

Paw Paw Downtown Development Authority Plan

Original Plan Developed for a 20-year period beginning 12-31-1996.

Amended and Restated for a 20-year period beginning 12-31-2016

ACKNOWLEDGEMENTS

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SECTION I - INTRODUCTION

A. *Purpose of Downtown Development Authority Act*

This plan has been developed under the provisions of Act 197 of Public Acts of 1975 of the State of Michigan, as amended, also known as the Downtown Development Authority Act (Act). The Act was developed to assist units of government in their encouragement of historic preservation; in the elimination and prevention of blight and deterioration in business districts; to encourage and promote economic development, growth and revitalization; to make provision for the acquisition and disposition of personal and real property; to authorize the creation of an authority; to authorize the levy and collection of taxes; to authorize the issuance of bonds and the use of tax increment financing (TIF); to provide for a development plan that sets forth specific Downtown Development Objectives/Activities, as described in a locally adopted development plan for older or traditional central business districts of Michigan municipalities.

The Act assists municipalities in reversing those historical trends of downtown areas which have led to loss of population, jobs and businesses. The Act seeks to improve the quality of urban life by attacking problems of urban decline where they are most apparent, in the downtown districts of our communities.

The Act seeks to accomplish its goals by providing our municipalities with the necessary legal, monetary and organizational tools to revitalize downtown districts through public initiated projects undertaken cooperatively with privately initiated projects.

The way in which a Downtown Development Authority makes use of these tools depends on the problems and priorities of each community. This development plan has been prepared within the purposes of the Act; and the problems and priorities as perceived by the Paw Paw Downtown Development Authority (DDA) and as submitted for the approval of the Paw Paw Village Council.

B. *Creation of the Paw Paw Downtown Development Authority and District*

On December 23, 1996, the Village Council of the Village of Paw Paw adopted Ordinance No. 349 which created the DDA. A copy of Ordinance No. 349 is inserted under Exhibit 1. The DDA was given all of the powers and duties prescribed for a downtown development authority pursuant to the Act. The Village Council also designated the boundaries of the Downtown Development District within which the DDA may legally work. These boundaries are shown on Map 1 and a legal description can be found in Exhibit 2.

On October 28, 1996, the Paw Paw Village Council approved the appointment of the DDA Board of Directors and on February 24, 1997 approved the By-Laws (Exhibit 3) of the DDA.

C. Activities of the Paw Paw Downtown Development Authority

The first formal meeting of the Paw Paw DDA was held in the Village Hall on December 19, 1996. Their second meeting took place on January 9, 1997, at which time they elected a full complement of officers and recommended to the Village Council a set of By-Laws containing rules and procedures for the conduct of DDA activities. At a subsequent meeting in January, February, March and April 1997, the DDA:

- made a final determination as to the Project Area as contained within this Plan;
- designated those future projects and activities of the DDA, to occur within the Project Area;
- reviewed data on assessments and projected tax increments, with an established base of December 31, 1996;
- approved the DDA Development and Tax Increment Financing Plan and recommend them to Village Council for final approval.

D. Legal Basis for the Paw Paw Downtown Development Area

Act 197 provides the legal mechanism for local officials to address the need for economic development in their central business district. The Paw Paw Downtown Development Project (Development) Area shown on Map 1 and Exhibit 2 is the first area designated by the DDA for implementing development activities and tax increment financing procedures set forth in the Act. For purposes of designating development areas and for establishing a tax increment financing plan, the act refers to a "downtown district" as being in a business district which is specifically designated by ordinance of the governing body of the municipality and which is zoned and used principally for business.

The act further defines a "development area" as meaning "an area to which a development plan is applicable." For purposes of financing activities of an authority within a development area, tax increment plans can be established. By definition, a tax increment financing plan seeks to capitalize on and make use of the increased tax base created by economic development within the boundaries of a development area of the downtown district.

Paw Paw's Development Area being located wholly within each of the above defined districts clearly meets this requirement. The legal basis of support for this Development Plan and the Tax Increment Financing Plan are identified in the Act.

E. Basis of Authority's Determination for the Paw Paw Development Area (Project Area)

The project area as recommended by the Paw Paw Downtown Development Authority was developed after careful study and based on the belief of the DDA that any successful efforts of the Village of Paw Paw to revitalize its business district will rely heavily on the willingness, capability and timeliness of its municipal structure to encourage, initiate, propose, and participate in the development of new and renovated private and public uses and projects that will bring about physical improvement to businesses; create new jobs; retain businesses; attract new business; and increase the Village's tax base.

The Downtown Development Authority has identified certain priorities intended to guide their activities over the short-term, i.e. the next several months. They have also preliminarily identified certain long-range downtown improvements which this Development Plan will address and towards which it is directed. These priorities include:

1. Establish locally the worth and importance of the Paw Paw DDA through an extensive public outreach effort during the next 12 months so that all property owners within the Development Area understand the mission and the challenge of the Paw Paw DDA. Establish public information/public relations efforts and inroads beyond the Paw Paw community that will aid in the implementation of other goals stated below and begin the announcement that something new is happening in "Downtown Paw Paw". Continue these public outreach efforts beyond next year and into the future.
2. Promote and encourage the development of new commercial facilities within the downtown district area, with a goal of "all buildings occupied".
3. Develop and implement a defined "image" for Downtown Paw Paw in terms of lighting, signage, colors, landscaping and other typical components of a downtown streetscape.
4. Develop a program to emphasize the availability of parking lots at the rear of downtown buildings and a plan to improve the general aesthetics of these parking areas and the rear entrances of businesses -- as to promote increased usage of both.
5. Provide a downtown ombudsman or "ambassador" on a part-time or seasonal basis, to staff an information desk, provide a focal point for public inquiries regarding downtown services and otherwise assist in promoting Downtown Paw Paw.

6. Improve the pedestrian zones within the DDA district in terms of the accessibility and safety of the stepped sidewalk areas. Also, improve the crossing distance for pedestrians at the four-corners through best possible options.
7. Acquire property as necessary to implement a specific plan component.
8. Plan for public spaces and amenities to make Paw Paw safe and attractive for both children and older adults.
9. Promote, encourage and accomplish the clean-up landscaping and enhanced maintenance of properties in the downtown area.
10. Coordinate efforts with other service organizations.

F. Purpose of Tax Increment Financing Plan for the Paw Paw Downtown Development Area

The purpose of the Tax Increment Financing Plan and Development Plan for the development area is to provide the legal authority and procedure for the public financial participation necessary to assist the DDA in accomplishing a number of prerequisite land acquisition, business displacement, building demolition and development activities.

The Tax Increment Financing Plan outlines financing for the following activities, as applicable:

1. Property appraisals, title searches, legal services, purchase negotiations, eminent domain proceedings, (if necessary), payment for real and personal property acquisitions.
2. Relocation assistance payments and compensation payments to displaced businesses and individuals;
3. Demolition and clearance of selected properties and buildings;
4. Street vacation and removal work;
5. Street reconstruction and improvement including utility relocation and replacement;
6. Public open space and streetscape improvement work;
7. Costs to acquire, construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair and operate other public facilities and buildings that in the opinion of the Authority's Board, aid in the economic growth of the Downtown District and/or are appropriate to the execution of the Development Plan.

SECTION II

DEVELOPMENT PLAN

A. *Boundaries of the Paw Paw Downtown Development Area (Project Area)*

1. The boundaries of the DDA are illustrated on Map 1.
2. Legal and general description of the boundaries of the Paw Paw Downtown Development Area can be found in Exhibit 2.

B. *Development Plan Objectives*

It is the objective of the DDA of the Village of Paw Paw to develop and implement a development and financing plan focused on the traditional retail-commercial center of the Village. This plan will seek to improve the attractiveness and accessibility of the commercial core by addressing certain public improvement needs and encouraging private sector improvements. The plan will be directed at the provision of improved services for the citizens that use the downtown commercial core and will seek to improve the competitive position of the commercial core businesses.

C. *Location, Character and Extent of Existing Public and Private Land Uses*

The Development Area (Project Area) contains a varied assortment of public and private land uses including office, commercial, warehouse, open space, parking, vacant, government, industry, residential, railroad, and public street areas. Provided below and shown on Map 2 is a more detailed account of the character and extent of both public and private uses found in the Development Area today.

1. Existing Public Land Uses

Existing public uses in the Development Area include the following: (For uses and locations see Map 2)

- (a) Village Hall
- (b) Four parking lots containing approximately 221 spaces.
- (c) Public street rights-of-way totaling approximately 40,440 lineal feet.
- (d) Railroad rights-of-way totaling approximately 3,300 lineal feet.

In all, there are approximately 55 acres of land currently in public use. This represents approximately 20% of the total Development Area.

2. Existing Private Land Uses

Existing private uses in the Development Area include the following: (For uses and locations see Map 2)

- (a) A variety of commercial or services uses such as fast food restaurants, sit-down restaurants, hardware stores, gas stations, general retail, banks, offices, and other such uses.
- (b) Industrial facilities such as warehouses, manufacturing and assembling operations.
- (c) A limited number of single family homes and multi-family residences.

In all, there are approximately 227 acres of land devoted to private use activities representing 80% of the total Development Area.

D. Location, Character and Extent of Proposed Land Uses

The location, character and extent of those public and private land uses which will result from these and other planned development activities are described below.

1. Proposed public land uses include the following:

- (a) Streetscaping improvements within the existing rights-of-way.
- (b) Improvements to existing public parking lots such as landscape islands, signage, screening, tree landscaping, resurfacing, benches, screened dumpsters and improved lighting. These improvements will focus on lots located in the Project Area.
- (c) Improvements and maintenance of public rights-of-way.
- (e) Curb and gutter and sidewalk improvements may be undertaken throughout the Project Area. In addition, building demolition and code enforcement activity will be undertaken to enhance the appearance and safety of the Project Area.
- (f) A pedestrian plaza may be developed in the vicinity of the intersection of Red Arrow Highway and M-40. This may include intersection improvements to improve the safety of traffic flow, landscaping, decorative treatment of the street right-of-way as well as the development of additional decorative features.

- (g) The DDA may cooperate with the Village and Michigan Department of Transportation to upgrade traffic signals and improve crosswalks, to enhance traffic flow and pedestrian safety on Michigan Street and Kalamazoo Avenue (Red Arrow Highway at M-40.)
 - (h) The DDA may undertake the improvement and maintenance of landscaped areas in the Project Area. Work may include routine maintenance as well as the placement of street furniture and such other appurtenant items as decorative lighting, waste receptacles, benches, planters and related items.
 - (i) The DDA may develop a park or other development on land to be acquired from the Village in the Project Area.
2. Proposed Private Land Uses. The DDA may undertake the following:
- (a) assistance to private property owners in the preparation of engineering and architectural work for facade improvements in the Project Area.
 - (b) acquisition of private property for the purpose of implementing facade improvements and with the intent of eventual re-sale to the involved private owner.

Detailed policies and procedures will need to be developed by the DDA to implement these options, to prioritize the use of public funds, to identify those properties or areas where such funding will provide the maximum benefit and to include private investment requirements or other assurances that the improvements as proposed or developed, are actually implemented.

E. Property Acquisition

This plan anticipates that in the future it may be in the best interest of the DDA, the Village and its citizens for the DDA to acquire privately held property. It would not be the intent of the DDA to acquire any privately held property unless it is accomplished by negotiation or condemnation and by amendment to this plan including the necessary public hearings.

Under this plan the DDA proposes to acquire land on an as-needed or as-determined basis. In addition, the DDA may acquire by easements certain privately held property that fits the needs of this Plan.

Legal Basis for Acquisition of Privately Owned Properties:

The legal basis under which the Village of Paw Paw may take and transfer privately owned property to the DDA and the DDA may acquire such property and other private

property for use in accordance with an approved Development Plan is provided in Section 7 (g) and Section 10 of the Act which states as follows:

"Acquire by purchase or otherwise, on terms and conditions and in a manner the authority deems proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the authority determines is reasonably necessary to achieve the purposes of this act and to grant or acquire licenses, easements, and options with respect thereto."

A municipality may take private property ... for the purpose of transfer to the authority, and may transfer the property to the authority for use in an approved development, on terms and conditions it deems appropriate, and the taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

Through the approval of this Development Plan, the DDA has determined that the taking of privately owned properties is not presently necessary in order to accomplish the land use, and economic development objectives of the plan identified earlier as creating more downtown jobs, more business, strengthening the tax base and halting property value deterioration through the provision of sites to accommodate new economic development.

F. Existing Improvements to be Altered, Removed or Repaired

1. The DDA may cause the removal of some existing structures. In addition, the DDA shall cooperate with the Village in the demolition of deteriorated buildings in the Project Area in conjunction with the Village's building code enforcement process.

2. Other Existing Improvements to be Removed.

Existing improvements to be removed in the Development (Project) Area include the necessary parking spaces in the parking lots for the purpose of creating landscape islands. Some street surface curb and/or sidewalk may be removed and replaced, along all streets.

3. Description of any Repairs and Alterations.

The construction of landscape islands, in the parking lots may alter the lot, and the parking layout.

Existing improvements at the intersections may be altered by the installation of new curb and gutter, street lights, traffic controls and the relocation of utilities, as appropriate.

4. Buildings to be Altered, Rehabilitated or Removal.

It is the intent of this Plan to alter or rehabilitate structures and buildings whenever possible so as to improve the general aesthetics and economic viability of downtown Paw Paw. The DDA will, however, cooperate with the Village in the removal of deteriorated properties in conjunction with the Village's code enforcement process. Existing structures or buildings that may be required by the DDA, may be altered, rehabilitated, or removal as necessary, in order to implement a specific objective of this Plan.

G. *Location, Extent, Character, Estimated Cost and Estimated time of Completion of Improvements, Including Rehabilitation Contemplated for the Development (Project) Area*

Presented in the following table is a summary description of the location, extent, character and estimated cost of improvements to be undertaken and financed by the DDA.

As noted, the types of public improvement work to be carried out include:

1. Landscaping (street trees, flower boxes, and flower gardens) is proposed within the existing right-of-way.
2. The public parking lots in the Project Area will be improved with the addition of landscape islands, tree landscaping, and flower boxes.
3. Public rights of way in the Project Area will have a walkway system designed and developed with associated streetscape such as flower boxes, lighting, benches and other related items.
4. Improvements to street surfaces, utilities, curb and gutter, parking areas, may be undertaken along streets in the Project Area.
5. The existing improvements at the intersection of Michigan Avenue and Kalamazoo Streets (M40/Red Arrow Highway) may be altered by the installation of new curb and gutter, street lights, traffic controls and the relocation of utilities.

6. Curb and gutter and sidewalk improvements may be undertaken throughout the Project Area. In addition, building demolition and code enforcement activity will be undertaken to enhance the appearance and safety of the Project Area.
7. A pedestrian plaza may be developed. This will include intersection improvements to improve the safety of traffic flow, landscaping, decorative treatment of the streets as well as the development of additional decorative features.
8. A public park or other development may be undertaken on land in the Project Area. This may include park improvements, a farmer's market or other improvements.
9. Landscaping and streetscaping improvements throughout the Project Area.
10. The DDA will cooperate with the Village of Paw Paw in the improvements to traffic signals and/or crosswalks to enhance traffic flow and pedestrian safety on all streets in the Project Area.

**Summary of Proposed Improvements
Paw Paw Downtown Development Authority**

<u>Item No.</u>	<u>Extent and Character</u>	<u>DDA Share of Estimated Cost*</u>	<u>Completion</u>
1.	Public Relation Program - Welcome sign to Paw Paw, industrial signs, downtown promotions, create a central office, promote festivals and activities, and utilize the theme.	\$400,000	1997-on-going
2.	Streetscape Improvements at Various Locations - Work may include routine maintenance as well as the placement of street furniture and such other appurtenant items as decorative lighting, waste receptacles, benches, planters, and related items.	\$500,000	1997-on-going
3.	Improve Public Parking Lots - Improve parking lots in rear of buildings, acquisition property to increase number of public parking spaces.	\$750,000	on-going
4.	Shared Funding Incentive Program - Establish a program to share the cost of improvements with the local businesses.	\$200,000	on-going
5.	Acquire Courtyard Park and/or other properties for Park purposes.	\$1.00	1997-on-going
6.	Curb, Gutter, and Sidewalk Improvements	\$250,000	on-going
7.	Kalamazoo Street, Streetscape and other improvements.	\$500,000	1997-on-going
8.	Intersection Improvement - Improve traffic signals at the Michigan Street and Kalamazoo Avenue (Red Arrow Highway/M-40) intersection and improve crosswalks to enhance traffic flow and pedestrian safety.	\$200,000	on-going
9.	Business Recruitment/Retention - Acquire property necessary to improve and attract business opportunities.	\$100,000	1997-on-going

*Estimated cost includes design, construction documents, bidding, and construction inspection.

H. Planned New Development

The DDA anticipates a number of new private developments as a direct result of the proposed public improvements. It is also hoped that through the efforts of the DDA additional private development and improvements will occur as a result of the spin-off of the public investment.

I. Existing and Planned Open Space

At the present time, there are no formal pedestrian spaces in the Project Area. The projects proposed by the DDA will, in part, create open space and pedestrian spaces through landscaping and benches.

J. Land Disposition

The DDA may acquire through purchase or lease, publicly held property as a part of this Development Plan. Property acquired from the Village may be resold for a private development. Disposition of any properties acquired in the future will be performed in accordance with specific terms and conditions to be established by the DDA.

K. Description of Existing Zoning and Proposed Changes

The existing zoning is set forth on Map 3. Any zoning changes or revisions will be addressed by the Planning Commission. Variances will be the responsibility of the Zoning Board of Appeals.

L. Proposed Right-of-Way Adjustments and Changes to Street Grades, Intersections and Utilities

There will be adjustments or changes to existing streets called for by this Downtown Development Plan. The intersection of Michigan Street and Kalamazoo Avenue (M40/Red Arrow Highway) may be reconstructed and modified.

M. Development Cost Estimates and Financing

The total cost of completing all activities, projects and improvements proposed by the DDA Development Plan and to be undertaken and financed by the DDA is estimated to be \$2,900,001. The costs include expenditures for activities associated with the accomplishment of each of the projects described in this plan plus administrative expenses and contingencies.

The DDA expects to finance these activities from one or more of the following sources:

- Future Tax Increment Revenues
- Interest on Investments
- Donations received by the DDA
- Proceeds from any property building or facility owned, leased or sold by the DDA
- Special Assessments as may be approved by the Village Council
- Moneys obtained through Development Agreements with property owners benefiting from adjacent open space improvements
- Moneys obtained from other sources approved by the Village Council which may include a line of credit from the Village of Paw Paw to the DDA. This line of credit will carry an interest rate to be negotiated, and a term not to exceed the duration of this plan. Repayment will be negotiated and agreed upon between the DDA and the Village from time to time.

In any event, the payments will be made in an amount sufficient to retire the debt as described above.

The proceeds to be received from tax increment revenues in the DDA plus the availability of funds from other authorized sources will be sufficient to finance all activities and improvements to be carried out under this Plan.

N. Identification of Private Interests, Parties or Individuals to Whom the Development Will Be Sold or is Being Undertaken

At the time of adoption of this Plan, there are no private interests, parties or persons identified to whom land for new Development will be sold, leased or conveyed. All development activity and improvements described in this Plan will remain under public ownership or control with the Village of Paw Paw or other public entity created by the Village of Paw Paw.

O. Proposed Land Disposition Terms and Bidding Procedures

The terms under which land designated for new development will be sold, leased or otherwise conveyed to private development interests shall be determined by the DDA upon approval by the Village Council.

The procedures by which bids for the purchase or conveyance of property will be received and awarded, will be in accordance with existing procedures and practices used by the Village of Paw Paw in disposing of other Village-owned property or other procedures as subsequently determined by the DDA.

The DDA and the Village Council, will reserve the right to select the development proposal and or the developer whose proposal for purchase best meets the intent of this Development Plan and the best interest of the Village.

P. Estimates of the Number of Persons Residing in the Development Area and the number of Families and individuals to be displaced

There are less than 100 persons in the Development Area and no displacement of families is contemplated.

Q. A Plan For Establishing Priority for the Relocation of Persons Displaced by the Development Area

Since no persons will be displaced from the Development (Project) area by any of the proposed projects, it is not necessary to prepare a plan for establishing priority for displaced persons with respect to relocation assistance.

R. Provision for the Costs of Relocating Persons and Businesses Displaced by the Development and Financial Assistance and Reimbursement of Expenses.

In the future, there may be business indirectly displaced by this Development Plan. Provisions shall be made for supporting the cost of any acquisition or relocations in a separate agreement between the Village and the owners of those businesses.

S. Plan Provisions for Compliance With Act 227 of the Public Acts of 1972.

This plan meets the requirements of Act 227 of the Public Act of 1972 in that this plan and a separate agreement between the Village and the owners of the business to be displaced provides for the acquisition of land, building and facilities, and the payment of relocation costs.

Section 3

Village of Paw Paw, Van Buren County, Michigan AMENDED AND RESTATED TAX INCREMENT FINANCING PLAN

1. Definitions as Used in This Plan.

- a. "Captured assessed value" means 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 as determined in subdivision (c), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.
- b. "Assessed value" means the assessed value, as equalized, as follows:
 - (i) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.
 - (ii) For valuations made after December 31, 1994, the taxable value as determined under section 27a of the general property tax 15 act, 1893 PA 206, MCL 211.27a.
- c. "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing 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. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in subdivision d.
- d. "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 To 207.718, Section 5 of the State Essential Services Assessment Act, 2014 PA 92, MCL 14 211.1055, Section 5 Of The Alternative State Essential Services 15 Assessment Act, 2014 PA 93, MCL 211.1075, and 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.
- e. "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:

- (i) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this act.
- (ii) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (i), to repay eligible advances, eligible obligations, and other protected obligations.
- (iii) Tax increment revenues do not include any of the following:
 - (A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.
 - (B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.
 - (C) Ad valorem property taxes exempted from capture under section 3(3) or specific local taxes attributable to such ad valorem property taxes.
 - (D) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183, and the Art Institute Authorities Act, 2010 PA 296, MCL 123.1201 to 123.1229.
- (iv) The amount of tax increment revenues authorized to be included under subparagraph (ii) or (v), and required to be transmitted to the authority under section 14(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):
 - (A) The percentage that the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.
 - (B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (ii) or (v).

2. Purpose of the Tax Increment Financing Plan

The Paw Paw Downtown Development District, was created under Ordinance #349, adopted on December 23, 1996 and was established because the downtown area experienced notable property value deterioration. In order to halt property tax value deterioration, increase property tax valuations and facilitate the overall economic growth of its business district, it is deemed to be beneficial and necessary to create and provide for the operation of a downtown development authority in the Village under the provisions of Act 197 Public Acts of Michigan, 1975 as amended (the "Act").

The Authority has determined that the extension, or amended and restated tax increment financing plan, is necessary for the achievement of the purposes of the Act and it is authorized to prepare and submit said plan to the governing body. The Tax Increment Financing Plan (the "Plan"), set forth herein includes the Development Plan, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, the duration of the program, the impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located and a statement of the portion of the captured assessed value to be used by the Authority.

3. Explanation of the Tax Increment Procedure

The theory of tax increment financing holds that investment in necessary capital improvements in a designated area within a municipality will result in greater property tax revenues from that area than would otherwise occur if no special development were undertaken. This section is intended to explain the tax increment procedure.

- a. In order to provide a Downtown Development Authority with the means of financing development proposals, the Act affords the opportunity to undertake tax increment financing of development programs. These programs must be identified in a tax increment financing plan, which has been approved by the governing body of a municipality. Tax increment financing permits the Authority to capture incremental tax revenues attributable to increases in value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alterations, additions or any other factors that cause growth in value.
- b. At the time the resolution or ordinance establishing a tax increment financing plan is adopted, the sum of the most recently taxable values, as equalized, of those taxable properties located within the development area is established as the "Initial Taxable Value" (the "ITV"). Property exempt from taxation at the time of determination of the Initial Taxable value is included as zero. In each subsequent year, the total real and personal property within the district, including abated property on separate rolls, is established as the "Current Taxable value."
- c. The amount by which the total taxable value exceeds the ITV is the Captured Taxable Value (the "CTV"). During the period in which a tax increment financing plan is in effect, local taxing jurisdictions continue to receive ad valorem taxes based on the ITV. Property taxes paid on a predetermined portion of the CTV in years subsequent to the adoption of tax increment financing plan, however, are payable to an authority for the purposes established in the tax increment financing plan.

4. Taxing Jurisdiction Agreements.

Tax increment revenues for the Downtown Development Authority result from the application of the general tax rates of the incorporated municipalities and all other political subdivisions which levy taxes in the development area to the captured assessed value, unless exempt by State statute. Since the Plan may provide for the use of all or part of the captured tax increment revenue, the DDA may enter into agreements with any of the taxing units to share a portion of the revenue of the District. Should the Authority find it necessary to use all of the captured revenue, it shall be clearly stated in this plan.

The Authority intends to utilize all captured revenue as referenced in Table 4, from the District until the projects addressed in the Development Plan are completed and until any bonded indebtedness is paid.

5. Property Valuations and Captured Revenue.

The property valuation on which tax increment revenues will be captured is the difference between the Initial Taxable Valuation and the Current Taxable Valuation. The purpose of this section is to set forth the Initial Taxable Valuation, the projected Captured Taxable Valuation and the anticipated increment revenues to be received by the Authority from the local taxing jurisdictions including the Village of Paw Paw, Van Buren County, Paw Paw District Public Library, Paw Paw Township and Antwerp Township, and any other authorities or special tax districts that may be eligible to levy property taxes within the boundaries of the Downtown Development Authority, herein collectively referred to as the "Local Taxing Jurisdictions."

- a. The Initial Taxable Valuation is established based on the 1996 state equalized valuations on real property and on all non-exempt parcels within that portion of the Development Area as of December 31, 1996 finalized in May 1997. The Initial Taxable Valuation of the Authority for the 1996 district is outlined below:

Table 1

Base Taxable Real and Personal Property Valuations

Village of Paw Paw	1996 Taxable (12-31-1996)
Base State Equalized Valuation Used in Forecast	\$17,512,852

- b. The anticipated Captured Assessed Value is equivalent to the annual total assessed value within the Development Area boundaries less the Initial Assessed Value as described above. The tax increment revenues are then the product of all millages levied by all taxing units in the Development Area on the CAV. The CAV is projected based on a number of factors including historical growth patterns, recent construction trends, economic indicators and the impact of certain development projects anticipated to be undertaken by the Downtown Development Authority. Since the enactment of Proposal A in 1994 the Consumers Price Index (CPI), which is the basis for taxable valuation adjustments, has averaged 2.4%. For projection purposes, the taxable growth is estimated to increase 1.0% per year. Growth rates do not include taxable valuation resulting from new construction, redevelopment, or the conversion of tax-exempt

properties to taxable parcels. In addition, the forecast does not include personal property taxes which may be subject to capture by the DDA but the amount will be dependent on the implementation of the state wide ballot initiative passed in August 2014.

A review of Form L-4024 published by the Van Buren County Equalization Department for calendar years 2013 through 2016, indicates that valuations for Paw Paw Township and Antwerp Township since 2013 have averaged 2.45% and 5.77%, respectively. However, the actual taxable valuations for properties within the DDA District have only increased by ½ of 1 %. As a result, a conservative forecast using ½% of growth in taxable valuation was used for years 2016 through 2020, 1.0% for years 2021 through 2025, and 1.5% thereafter.

Table 2
Forecast Taxable Valuation Growth Rate

Calendar Years	Growth rates District
2016 - 20	0.50%
2021 - 25	1.00%
2026 - 36	1.50%

A more detailed depiction of the Captured Taxable Valuations can be found in Table 3.

- c. The Authority will receive that portion of the tax levy of all taxing jurisdictions paid each year on the Captured Assessed Value of the eligible property included in the Development Area. The Authority may use the revenues for any legal purpose as is established under the Act including the payment of principal and interest on bonds.

Table 3
Anticipated Captured Taxable Valuation

	Fiscal Year Jan-Dec	Tax Role Assessment Date	Initial Base Valuation	Annual Taxable Growth (+ / -)	Taxable Valuation Paw Paw Twp	Taxable Valuation Antwerp Twp	Captured Valuation Paw Paw Twp	Captured Valuation Antwerp Twp
	1996 - 97	12-21-96	\$ 1 7,512,852		\$ -			
	2015 - 16	12-31-15	\$ 1 7,512,852		\$ 2 5,330,185	\$ 1,068,439	\$ 7,817,333	\$ 1,068,439
1	2016 - 17	12-31-16	\$ 1 7,512,852	0.50%	\$ 2 5,456,836	\$ 1,073,781	\$ 7,943,984	\$ 1,073,781
2	2017 - 18	12-31-17	\$ 1 7,512,852	0.50%	\$ 2 5,584,120	\$ 1,079,150	\$ 8,071,268	\$ 1,079,150
3	2018 - 19	12-31-18	\$ 1 7,512,852	0.50%	\$ 2 5,712,041	\$ 1,084,546	\$ 8,199,189	\$ 1,084,546
4	2019 - 20	12-31-19	\$ 1 7,512,852	0.50%	\$ 2 5,840,601	\$ 1,089,969	\$ 8,327,749	\$ 1,089,969
5	2020 - 21	12-31-20	\$ 1 7,512,852	0.50%	\$ 2 5,969,804	\$ 1,095,418	\$ 8,456,952	\$ 1,095,418
6	2021 - 22	12-31-21	\$ 1 7,512,852	1.00%	\$ 2 6,229,502	\$ 1,106,373	\$ 8,716,650	\$ 1,106,373
7	2022 - 23	12-31-22	\$ 1 7,512,852	1.00%	\$ 2 6,491,797	\$ 1,117,436	\$ 8,978,945	\$ 1,117,436
8	2023 - 24	12-31-23	\$ 1 7,512,852	1.00%	\$ 2 6,756,715	\$ 1,128,611	\$ 9,243,863	\$ 1,128,611
9	2024 - 25	12-31-24	\$ 1 7,512,852	1.00%	\$ 2 7,024,282	\$ 1,139,897	\$ 9,511,430	\$ 1,139,897
10	2025 - 26	12-31-25	\$ 1 7,512,852	1.00%	\$ 2 7,294,525	\$ 1,151,296	\$ 9,781,673	\$ 1,151,296
11	2026 - 27	12-31-26	\$ 1 7,512,852	1.50%	\$ 2 7,703,943	\$ 1,168,565	\$ 1,191,091	\$ 1,168,565
12	2027 - 28	12-31-27	\$ 1 7,512,852	1.50%	\$ 2 8,119,502	\$ 1,186,094	\$ 10,606,650	\$ 1,186,094
13	2028 - 29	12-31-28	\$ 1 7,512,852	1.50%	\$ 2 8,541,294	\$ 1,203,885	\$ 11,028,442	\$ 1,203,885
14	2029 - 30	12-31-29	\$ 1 7,512,852	1.50%	\$ 2 8,969,414	\$ 1,221,943	\$ 11,456,562	\$ 1,221,943
15	2030 - 31	12-31-30	\$ 1 7,512,852	1.50%	\$ 2 9,403,955	\$ 1,240,273	\$ 11,891,103	\$ 1,240,273
16	2031 - 32	12-31-31	\$ 1 7,512,852	1.50%	\$ 2 9,845,014	\$ 1,258,877	\$ 12,332,162	\$ 1,258,877
17	2032 - 33	12-31-32	\$ 1 7,512,852	1.50%	\$ 3 0,292,690	\$ 1,277,760	\$ 12,779,838	\$ 1,277,760
18	2033 - 34	12-31-33	\$ 1 7,512,852	1.50%	\$ 3 0,747,080	\$ 1,296,926	\$ 13,234,228	\$ 1,296,926

19	2034 - 35	12-31-34	\$ 1 7,512,852	1.50%	\$ 3 1,208,286	\$ 1,316,380	\$ 13,695,434	\$ 1,316,380
20	2035 - 36	12-31-35	\$ 1 7,512,852	1.50%	\$ 3 1,676,410	\$ 1,336,126	\$ 14,163,558	\$ 1,336,126

The Treasurer will collect the general property taxes from property owners in the DDA. After taxes are collected, the Treasurer will deduct that portion of the total tax revenues that is derived from captured assessed value of the DDA and distribute them to the DDA to use for purposes outlined in the development plan. Table 5 outlines the 2016 millage rates for all Local Taxing Jurisdictions in the DDA taken from the Van Buren County Millage Report which are then used to create the revenue forecast enumerated in Tables 3 and 4 below.

Table 4
Anticipated Captured Revenue

	Fiscal Year <i>Jan-Dec</i>	Captured Revenue <i>Paw Paw Twp 29.2151 Mills</i>	Captured Revenue <i>Antwerp Twp 2 4.9765 Mills</i>	Captured Revenue <i>Total</i>	Debt Service	Available Revenue <i>Net</i>
-	1996 - 1997					
	2015 - 16	\$ 228,384	\$ 2 6,686	\$ 255,070	\$ -	\$ 255,070
1	2016 - 17	\$ 232,084	\$ 2 6,819	\$ 258,904	\$ -	\$ 258,904
2	2017 - 18	\$ 235,803	\$ 2 6,953	\$ 262,756	\$ -	\$ 262,756
3	2018 - 19	\$ 239,540	\$ 2 7,088	\$ 266,628	\$ -	\$ 266,628
4	2019 - 20	\$ 243,296	\$ 2 7,224	\$ 270,520	\$ -	\$ 270,520
5	2020 - 21	\$ 247,071	\$ 2 7,360	\$ 274,430	\$ -	\$ 274,430
6	2021 - 22	\$ 254,658	\$ 2 7,633	\$ 282,291	\$ -	\$ 282,291
7	2022 - 23	\$ 262,321	\$ 2 7,910	\$ 290,230	\$ -	\$ 290,230
8	2023 - 24	\$ 270,060	\$ 2 8,189	\$ 298,249	\$ -	\$ 298,249
9	2024 - 25	\$ 277,877	\$ 2 8,471	\$ 306,348	\$ -	\$ 306,348
10	2025 - 26	\$ 285,773	\$ 2 8,755	\$ 314,528	\$ -	\$ 314,528
11	2026 - 27	\$ 297,734	\$ 2 9,187	\$ 326,920	\$ -	\$ 326,920
12	2027 - 28	\$ 309,874	\$ 2 9,624	\$ 339,499	\$ -	\$ 339,499
13	2028 - 29	\$ 322,197	\$ 3 0,069	\$ 352,266	\$ -	\$ 352,266
14	2029 - 30	\$ 334,705	\$ 3 0,520	\$ 365,224	\$ -	\$ 365,224
15	2030 - 31	\$ 347,400	\$ 3 0,978	\$ 378,377	\$ -	\$ 378,377
16	2031 - 32	\$ 360,285	\$ 3 1,442	\$ 391,728	\$ -	\$ 391,728
17	2032 - 33	\$ 373,364	\$ 3 1,914	\$ 405,278	\$ -	\$ 405,278
18	2033 - 34	\$ 386,639	\$ 3 2,393	\$ 419,032	\$ -	\$ 419,032
19	2034 - 35	\$ 400,113	\$ 3 2,879	\$ 432,992	\$ -	\$ 432,992
20	2035 - 36	\$ 413,790	\$ 3 3,372	\$ 447,162	\$ -	\$ 447,162
		\$ 6,094,585	\$ 588,779	\$ 6,683,363	\$ -	\$ 6,683,363
		91.2%	8.8%	100.0%	0.0%	100.0%

6. Maximum Indebtedness.

It is anticipated that the maximum amount of indebtedness to be incurred, if any, based on the forecasts will not exceed \$2,500,000. A description of the various projects and the actual amounts expected to be financed are as set forth in the Development Plan. Revenues captured will be used to accomplish projects in the Development Area.

7. Use of Captured Revenues

Revenues captured through this Tax Increment Plan will be used to finance those improvements and projects outlined in the Development Plan in accordance with procedures specified in this Plan. Further, captured revenues can be used for the following:

- ✓ Finance current financial obligations of DDA;
- ✓ Maintenance of streetscape, public parking lots, parks, sidewalks, lighting, and pedestrian plazas;
- ✓ Pay for costs incurred by the Village/DDA in implementing both the Development Plan and the Tax Increment Financing Plan;
- ✓ Funding for DDA administrative staff and associated office expenses;
- ✓ Marketing, promotions and events costs;
- ✓ Special purpose grant and loan programs; and
- ✓ Pay for costs associated with the administration and operation of the Development and Tax Increment Plan and its associated projects and programs.

In addition, the Development Plan encourages the use of Tax Increment Financing Plan revenues to support public improvements associated with private redevelopment and new development projects.

8. Duration of the Program

The Development Plan and Tax Increment Financing Plan shall extend through December 31, 2036, or the completion of the projects described in the Development Plan, whichever is earlier.

Table 5

Anticipated Millage to Be Captured

Local Unit of Government			Antwerp Township Portion of the DDA		
Paw Paw Township Portion of the DDA					
Village of Paw Paw		15.7774	Village of Paw Paw		15.7774
Paw Paw Village Charter	11.2697		Paw Paw Village Charter	11.2697	
Paw Paw Village Roads	4.5077		Paw Paw Village Roads	4.5077	
Van Buren County		7.1721	Van Buren County		7.1721
Operating	4.4719		Operating	4.4719	
County Roads	0.9769		County Special Voted	2.7002	
Public Transit	0.2480		Antwerp Township		1.1353
County Ambulance	0.9402		Operating	0.88540	
Public Safety	0.5351		Voted Senior Citizens	0.24990	
Paw Paw Township		1.0840	Paw Paw District Library		0.8917
Operating	0.83400		Operating		0.89170
Voted Senior Citizens	0.25000				24.9765
Paw Paw District Library		5.1816			
Operating	4.75070				
Debt	0.43090				
		29.2151			

9. Plan Impact on Local Taxing Jurisdictions

The Authority recognizes that future development in the Village's business district will not be likely in the absence of tax increment financing. The Authority also recognizes that enhancement of the value of nearby property will indirectly benefit all local governmental units included in this plan. It is expected that the effected local taxing jurisdictions will not experience a gain in property tax revenues from the Development Area during the duration of the plan and should realize increased property tax revenues thereafter as a result of activities financed by the plan. Further, tax increment revenues captured from this plan will not be used to offset normal Village operations.

10. Release of Captured Revenues

When the Development and Financing Plans have been accomplished, the captured revenue is released and the local taxing jurisdictions receive all the taxes levied on it from that point on.

11. Assumptions of Tax Increment Financing Plan.

The following assumptions were considered in the formulation of the Tax Increment Financing Plan for the Paw Paw Downtown Development Authority:

A. Property valuations are based on the following taxable valuation assumptions:

Calendar Years	<i>Growth rates District</i>
2016 - 20	0.50%
2021 - 25	1.00%
2026 - 36	1.50%

B. Costs provided for the various DDA projects and programs enumerated in the Development Plan probable estimates of costs. Final costs are determined after design and the acceptance of bids at the time of construction. The effects of inflation may also have an undetermined amount of influence on these cost figures.

12. Operating Agreement between Downtown Development Authority and other Local Units of Government Regarding Use of Tax Increment Revenues.

The Downtown Development Authority will not spend any funds outside of those annually approved through the budget process and shall not commit to any loans, leases, or purchases without sufficient evidence of adequate revenue source to support the proposal.

In the future the Paw Paw Downtown Development Authority may enter into tax increment sharing agreements with other taxing jurisdictions and/or authorities on specific projects identified in the development plan.

13. Relationship of the Tax Increment Financing Plan with Other Funding Programs.

As discussed in the Development Plan, the revitalization of the downtown business district will include tax increment financing and other forms of intergovernmental financing such as grants, special assessments, and loans. It is strongly recommended that tax increment financing revenues be used to leverage public funds and private financing in order to implement the vision of the community and the DDA.

14. Relationship to Community Master Plan

The Development Plan indicates the need to revitalize the business areas of the community, which is an integral component of the community's redevelopment program and master plan. If it is determined that any portions of the Master Plan conflict with the provisions of the Downtown Development Plan, then the Development Plan shall be adopted as a component of the Master Plan pursuant to Section 39 of Act 33 of 2008; the Michigan Planning Enabling Act.

15. Submission of an Annual Report to Governing Body and State Tax Commission.

Annually the Authority shall submit to the Village of Paw Paw and the State Tax Commission a report on the status of the tax increment financing account. The report shall include those items enumerated in Section 15 (3) of Act 197 of 1975 (MCL 125.1665). Further, the report shall be published in a newspaper of general circulation.

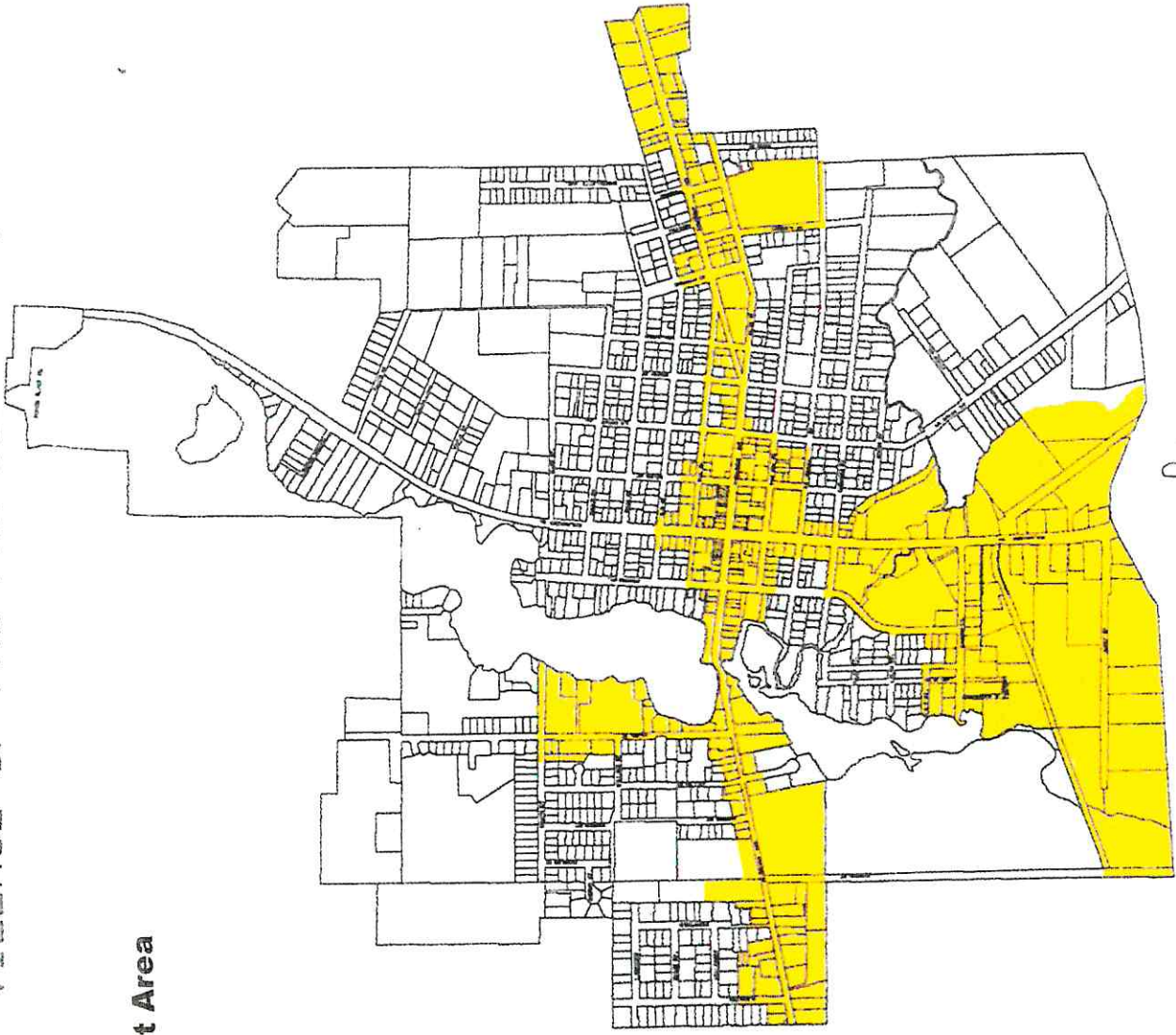
DDA REVENUE MODEL (10/21/96)

YEAR	TAXABLE \$ VALUE	INCREASED \$ VALUE	CUMULATIVE \$ INCREASE	REVENUE \$
BASE	17,512,852			
1	17,950,673	437,821	437,821	12,353
2	18,399,439	448,766	886,587	25,014
3	18,859,422	459,983	1,346,570	37,992
4	19,330,908	471,486	1,818,056	51,294
5	19,814,180	483,272	2,301,328	64,929
6	20,309,534	495,354	2,796,682	78,905
7	20,817,272	507,738	3,304,420	93,231
8	21,337,703	520,431	3,824,851	107,914
9	21,871,145	533,442	4,358,293	122,964
10	22,417,923	546,778	4,905,071	138,391
11	22,978,371	560,448	5,465,519	154,204
12	23,552,830	574,459	6,039,978	170,411
13	24,141,650	588,820	6,628,798	187,024
14	24,745,191	603,541	7,232,339	204,052
15	25,363,820	618,629	7,850,968	221,506
16	25,997,915	634,095	8,485,063	239,397
17	26,647,861	649,946	9,135,009	257,734
18	27,314,057	666,196	9,801,205	276,530
19	27,996,908	682,851	10,484,056	295,796
20	28,696,830	699,922	11,183,978	315,544

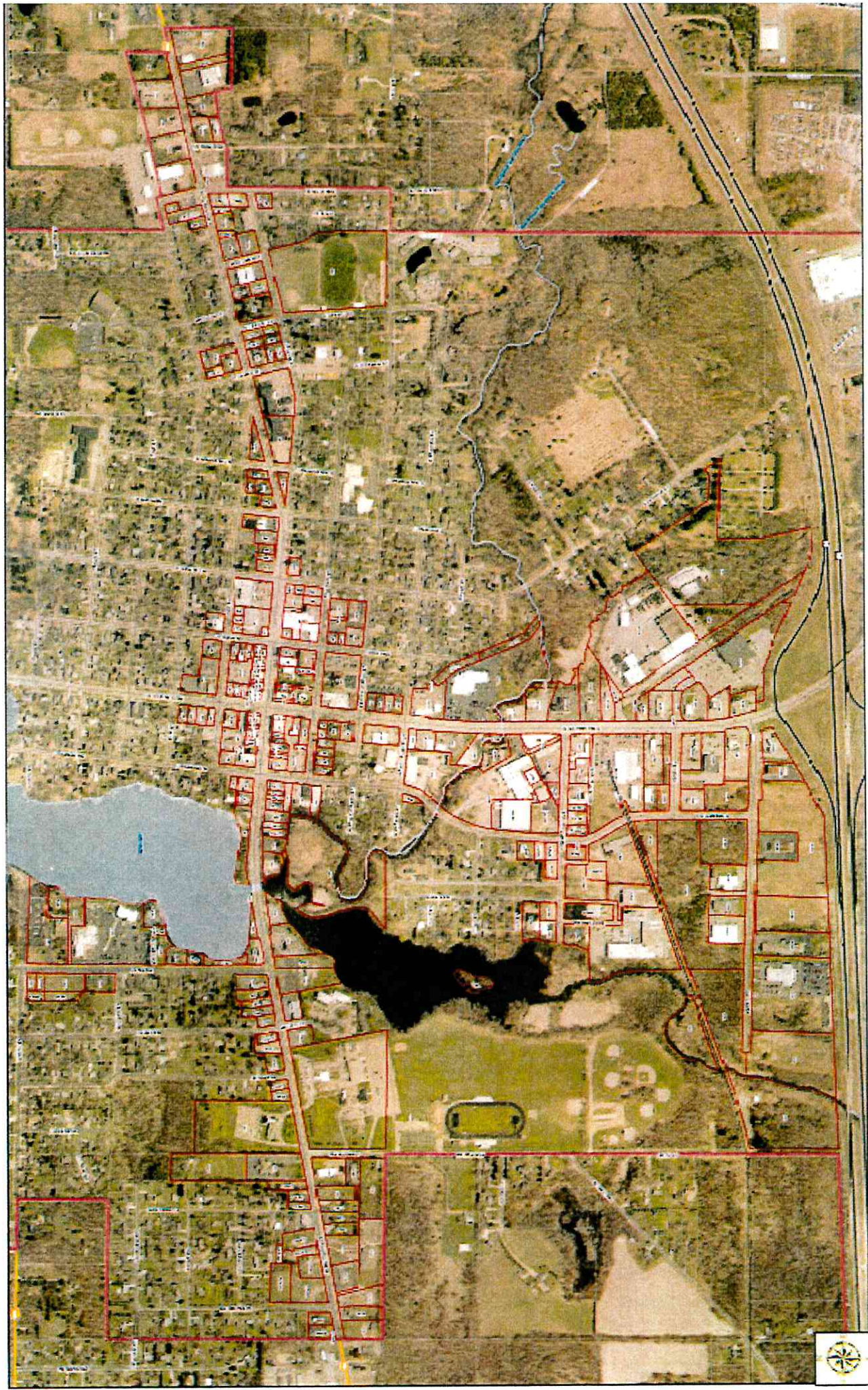
VILLAGE OF PAW PAW	17.0135
VAN BUREN COUNTY	6.2
PAW PAW TOWNSHIP	1.88
LAKE VIEW HOSPITAL	1.4
PAW PAW DISTRICT LIBRARY	1.2004
TOTAL	28.2139

VILLAGE OF PAW PAW DDA AREA, 1996

Map 1 (2 maps)
DDA District & Project Area



DDA District Map






Map 2
Public and Private Land Uses

1996 DDA MAP

VILLAGE OF PAW PAW

Legend

-  ROADS
-  PUBLIC
-  PRIVATE

MAP 2

FILE:47\DDA\VOFFDDAS

Date: 2-26-1997

V.B.O.C.D.

