or utilize any other legal method of financing to pay for all or a part of the development set forth above.

1.12 Section 3(XII) of Ordinance 89-6(DDA) shall be amended to read as follows:

XII. Estimates of number of persons residing in the Development Area and number of families and individuals to be displaced: The estimated number of persons residing in the Development Area are stated in Section II(L), (M), (N), and (O) of the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto.

1.13 Section 3(XV) of Ordinance 89-6(DDA) shall be amended to read as follows:

XV. Other matters. The Development Plan contemplates that the Authority shall be empowered to use funds received by it from whatever source, including but not limited to the Tax Increment Financing Plan specifically to:

- (1) Administer the Authority including the hiring of staff, legal counsel, certified public accountants, and such other professional assistance, as deemed necessary and appropriate by the Authority in accordance with the Tax Increment Financing Plan for the Development Area.
- (2) Hire appropriate consultants, designers, engineers, legal counsel, etc. for the purpose of implementing the Development Plan.
- (3) Reimburse other units of local government for services performed in the furtherance of the Development Plan on an actual cost basis, including the cost of overhead.
- (4) Fund the implementation and construction of the projects and services identified in the Development Plan.
- (5) Provide for the safety of individuals, business owners, and businesses in the DDA District by providing law enforcement protection, fire protection, and any other services that are public safety in nature.

1.14 Section 4(III) of Ordinance 89-6(DDA) shall be amended to read as follows:

III. The Maximum Amount of Bonded Indebtedness to be Incurred. The original Development/Tax Increment Financing Plan did not contemplate the incurring of any bonded indebtedness. The amendment to the Original Development Area/Tax Increment Financing Plan, which is identified as the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by a Resolution of

the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto, does allow for the incurring of bonded indebtedness of forty million dollars (\$40,000,000.00) as stated in Section III(C).

1.15 Section 4(IV) of Ordinance 89-6(DDA) shall be amended to read as follows:

- IV. **Duration of the Program.** The Development/Tax Increment Financing Plan as amended by this Ordinance shall expire on the date established pursuant to Section III(D) of the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto, unless amended after hearing and notice in accordance with section 19(2) of the Act to a shorter or longer period. As future development activities are within all or part of the Development District are needed or identified, are feasible and meet the eligibility requirements of the Act, this term may be extended by an amendment to the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto.

1.16 Section 4(VI) of Ordinance 89-6(DDA) shall be amended to read as follows:

- VI. **Estimated Impact on the Assessed Values of All Taxing Jurisdictions in which the Development Area is Located.** The Assessed Value in the Original Downtown Development Authority District is \$9,972,450.00. The Assessed Value in the Expanded Downtown Development Authority District is \$54,919,752.00. The Tax Increment Financing Plan will not reduce the assessed valuations of any of the taxing jurisdictions, as it captures only taxes on newly created property values. Inasmuch as the Development Plan is intended to provide for the orderly development of the Development Area, which should benefit areas not included within the Development Area as well, the long term impact on assessed valuations should be to arrest current deterioration of property within the Area and preserve, if not increase the values of property both within and adjoining the Development Area. Consequently, the long term impact is to benefit the affected taxing jurisdictions.

1.17 Section 4(VII) of Ordinance 89-6(DDA) shall be amended to read as follows:

- VII. **Portion of Captured Assessed Value to be Used.** The estimated cost of the activities enumerated in the various development stages contemplated by the Development Plan is established in Section III(F) of the Kochville Township DDA Development Plan and Tax Increment Financing Plan as amended or modified in the future by Resolution of the Governing Body and attached hereto as Exhibit B and is incorporated by reference hereto.

The tax increment revenues generated by the Development Area pursuant to the Development Plan, as it now exists or is hereafter amended, will be used to pay for all or a portion of these activities which include:

- (1) Payment of administrative and operating costs of the Authority and Township for the Development Area, including planning and promotion, to the extent provided in the Annual Budget approved by the Township.
- (2) Payment, to the extent deemed desirable or necessary by the Authority as determined by its inclusion in its Annual Budget, of the costs of any studies contemplated by the Development Plan.
- (3) Payment, to the extent deemed desirable or necessary by the Authority as determined by its inclusion in its Annual Budget, of the costs of any of the public improvements contemplated by the Development Plan to the extent those improvements are not financed by the participation of the Federal and State governments, private grants, and/or in-kind donations.
- (4) Payment, to the extent deemed desirable or necessary by the Authority as determined by its inclusion in its Annual Budget, of the costs of any of additional improvements, public or otherwise and including assistance to “Distressed Properties” in the Development Area deemed desirable by the Authority, as contemplated by the Development Plan in furtherance of the Development Plan on an actual cost basis, including overhead.
- (5) Reimburse other units of government for services performed in the furtherance of the Development Plan on an actual cost basis, including the cost of overhead.
- (6) Reimbursement of the Township for funds advanced to acquire property, clear land, make preliminary plans, and construct improvements necessary for the development of the Development Area in accordance with the Development Plan.
- (7) Payment, to the extent deemed desirable or necessary by the Authority as determined by its inclusion in its Annual Budget, of the costs of hiring staff, legal counsel, certified public accountants, and such other professional assistance, as deemed necessary and appropriate by the Authority in accordance with the Tax increment Financing Plan for the Development Area.
- (8) Payment, to the extent deemed desirable or necessary by the Authority as determined by its inclusion in its Annual Budget, of

the costs of hiring appropriate consultants, engineers, legal counsel, etc. for the purpose of implementing the Development Plan

- (9) Provide for the safety of individuals, business owners, and businesses in the DDA District by providing law enforcement protection, fire protection, and any other services that are public safety in nature.

The Tax Increment Financing Plan contemplates the use of the entire Captured Assessed Value by the Authority.

SECTION 4. EXHIBITS

4.1 Replacement of Exhibits

- 4.1.1 All old exhibits attached to Township Ordinance 89-6 (DDA) are no longer applicable.

4.2 New Exhibits

- 4.2.1 The following exhibits that are attached hereto and incorporated by reference:
 - 4.2.1.1 Exhibit A – Legal Description of Development Area.
 - 4.2.1.2 Exhibit B – The Kochville Township DDA Development Plan and Tax Increment Financing Plan.
 - 4.2.1.3 Map 1 – DDA Area

SECTION 5. REPEAL

All ordinances or part of ordinances of the Township inconsistent or in conflict with this Ordinance are repealed. Future amendments to ordinance 89-6 as amended, shall be made by majority approval of both the Governing Body and the Board.

SECTION 6. INVALIDITY

If any section, paragraph, sentence, clause, phrase or part of this Ordinance shall be declared invalid for any reason whatsoever, such a decision shall not affect the remaining portions of this Ordinance which shall remain in full force and effect and to this end the provisions of this Ordinance are hereby declared severable.

SECTION 7. EFFECTIVE DATE

This Ordinance will become effective 30 days after publication as required by law in a paper of general circulation in the Township.

SECTION 8. WHERE ORDINANCE CAN BE INSPECTED

A copy of this Ordinance can be obtained from the Clerk of Kochville Township at the Township offices located at 5851 Mackinaw Road, Saginaw, Michigan.

SECTION 9. PUBLICATION

This Ordinance upon adoption is ordered to be given publication as required by law.

Motion by _____, seconded by _____ to adopt Ordinance 06-09.

Ordinance 06-09 was adopted by the following roll call vote:

Vote:

_____	Supervisor
_____	Clerk
_____	Treasurer
_____	Trustee
_____	Trustee

The foregoing Ordinance was duly adopted at a special meeting of the Kochville Township Board held on the 21st day of July, 2006.

Kenneth P. Bayne
Supervisor of Kochville Township

George A. Schnepf
Clerk of Kochville Township

I, George A. Schnepf, Clerk of Kochville Township, do hereby certify that the above is a true and exact copy of the Ordinance heretofore passed by the Township Board for Kochville Township, Saginaw County, Michigan voted.

This Ordinance was given publication in the _____ on the _____ day of _____, 200__.

George A. Schnepf
Clerk of Kochville Township

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