Tax Increment Financing And Development Plan

Corridor Improvement Authority
Cadillac West

CITY OF CADILLAC MICHIGAN

Corridor Improvement Authority Board Members

To Be Added

City of Cadillac City Council

To Be Added

City Manager
Marcus Peccia

Cadillac Community Development Department
John Wallace, Community Development Director

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[To be added upon final draft]

1. Executive Summary

Recognizing the need and desire to revitalize the area of the city of Cadillac traditionally known as Cadillac West, the Cadillac West Development Plan and accompanying Cadillac West Tax Increment Financing Plan (the “Plans)” were formulated. The plans were prepared pursuant to the requirements of the Recodified Tax Increment Financing Act, PA 57 of 2018, Part 4 Corridor Improvement Authorities (CIA) (the “Act”). The Act is designed to assist communities with the identification and funding of improvements in commercial corridors. The Act provides for the capture and use of state and local education taxes for projects within defined “qualified development areas” (QDA) upon approval from the Michigan Strategic Fund (MSF).

The Plans were developed under the direction of the Cadillac West Corridor Improvement Area Board (the “Board”). The Board is comprised of property and business owners who have a vested interest in the redevelopment or improvement of the Cadillac West area. Assisting the Board is the Cadillac City Council and city staff, the Cadillac Chamber of Commerce, and the Cadillac Area Visitor’s Bureau. Members of the public were also encouraged to participate.

As noted in the Plans, it is the vision of the Board, area residents and business owners, and the City to create a safe, well-branded, walkable and bikeable tourism village which celebrates its four-season natural assets, serving as a destination for vacationers and the area’s year-round resident population base. To attain this vision, the Plans inventory local assets, identify development needs and opportunities, estimate program and projects costs, project potential revenue captured through tax increment financing, and identify other possible funding sources.

At this time, the main projects identified by the Plans include:

1. Market Study – Prepare a comprehensive Market Study to identify development opportunities, including detailed programming recommendations for achieving the study’s findings.
2. Market Study Implementation – Implement the recommendations of the Market Study.
3. Shared Pathway - The shared pathway on the east side of M-115 from the south boundary of the district northward to North Boulevard is proposed to be removed and rebuilt at a width of 10-12 feet.
4. Intersection Improvements – The M-115/M-55 intersection will be redesigned and rebuilt to include better and safer pedestrian crossings. The redesign may include a roundabout or a more traditional signalized intersection.
5. Causeway Improvements - The causeway portion of M-115 is planned to be redesigned to include a median or to be narrowed to provide more natural space on either side of the guard rail. The additional space would improve opportunities for improved protection and maintenance of the shorelines and enhancement of non-motorized pathways and creation of areas for lake viewing, fishing, and passive enjoyment. Improvements to include a fishing pier going into Lake Cadillac off the east side of the causeway.
6. Pedestrian and Vehicular Circulation Improvements - The driveway on the shared easement between Walraven’s store and the Pointe West shopping center which provides joint access to Walraven’s, Pointe West, Sun & Snow Motel, and Lakeside Charlie’s Restaurant is proposed to be removed, redesigned, and rebuilt.
7. Streetscapes - The M-115 and M-55 corridors require redevelopment based on a plan that calls for and coordinates landscaping, lighting, curb cuts, pedestrian safety features, and other amenities and features consistent with the area’s desired village theme while also recognizing the area’s four-season changes.

8. General improvements within any street right-of-way within the district. This may include utilities, bicycle paths, shared paths, sidewalks, landscaping, gateway treatment etc.
9. Erosion control and other improvements to the City owned parcel on the north side of the canal.
10. Other projects necessary to create a safe, well-branded, walkable and bikeable tourism village which celebrates its four-season natural assets, serving as a destination for vacationers and the area's year-round resident population base.

Based on the success of projects, the surfacing of newly identified needs and opportunities, and funding levels, the Plans may be at times amended. Amendments to the Plans will be accomplished pursuant to the requirements of the Act.

2. Introduction

The Cadillac West Resort District, located around the juncture of M-115 and M-55 has long been known as a Northern Michigan tourist destination. In recent years the attraction of the district has waned as other areas in the region have become more popular. While still a destination with many amenities, it has lost much of its luster and is commonly described as appearing tired by vacationers and others traveling through the area.

Recognizing the need for improvement, the City established by resolution The Corridor Improvement Authority on April 15, 2013. Contained within this resolution was the stated intent to expedite local permitting and inspection processes in the development area and to modify its Master Plan to provide for walkable nonmotorized interconnections, including sidewalks and streetscapes throughout the Development Area. Unfortunately, early attempts to successfully activate the program were unsuccessful and the Authority languished for several years.

Concern over the Cadillac West area resurfaced in a strong way in 2018. A community forum was held on May 3, 2018. The event was moderated by Networks Northwest who serve as the regional planning commission covering the Cadillac Area. The well-attended forum led to the preparation of the Cadillac West 2018 M-15 Corridor Plan. The plan was prepared by the Alliance for Economic Success and Networks Northwest with the assistance of Beckett & Raeder, a Michigan urban planning consulting firm. The plan covered the Cadillac West Resort District as well as the developing corridor areas in the adjacent townships of Clam Lake and Cherry Grove. It is this plan that is being used as the basis for the Cadillac West Development Plan and the accompanying Tax Increment Financing Plan. For various reasons, the adjoining townships decided not to join the corridor's Improvement Authority nor participate in the redevelopment effort.

Subsequent to the preparation of the Cadillac West 2018 Corridor Plan, a full board of the Corridor Improvement Area was seated and began a regular meeting process. The Board commissioned the preparation of this Development Plan and the accompanying Tax Increment Financing Plan. Assisting the Board is the city staff of the Cadillac's Community Development and Finance Departments.

3. Vision Statement and Goals

Vision Statement:

To create a safe well-branded walkable and bikeable tourism village which celebrates its four-season natural assets that becomes a destination for vacationers and serves the area's year-round resident population base.

Goals:

1. Create the corridor district as a unique, four-season, tourism village which becomes a much sought-after destination location.
2. In partnership with the Michigan Department of Transportation, develop a traffic management plan for state highways M-115 and M-55 that coordinates the safety and efficiency of roadway travel and circulation with the development goals and needs of the Cadillac West area.
3. Develop a safe sidewalk and bicycle pathway system which takes advantage of the area's natural assets. Where feasible, locate these systems away from the M-115 and M-55 roadways.
4. Make and implement plans for the safe and effective pedestrian crossings of M-115 and M-55 linking high pedestrian activity areas such as Mitchell State Park with the Lake Mitchell beach area and commercial uses located west of M-115.
5. Focus redevelopment on the corridor's unique water and nearby natural assets thereby increasing opportunities for the public to access Lakes Cadillac and Mitchell for relaxation, wildlife viewing, fishing, and other leisure activities.
6. Prepare a branding plan for the district that includes features such as a district name, logo, building material theme, district character, lighting, and gateway treatments.
7. Promote housing options which are aligned with the districts vision statement and branding plan.
8. Develop unique tourist housing options.
9. Adopt zoning regulations which are in support of the plan's vision and goals.
10. Encourage commercial development which supports tourists and year-round residents alike.
11. Create retail niches around food services (cider, brew, jerky, etc.), crafts, branded gifts, and live/workspaces. Consider special or distinctive niches that can be implemented consistent with the changing seasons.
12. Encourage retail, restaurants, and hotels to consider developing packages both within the district and with outside attractions and features such as Caberfae Peaks, Coyote Crossing, Lakewood on the Green, and Hoxeyville Music Concerts.
13. Encourage hotels and others to consider developing a range of packages that offer unique opportunities for visitors to explore and take advantage of the region's unique natural features. Examples include canoe and kayak trips along the Pine River, fishing one of the area's nationally known trout streams, morel mushroom hunts in the Springtime, cross-country ski trips, etc.
14. Develop strong connections with downtown Cadillac. Include non-traditional or various modes of travel such as bikes, electric bikes, use of WexExpress, etc.
15. Develop and implement plans for the accommodation of snowmobilers and off-road vehicle travel.
16. Encourage and facilitate redevelopment of properties which are becoming functionally obsolete.
17. Aggressively seek outside funding sources such as state and federal economic development grants as a means of leveraging local tax increment funds.

4. Development Plan

A. Plan Requirements.

The presentation of the Development Plan follows the statutory requirements of PA 280, specifically MCL 125.4621, Section 621(2)(a) through (r) as noted below:

PA 280 requires that a development plan contain all of the following:

(a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

(b) The location and extent of existing streets and other public facilities within the development area, designating the location, character, and extent of categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, education, and other uses, and including a legal description of the development area.

(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.

(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.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(f) A description of any parts of the development area to be left as open space and the use contemplated for the 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.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, traffic flow modifications, or utilities.

(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.

(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.

(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.

(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.

(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(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.

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

(p) The requirement that amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection.

(q) A schedule to periodically evaluate the effectiveness of the development plan.

(r) Other material that the authority, local public agency, or governing body considers pertinent.

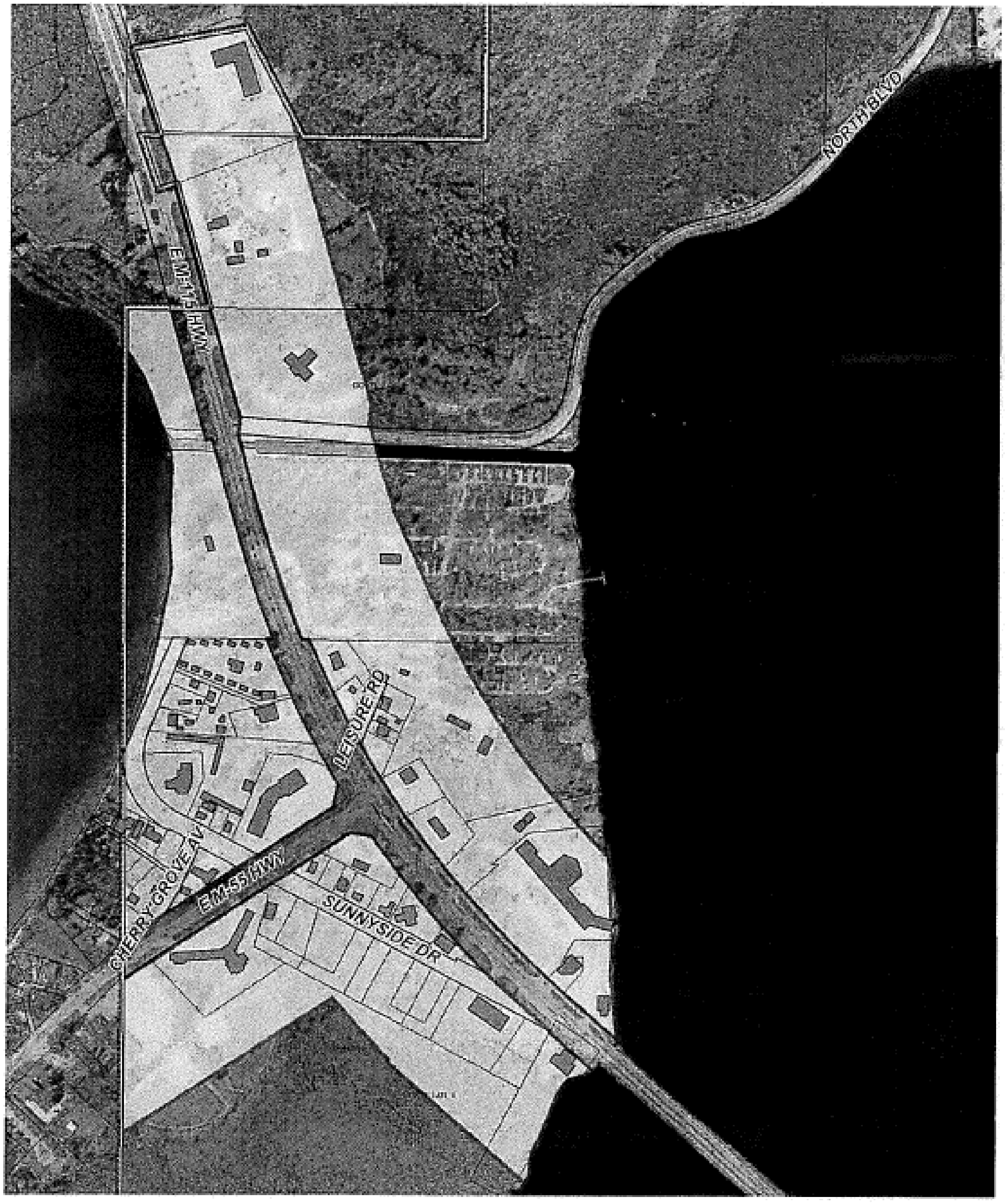
The following provides detail on the plan requirements.

(a) Designation of Boundaries and Legal Description

The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise. (MCL 125.4621(2)(a)).

At the April 15, 2013, regular meeting, the Cadillac City Council adopted a resolution creating the Corridor Improvement Area (CIA) and establishing the boundaries of the development area now identified as the "District." The map below delineates the boundaries of the District in relation to the adjacent highways, streets, and streams.

Cadillac West



Prepared by:
GIS Department
City of Cadillac
200 North Lake Street
Cadillac, MI 49601

Aerial date: April 2011

CITY OF CADILLAC MICHIGAN

0 225 450 900 1,350 Feet

Note: This is not a Land Survey of Boundary Survey and shall not be used for construction of any kind. Utilities must be field checked!!

The legal description for the district is described as follows:

THAT PART OF THE NORTHWEST ¼ OF THE SOUTHWEST ¼ AND THAT PART OF GOVERNMENT LOT 4 OF SECTION 6, T21N, R9W, LYING EASTERLY OF THE EASTERLY LINE OF STATE HIGHWAY M-115 AND WESTERLY OF A LINE BEING 500 FEET EASTERLY OF THE EAST LINE OF SAID HIGHWAY M-115, AND SOUTHERLY OF THE CITY LIMITS OF THE CIT OF CADILLAC, WEFORD COUNTY, MICHIGAN.

AND

THAT PART OF GOVERNMENTS LOTS 3 AND 4 OF SECTION 7,T21N, R9W, LYING WESTERLY AND SOUTHERLY OF THE WEST LINE OF STARTE HIGHWAY M-155 AND SOUTHERLY OF THE SOUGH LINE OF STATE HIGHWAY M-55 AND NOTHERLY OF A LINE BEING 500 FEET WESTERLY AND 500 SOUTHERLY OF THE WEST LINE O F SAID HIGHWAY M-115, CITY OF CADILLAC, WEXFORD COUNTY, MICHIGAN.

AND

THAT PART OF GOVERNMENTS LOTS 3 AND 4 OF SECTION 7, T21N, R9W, LYING WESTERLY AND SOUTHERLY OF THE WEST LINE OF STATE HIGHWAY m-115 AND SOUTHERLY OF THE SOUTH LIN EOF STATE HIGHWAY M-55 AND NORTHERLY OF A LINE BEING 500 FEETWESTERLY AND 500 SOUTHERLY OF THE WEST LINE OF SAID HIGHWAY M-115 AND THE SOUTHERLY LINE OF SAID HIGHWAY M-55, CITY OF CADILLAC, WEXFORD.

AND

THAT PART OF GOVERNMENTS LOTS 3 OF SECTION 7, T21N, R9W, LYING WESTERLY OF THE WEST LINE OF STATE HIGHWAY M-115 AND NORTHERLY OF THE NORTH LINE OF STATE HIGHWAY M-55, CITY OF CADILLAC, WEXFORD.

AND

THAT PART OF GOVERNMENT LOT 4 OF SECTION 6, T21N, R9W, LYING WESTERLY OF THE WESTERLY LINE OF STATE HIGHWAY M-115, CITY OF CADILLAC, WEXFORD COUNTY, MICHIGAN.

(b) The Location and Extent of Existing Streets and Other Public Facilities Within the Development Area.

The location and extent of existing streets and other public facilities within the development area, designating the location, character, and extent of categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, education, and other uses, and including a legal description of the development area. (MCL 125.4621(2)(b)).

Existing Land Uses

The location and extent of existing streets, public facilities, and other land uses within the District are shown on the Existing Land Use and Streets Map (pg. 11).

The District, located between Lakes Cadillac and Mitchell, has traditionally been oriented toward tourism. This shows up in the existing land use map which displays much of the area comprised of Mitchell State Park, amusement uses, hotels and motels, restaurants, and retail establishments. The legal description for the district is included in Section (a) above.

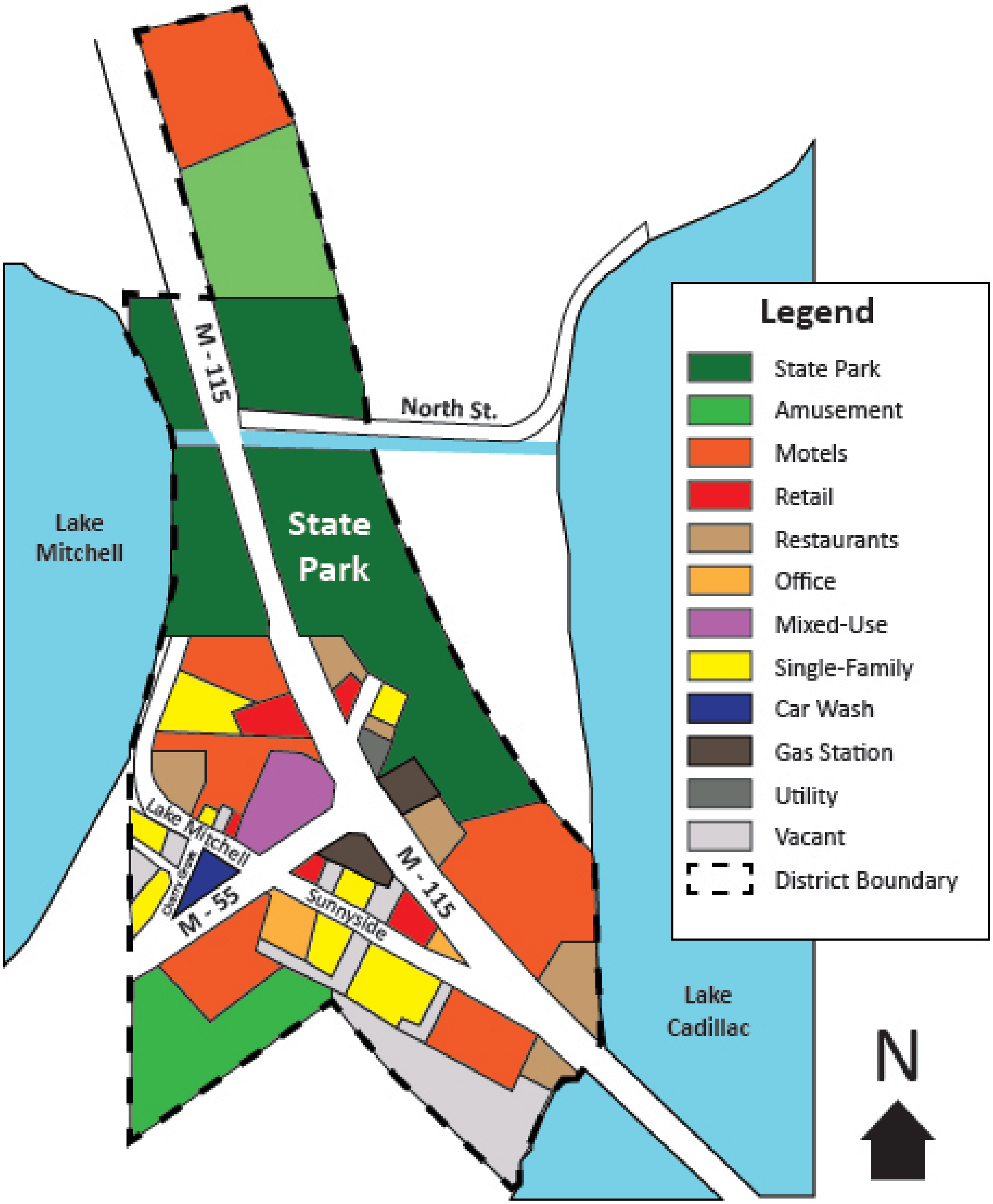
Other than public street rights-of-way, there is one City owned property, the north side of the canal between lakes Mitchell and Cadillac. There is the state owned 660-acre Mitchell State Park and Carl T. Johnson Hunting & Fishing Center which contains 221 campsites, an educational nature center, facilities for the docking of small watercraft, and beach areas.

Highway and Streets

There are two major state highways within the district. These are state trunklines M-115 and M-55. The M-115 state highway has a right-of-way between 100 and 150 in width. Throughout much of the area it is a three-lane roadway with a center turning lane. M-115 runs southeasterly to Clare and Mount Pleasant where it connects with US-10 and northwesterly where it links with M-37 and US-31. According to the Michigan Department of Transportation, the roadway had a 2022 average (two-way) daily traffic count of 13,920 vehicles traveling through the center of the District. M-55 goes directly westward to the city of Manistee, crossing M-37 as it does so. According to the Michigan Department of Transportation, the roadway had a 2022 average (two-way) average daily traffic count of 7,846 vehicles (counts taken west of the M-115/M-55 intersection). It is noted that traffic counts during weekends and various seasonal periods increase markedly.

The area has several local streets under the jurisdiction of the city of Cadillac. They include Sunnyside, Lake Mitchell, Cherry Grove, Sunset, and Leisure streets.

Existing Land Use and Streets



(c) Existing Improvements in the Development Area.

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. (MCL 125.4621(2)(c)).

Existing improvements in the development area to be demolished, repaired, or altered include:

1. The shared pathway on the east side of M-115 from the south boundary of the district northward to North Boulevard is proposed to be removed and rebuilt at a width of 10-12 feet.

2. Intersection of M-115 and M-55. This intersection will be redesigned and rebuilt to include better and safer pedestrian crossings. The redesign may include a roundabout or a more traditional signalized intersection.

3. The causeway portion of M-115 is planned to be redesigned to include a median or to be narrowed to provide more natural space on either side of the guard rail. The additional space would improve opportunities for improved protection and maintenance of the shorelines and enhancement of non-motorized pathways and creation of areas for lake viewing, fishing, and passive enjoyment.

4. The driveway on the shared easement between Walraven's store and the Pointe West shopping center which provides joint access to Walraven's, Pointe West, Sun & Snow Motel, and Lakeside Charlie's Restaurant is proposed to be removed, redesigned, and rebuilt.

5. The M-115 and M-55 corridors require redevelopment based on a plan that calls for and coordinates landscaping, lighting, curb cuts, pedestrian safety features, and other amenities and features consistent with the area's desired village theme while also recognizing the area's four-season changes.

(d) Estimated Cost and Timeline of Improvements.

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. (MCL 125.4621(2)(d)).

Administration, Professional Services, and Improvements

Administration of the CIA will be needed. Additional staff may be needed as well. Professional services will be utilized on an as-needed basis and can include such disciplines as legal, planning, architectural, landscaping, engineering, and marketing. The following table provides cost estimates and timeframes for program administration, program studies, and completion of improvements.

As noted in the Tax Increment Finance Plan, the estimates of captured funds from increases in taxation are limited. Therefore, most projects have been designated for long-range implementation. However, the timing of projects may change if the amount of local funding and other revenues become available.

Table 1

Project Summary Table
Activity, Cost Estimate, and Schedule

Activity	Cost Estimate	Implementation/Priority*
Program Administration (Annual Cost)	$25,000	Immediate
Market Study	$40,000	Immediate
Marketing Plan/Implementation	$ 75,000	Short-Range
Driveway/pathway improvements near Walraven, Pointe West, etc.	TBD	Short-Range
Corridor Streetscape Plan	$100,000	Short-Range
Streetscape Improvements	TBD	Long-Range
Rebuild shared pathway from south boundary to North Blvd.	TBD	Long-Range
Improved Pedestrian Crossings.	TBD	Long-Range
M-115/M-Intersection Improvements.	TBD	Long-Range
Canal Maintenance	TBD	Short to Long-Range
Causeway Improvements.	TBD	Long-Range
General improvements within any street right-of-way	TBD	Short to Long-Range

*Implementation/Priority:
1. Immediate – One to two years.
2. Short-Range – Two to five years.
3. Long-Range – Six plus years.

(e) Stages of Construction.

A statement of the construction or stages of construction planned, and the estimated time of completion of each stage. (MCL 125.4621(2)(e)).

A statement of construction stages planned for implementation of the District projects is presented in the preceding section of the Development Plan. The estimated costs and time of completion are calculated without detailed engineering design or knowledge of field conditions which may affect project costs. Therefore, timeframes and project estimates are subject to change. The amount of TIF funding, grants received, financing, and bonds will also affect timelines and cost estimates.

Development through Public-Private Cooperation:
In addition to public improvements proposed to be financed with public funds under the discretion of the Corridor Improvement Authority, the overall development plan includes, as a goal, the accomplishment of certain private development through private investment in cooperation with the CIA and the city. These improvements include but are not limited to the following:

- Redevelopment and expansion of privately owned commercial sites in cooperation with the present or future owners. The CIA will offer assistance in the accomplishment of these projects such as Brownfield Redevelopment assistance, support in securing economic development grants and loans through state and federal agencies, coordination with the Michigan Department of Transportation and Wexford County Road Commission in highway and street improvements, and other support as available.

- The Corridor Improvement Authority will identify and work with appropriate agencies to provide for the creation of a District wide pedestrian walkway/pathway system.

- The Corridor Improvement Authority will work with developers to acquire undeveloped and inappropriately developed and blighted property within the District for purposes of redevelopment consistent with the Development Plan.

f) Open Space.

A description of any parts of the development area to be left as open space and the use contemplated for the space. (MCL 125.4621(2)(f)).

Given the large amount of public open space in the District, as a result of Mitchell State Park and the City's nearby Kenwood Park, the plan does not provide for additional open space. The plan also notes that many of the existing commercial operations provide significant amounts of open space for their patrons and others in general. Much of this space is found along the shorelines of Lakes Cadillac and Mitchell.

(g) Property Transfers.

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. (MCL 125.4621(2)(g)).

This element is not applicable as neither the Authority nor the City own, lease, or rent property within the District.

(h) Desired Zoning Changes.

A description of desired zoning changes and changes in streets, street levels, intersections, traffic flow modifications, or utilities. (MCL 125.4621(2)(h)).

The City exercises zoning authority pursuant to Michigan Zoning Enabling Act, Public Act 110 of 2006, and the City's Zoning Ordinance and Map establish and define those zoning districts where specified uses may occur.

Zoning consists of dividing the community into districts or zones and regulating within such districts land use, and heights and area of buildings for the purpose of conserving and promoting the health, safety, and general welfare of the people of the community. Zoning also controls numerous aspects of development within each district, such as intensity and bulk of development, and requirements for parking, landscaping and signage. The zoning ordinance and its administration are the legislative and administrative acts or processes for carrying out the goals and objectives of the Master Land Use Plan. The CIA streetscape and landscape plan will be added to the overall City Master Plan to ensure uniformity within the District.

While specific changes are not being considered at this time, the City has recently enacted a Planned Unit Development zoning tool that aids in the development and redevelopment of small parcels through various forms of relief such as increased development density and the relaxation of certain standards. It is anticipated that the PUD option may be utilized in the development or redevelopment of parcels within the District.

The proposed changes in streets, street levels, intersections, traffic flow modifications, or utilities are detailed in the preceding sections of this Development Plan.

(i) Cost of Development.

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. (MCL 125.4621(2)(i)).

The total cost for the implementation of the projects as outlined in Table 1 above is approximately (TBD).

The implementation of the projects within the District shall be financed through one or more of the following sources of funding:

- Tax Incremental Financing (TIF).
- Private cooperation throughout the District.
- Funding received through local, state, and federal grant programs.
- Municipal participation.
- Bonding for improvements.

(j) Designated Project Beneficaries.

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. (MCL 125.4621(2)(j)).

Not Applicable.

(k) Bidding Procedures.

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. (MCL 125.4621(2)(k)).

Not applicable currently. However, any properties that may be held by the Corridor Improvement Authority will be leased, sold, or conveyed at a value determined by the Corridor Improvement Authority Board and the Cadillac City Council. The Corridor Improvement Authority will adhere to appropriate bidding procedures as is applicable by Cadillac City Charter. Any properties purchased will largely focus on foreclosed, vacant, or severely blighted. At this time, there are no properties under consideration for acquisition.

(l) Displacement Impact and Housing Availability.

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. (MCL 125.4621(2)(l)).

Based on field and tax record reviews of homestead properties, it is estimated that less than 100 people reside in the District. This total includes the following:

- Residents in owner-occupied residential units
- Residents in tenant occupied residential units

There will be no displacement of the residents living within the District. No occupied residential properties are currently designated for acquisition or clearance by the Authority.

(m) Priority Plan for Relocating Displaced Persons.

A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area. (MCL 125.4621(2)(m)).

Not Applicable.

(n) Costs of Relocating Displaced Persons.

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 125.4621(2)(n)).

Not Applicable.

(o) PA 227 of 1972 Compliance.

A plan for compliance with 1972 PA 227, MCL 213.321 to 231.332. (MCL 125.2891(2)(o)).

Not Applicable.

(p) Amendments.

The requirement that amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection. (MCL 125.4621(2)(p)).

Any amendments to the Development and/or TIF Plan will require approval by the Authority and City Council. The Authority will follow the guidelines established in Act 280 including public notification and hearing.

(q) Evaluation Schedule.

A schedule to periodically evaluate the effectiveness of the development plan. (MCL 125.4621(2)(q)).

An annual review of the Plans will be conducted by the Authority. The Development and TIF Plans will be reviewed and updated at least every five years. The Authority may review the Plans at any point. Any amendments will be completed with the help of the Authority or city's legal counsel and will comply with local and state acts governing the Authority.

(r) Other Materials.

Other material that the authority, local public agency, or governing body considers pertinent. (MCL 125.4621(2)(r)).

Not applicable.

TAX INCREMENT FINANCING PLAN – Draft
CADILLAC WEST CORRIDOR IMPROVEMENT AUTHORITY (CIA)

The Cadillac West Corridor Authority Tax Increment Financing plan is established to make possible the financing of all or a portion of the costs associated with the activities and projects contained in the Cadillac West Corridor Authority Development Plan. The Tax Increment Financing Plan is a funding technique that utilizes increases in taxes on real property within a specific development area to pay the cost of public improvements or bonds issued by the City or Corridor Improvement Authority (the "CIA") (with the authorization of the City) to finance the administrative and project costs of an approved development plan.

The Recodified Tax Increment Financing Act requires the CIA to address specific legislative requirements in the Tax Increment Financing Plan. These provide information about funds anticipated to be received by the CIA and its impact upon taxing jurisdictions. Specifically, pursuant to Section 618(1) of the Act, the Tax Increment Financing Plan must include, in addition to the Development Plan set forth above:

1. A detailed explanation of the tax increment procedure.
2. The maximum amount of bonded indebtedness to be incurred.
3. The duration of the program.
4. A statement that all unused funds captured shall revert proportionally to the respective taxing bodies, pursuant to MCL 125.4619.
5. A statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located.
6. A clear statement of the portion of captured value intended to be used by the Authority for the Plan, and the intended use.

1. Detailed Explanation of the Tax Increment Financing Procedure

The Recodified Tax Increment Financing Act, PA 57 of 2018, Part 4 Corridor Improvement Authorities (the "Act"), as amended, authorizes tax increment financing ("TIF"). TIF makes it possible for a district to essentially capture tax revenues that are derived from the increase in value of property, which has benefitted from development projects within said district. The revenue is used to finance further development within the district. The Cadillac West CIA has determined that to finance the Development Plan, a tax increment financing plan must be adopted.

The theory of utilizing a TIF plan is that tax revenue will increase within a district where development is taking place. That increase in development will generate an increase in the tax revenues within that district. Therefore, it is appropriate to use this increase in tax revenue to reinvest into the district to encourage continued development. The TIF procedures as outlined in the Act requires the adoption, by City Council resolution, of a Development Plan and a TIF Plan. Following the adoption of that resolution, the City and county treasurers are required by law to transmit to the CIA that portion of the tax levy of all taxing bodies paid each year on the "Captured Assessed Value of all real and personal property located in the Development Area." The tax amounts to be transmitted are hereinafter referred to as "Tax Increment Revenue".

The Captured Assessed Value is defined by the Act as the amount in any 1 year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes exceeds the initial assessed value. The initial assessed value is defined by the Act as the assessed value, as equalized, of all the taxable property within the boundaries of the Development Area at the time the resolution establishing the TIF plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. It is the goal of the CIA to use the captured assessed value in the development district for the number of years necessary to complete the projects outlined in the Development Plan.

The CIA shall submit a report on the TIF account showing the revenue received and the amount and purpose of expenditures from the account. Reports will also be required showing the initial assessed value of the development district and the amount of captured assessed value retained by the CIA. The report shall be submitted to the Cadillac City Council and contain such additional information as the City Council deems necessary. An opportunity will be made available to the County Board of Commissioners and other taxing jurisdictions to meet with the City Council to discuss the fiscal and economic implications of the proposed financing and development plans. Approval of the TIF Plan must be obtained following the notice, hearing and disclosure provisions of Section 622 of the Act. If the Development Plan is a part of the TIF Plan, only one hearing and approval procedure is required for the two plans together. The TIF plan may be modified by the City Council upon notice and hearings. The governing body may abolish the TIF Plan when it finds that the purpose for which it was established is accomplished.

2. <u>The Maximum Amount of Bonded Indebtedness to be Incurred</u>

At this time the CIA does not anticipate bonding based on currently identified projects. However, the CIA maintains the authority to bond to support future development projects and will amend the Development Plan and TIF Plan as needed.

3. <u>Duration of The CIA and Tax Increment Financing District</u>

The initial duration of the CIA's TIF district is 15 years. This TIF Plan establishes a budget for a 15-year period, which is reflected in the list of projects and projected schedules as identified in the Development Plan. Depending on need, the TIF financing period may be extended pursuant to state law.

4. <u>Unused Funds Shall Revert Proportionally to the Respective Taxing Bodies</u>

The Authority shall comply with the requirements of Subsection 619(2) of the Act, and shall revert all unused funds, proportionally, to the respective taxing bodies. The TIF Plan is not intended, nor shall it be used to circumvent existing property tax limitations. The purpose is to enhance the business synergy and economic well-being of the Cadillac West area by enhancing and increasing the public use of the public portions of the corridor as detailed in the Development Plan.

5. <u>Estimated Impact of The Tax Increment Financing Plan</u>

Adoption of this TIF Plan will initially result in the use of all revenues derived from increases in assessed value of the real and personal property of the Development District for purposes of the Development Plan. If adequate increments have been generated to pay for the development projects, excess tax increment will be returned to the taxing jurisdictions. Appendix I demonstrates the current millage levied by each jurisdiction, the anticipated growth in assessed value and the resulting tax increment revenues to be generated during the life of the Development Plan and TIF Plan, and the estimated fiscal and economic implications on taxing jurisdictions resulting from the implementation of the Plan and capture of millage by the Authority. The Authority proposes to strengthen the Development District and arrest the current stagnation and deterioration in property values. This is to be accomplished by using the additional tax revenues generated in the Development District to make public improvements and induce private redevelopment. Several tax bodies currently receive property tax revenue from the property within the Development District. They will continue to receive tax revenues on the initial assessed value of this property throughout the duration of the Plan. When this TIF Plan is terminated, these taxing jurisdictions will receive property tax revenues from all taxable property located within the Development District, including new development and appreciation in value stimulated by the development projects and inflation.

6. Use of Tax Increment Revenue

The Authority intends to use all the captured value in furtherance of the Development Plan as referenced above. As administered by the City, tax increment revenues transmitted to the Authority shall be deposited in a separate fund of the Authority (the “Project Fund”) and used as they accrue annually in the following manner and order of priority:

a) Administrative, auditing, legal and operating costs of the Authority and the City pertaining to the Plan and the Development District, including planning and promotion to the extent provided in the annual budget of the Authority.

b) Amounts advanced by the City for project costs, including costs for preliminary plans, projects, fees, and other professional services.

c) The costs of undertaking, completing and reimbursing the City for any public improvements as set forth in the Development Plan, to the extent those costs are not financed from other sources.

d) Any additional improvements to the Development Plan that are determined necessary by the Authority and approved by the City Council in accordance with the Act. In accordance with Act 57, and to the extent that the Authority and City deem it necessary and in the best interest of the Authority, the Development District, and the City and its resident and property owners, the Authority may enter into tax sharing arrangements with affected taxing jurisdictions to share all or a portion of tax increment revenues on such terms as the Authority and the City Council determine to be most equitable for the Authority, the Development District and the City.

Preliminary Draft – Subject to Revision/For Discussion Only*

Income Schedule from Captured Taxable Value (Non-School)

Cadillac West Corridor Improvement Authority

Year	Cadillac Improvement Authority Taxable Value (2.5% Annual Increase)	Baseline Value Increase	TIF Capture from Baseline Increase	New Investment For Capture [1]	Tax Capture New Investment	Total Annual Capture [2]
2024	4,788,702	---	---	---	---	---
2025	4,908,420	119,718	2,704	50,000	1,129	3,833
2026	5,031,130	122,710	2,771	101,250	2,287	5,058
2027	5,156,908	125,778	2,841	153,781	3,473	6,314
2028	5,285,831	128,923	2,912	207,626	4,689	7,601
2029	5,417,977	131,146	2,962	262,816	5,936	8,898
2030	5,553,426	135,449	3,059	319,387	7,213	10,272
2031	5,688,875	138,836	3,136	377,372	8,523	11,659
2032	5,827,711	145,693	3,285	436,806	9,865	13,150
2033	5,973,404	149,445	3,375	497,726	11,241	14,616
2034	6,122,739	153,068	3,457	560,169	12,651	16,108
2035	6,253,427	156,336	3,531	624,173	14,097	17,628
2036	6,409,763	160,244	3,619	689,778	15,579	19,198
2037	6,570,007	164,250	3,710	757,022	17,097	20,807
2038	6,734,257	168,356	3,802	825,948	18,654	22,456
2039	6,902,613	172,565	3,897	896,596	20,250	24,147
2040	7,075,178	176,879	3,995	969,011	21,885	25,880

[1] Based on the potential new taxable investment of $50,000 annually combined with the capture of increased value due to inflation (applying a rate of 2.5% annually). The actual new investment may be less or greater.
[2] Total non-school tax capture from baseline increases and new investments.

***Comments**

1. **Subject to Change** - The table is preliminary and subject to change.
2. **New Investment** – For illustrative purposes, the table incorporates an annual addition of $50,000 in new building improvements subject to tax capture. Lower levels of investment will reduce the annual capture. Conversely, higher levels will increase the amount of captured funds.
3. **Inflation Rate** – The inflation rate refers to the overall increase in the prices of goods and services over a given period. For the purposes of the Income Schedule, a conservative rate of 2.5% was used. As with the degree of investment, a reduction or increase in annual inflation rates will impact the revenue captured. For informational purposes, the following table identifies the annual U.S. rate of inflation for the years 2020 to 2024.

Year	U.S. Inflation Rate
2020	1.2%
2021	4.7%
2022	8.0%
2023	4.1%
2024 (Jan-July)	3.2%

Non-Education TIF Capture of Taxing Jurisdictions (Draft)
Cadillac West Corridor Improvement Authority

Year	Total Annual Capture	Cadillac Operating P&F 28.0	Wexford County 13.0	CWTA 0.58270	Library 0.72830	Council/Aging 0.97120	Public Safety 1.40820	Veterans Affairs 0.09690	Animal Control 0.19410	MSUE 0.16490
2024	---									
2025	3,833	2,376	1,103	49	62	82	120	8	16	14
2026	5,058	3,135	1,456	65	82	109	158	11	22	18
2027	6,314	3,914	1,817	81	102	136	197	14	27	23
2028	7,601	4,712	2,188	98	123	163	237	16	33	28
2029	8,898	5,515	2,560	115	143	191	277	19	38	32
2030	10,272	6,368	2,956	133	166	221	320	22	44	38
2031	11,659	7,227	3,355	150	188	251	363	25	50	43
2032	13,150	8,155	3,786	170	212	283	410	28	57	48
2033	14,616	9,061	4,207	189	236	314	456	31	63	53
2034	16,108	9,985	4,636	208	260	346	502	35	69	59
2035	17,628	10,928	5,074	227	284	379	550	38	76	64
2036	19,198	11,900	5,525	248	310	413	598	41	82	70
2037	20,807	12,897	5,988	268	335	447	649	45	89	76
2038	22,456	13,916	6,461	290	362	483	700	48	96	82
2039	24,147	14,969	6,950	312	389	519	753	52	104	88
2040	25,880	16,042	7,448	334	417	556	806	55	111	94

Notes:
a. Assumes continuation of millages and millage rates for the TIF period.
b. Based on the potential new taxable investment of $50,000 annually combined with the capture of increased value due to inflation (applying at a rate of 2.5% annually). The actual new investment may be less or greater.

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