

Amended and Restated
**Development Plan No. 1 and
Tax Increment Financing Plan No. 1**



City of Alpena
Alpena County, Michigan
Downtown Development Authority

March 2004 – Issued for City Council Review
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DEVELOPMENT PLAN

Purpose Of The Downtown Development Authority Act

Act 179 of Public Acts of 1975, as amended, of the State of Michigan, commonly referred to as the Downtown Development Authority Act, was created in part to correct and prevent deterioration within business districts; to promote economic growth and revitalization; to encourage commercial revitalization and historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation of a downtown development authority board; to authorize the levy and collection of taxes, the issuance of bonds and the use of tax increment financing in the accomplishment of specific development activities contained in locally-adopted development plans.

The Act seeks to attack problems of urban decline, strengthen existing areas and encourage new private developments in Michigan downtowns. It seeks to accomplish this goal by providing communities with the necessary legal, monetary and organizational tools to revitalize economically distressed areas either through public-initiated projects or in concert with privately motivated development projects. The manner in which downtown development authorities choose to make use of these tools does, of course, depend on the problems and opportunities facing each particular redevelopment area and the development priorities sought by the community and board in the revitalization of its area.

Creation of the Downtown Development Authority

On April 21, 1980 the City Council of the City of Alpena adopted Ordinance No. 110, creating a Downtown Development Authority under Public Act 179 of 1975, and designating the boundaries of the Authority district within which the Authority will exercise its powers. The 1980 district included the core downtown area within an area generally bounded by Fifth Avenue, Thunder Bay River, Fletcher Street, and Sable Street. In 1988, the downtown development authority district was expanded to include selective parcels along Washington and Fifth Streets. In 1989, the district was again expanded to include properties on the block of N. Second Street from Oldfield Street to Miller Street. And most recently, in 2003, the district was expanded to include the former Fletcher Paper Company property along the Thunder Bay River and Fletcher Street.

Basis For The Development Plan

The Downtown Development Authority Act provides the legal mechanism for local officials to address the need for economic development in the redevelopment district. In the City of Alpena, the Development Authority District, subject of this Development Plan, can be generally described as an area bounded by Fifth Avenue, Thunder Bay River, Fletcher Street, and Sable Street. This Development Plan and Tax Increment Financing Plan amends and restates the July 1981 Development Plan No. 1 and Tax Increment Plan No. 1 for the original downtown development district by amending the type of projects and increasing the expiration of the plan to fiscal year ending 2043.

Map/Graphic 1
 City of Alpena Downtown Development Authority District



CITY OF ALPENA
**Downtown Development
 Authority**

- 1981 Original District
- 1988 District Expansion
- 2003 District Expansion
- Current DDA District

50 0 50 100 Feet



GENERAL DEVELOPMENT PLAN

The need for establishing the Development District (referred to as "Development Area") is founded on the basis that the future success of Alpena's current effort to revitalize its business districts will depend, in large measure, on the readiness and ability of its public sector to initiate public improvements that strengthen the business districts, and to encourage and participate where feasible in the development of new private uses that clearly demonstrate the creation of new jobs, the attraction of new business, and the generation of additional tax revenues.

The General Development Plan referenced herein suggests the following:

- ◊ Continued redevelopment of the commercial area within the district by encouraging the reinvestment of public and private funds,
- ◊ Efforts to integrate the commercial and residential properties within the development area,
- ◊ Efforts to maximize the potential of the Thunder Bay River and Lake Huron waterfront,
- ◊ Efforts to create development opportunities for new commercial and residential developments,
- ◊ Installation of pedestrian improvements that would support and strengthen the business district such as streetscape improvements, and linkages with public and private facilities, and
- ◊ Integration of transportation enhancements, which improve the circulation and traffic in and around the downtown area.

DEVELOPMENT PLAN

1. Designation of Boundaries of the Development Area

The Development Area boundary is located within the jurisdictional limits of the City of Alpena and the City of Alpena Downtown Development Authority. The City of Alpena established the Downtown Development Authority pursuant to Act 179 of Public Acts of 1975, as amended, through adoption and publication of a City Council Ordinance 110, adopted April 21, 1980, with subsequent expansions in 1988, 1989, and 2003. The Downtown Development Authority Development Area boundary is not contiguous with the Authority's District as illustrated on Map 1 and can be generally described as incorporating public right-of-way along both sides of an area generally bounded by Fifth Avenue, Fletcher Street and Miller Street, the public marina, and Washington Street south to the intersection of Tawas Street.

Map/Graphic 2
 Development Plan Area Boundary



CITY OF ALPENA
**Downtown Development
 Authority**

— Downtown Development Area

50 0 50 100 Feet



2A. Location and Extent of Existing Streets and other Public Facilities

Public land uses, within the Development Area, include right-of-ways under the jurisdiction of the City of Alpena and State of Michigan. Public facilities within the development area include the Alpena City Hall, sewage treatment plant, boat harbor, Federal Building, U.S. Post Office, various parks, and public parking lots.

2B. Location, Character and Extent of Existing Public and Private Land Uses within the Development Area

Existing land uses within the Development Area are composed of public and private land uses.

Public Land Uses

Public right-of-ways along Chisholm, State, Prentiss, Harbor, Washington, Fletcher, Park, Water, First, Second, Third, Fourth, and Fifth Streets under the jurisdiction of the City of Alpena and State of Michigan. Public facilities within the development area include the Alpena City Hall, sewage treatment plant, boat harbor, Federal Building, U.S. Post Office, various parks, and public parking lots.

Private Land Uses

- A. Residential – There are less than 25 residential properties within the development area.
- B. Commercial – Commercial properties within the development area include the downtown, and businesses along Chisholm Street (US-23) and M-32. The downtown business area reflects a traditional pattern of zero lot line buildings with on-street parking and off-street public parking lots. The downtown is more pedestrian oriented than the commercial land use along US-23. Commercial properties along the later traffic corridors are more vehicular in nature and have on-site parking.
- C. Industrial – Alpena Oil is located within the Development Area and classified under this plan as an industrial land use.
- D. Transportation - There are no daily private transportation facilities such as railroad lines and/or truck terminals within the Development Area.

Vacant Land

There are several parcels of land available for development within the Development Area. These are located sporadically within the Development Area, however, a large parcel is located at the corner of River and Third Avenue.

3. Location and Extent of Proposed Public and Private Land Uses.

The Development Plan envisions the integration of public and private land uses as a method of strengthening the economic base of the Development Area. Future plans envision the former Fletcher Paper Company to be redeveloped as a mixed-use project including entertainment, tourism venues, lodging, residential, and retail uses. A portion of the Fletcher Paper Company is in the Development Area. This project will entail a cooperative effort between the DDA and the Brownfield Redevelopment Authority. In addition, the Glawe Property, in downtown Alpena adjacent to River Street, is the site of a proposed residential condominium development by Walden Properties.

4. Legal Description of the Development Area

The boundaries of the Downtown Development Authority shall be as set forth on that map attached hereto and made a part hereof by reference and as described as follows:

City of Alpena, Alpena County, State of Michigan:

Beginning at a point that coincides with the intersection of the centerlines of River Street and Fifth Avenue; thence southwesterly along the centerline of Fifth Avenue to its intersection with the centerline of Lockwood Street; thence southeasterly along the centerline of Lockwood Street to its intersection with the centerline of Third Avenue; thence southwesterly along the centerline of Third Avenue to its intersection with the centerline of Sable Street; thence southeasterly along the centerline of Sable Street to its intersection with the centerline of Washington Avenue; thence easterly along the centerline of Washington Avenue to its intersection with the centerline of Second Avenue; thence southwesterly along the centerline of Second Avenue to a point which coincides with the northwesterly extension of the lot line common to Lots 10 and 11, Block 8 of Hitchcocks First Addition to the City; thence southeasterly along the extension of the lot line common to Lots 10 and 11, Block 8 of Hitchcocks First Addition to the City to a point common to Lots 10, 11, 20, and 21, Block 8 of Hitchcocks First Addition to the City; thence northeasterly along the lot line common to Lots 10 and 21, Block 8 of Hitchcocks First Addition to the City to a point common to Lots 10, 21, and 22, Block 8 of Hitchcocks First Addition to the City; thence northwesterly along the lot line common to Lots 10 and 22, Block 8 of Hitchcocks First Addition to the City to a point common to Lots 9, 10, and 22, Block 8 of Hitchcocks First Addition to the City; thence easterly along the extension of the lot line common to Lots 9 and 22, Block 8 of Hitchcocks First Addition to the City to a point on the northeasterly lot line of Lot 23, Block 8 of Hitchcocks First Addition to the City; thence southeasterly along the extension of the lot line common to Lots 6 and 23, Block 8 of Hitchcocks First Addition to the City to its intersection with the centerline of First Avenue; thence northeasterly along the centerline of First Avenue to a point which coincides with the northwesterly extension of the lot line common to Lots A and E, Block 7 of Hitchcocks First Addition to the City; thence southeasterly along the extension of the lot line common to Lots A and E, Block 7 of Hitchcocks First Addition to the City to a point common to Lots A, D, and E, Block 7 of Hitchcocks First Addition to the City; thence at a right angle northeasterly 65 feet; thence at a right angle southeasterly 157 feet to the centerline of State Avenue; thence southwesterly along the centerline of State Avenue to its intersection with the centerline of Prentiss Street; thence southeasterly along the centerline of Prentiss Street to its intersection with the centerline of Harbor Drive; thence at a right angle southwesterly approximately 183 feet; thence at a right angle southeasterly to the shoreline of Thunder Bay; thence in a northeasterly direction along the shoreline of Thunder Bay to a point on the shoreline approximately 210 feet northeasterly of the intersection of the shoreline of Thunder Bay and the southeasterly extension of the east line of Water Street; thence northwesterly parallel to the extension of the east line of Water Street 343.4 feet; thence at a right angle southwesterly 160 feet; thence at a right angle northwesterly 107 feet; thence at a right angle southwesterly to the centerline of Water Street; thence northwesterly along the centerline of Water Street to a point 336 feet southeasterly of the centerline of First Avenue; thence at a right angle northeasterly to the shoreline of the Thunder Bay River; thence in a northwesterly direction along the shoreline of the Thunder Bay River to a point where the lot line common to Lots 12 and 13, Block 8 of the Village Plat Now City intersects with the shoreline of the Thunder Bay River; thence southwesterly along the extension of the lot line common to Lots 12 and 13, Block 8 of the Village Plat Now City to the centerline of River Street; thence northwesterly along the centerline of River Street to its intersection with the centerline of Fifth Avenue.

And:

Beginning at a point that coincides with the intersection of the centerline of Fletcher Street and the northeasterly extension of the lot line common to Lots 7 and 8, Block 76 of the Village Plat Now City; thence southwesterly along the extension of the lot line common to Lots 7 and 8, Block 76 of the Village Plat Now City to the shoreline of the Thunder Bay River; thence in a southeasterly direction along the shoreline of the Thunder Bay River to the intersection of said shoreline and a line described as: commencing at a point on the southwesterly line of Fletcher Street 231.7 feet southeasterly from the most northerly corner of Lot 2, Block 81 of the Village Plat Now City, thence southwesterly at right angles to Fletcher Street to the Thunder Bay River, the point of ending; thence at a right angle northeasterly along said line to the centerline of Fletcher Street; thence northwesterly along the centerline of Fletcher Street to its intersection with the northeasterly extension to the lot line common to Lots 7 and 8, Block 76 of the Village Plat Now City.

And:

Beginning at a point that coincides with the intersection of Washington Avenue and Sable Street; thence northerly along the center line of Sable Street to a point that coincides with the easterly extension of the lot line common to Lots 5 and 6 of Block 3, Carter's Addition to the village, now city; thence westerly along said lot line to the midpoint of Lot 5; thence southerly to a point that coincides with the lot line common to Lots 4 and 5 of Block 3, Carter's Addition to the village, now city; thence westerly along said lot line to the center line of the alleyway of said block; thence southerly to a point that coincides with a line 18 ½ feet north of the lot line common to Lots 10 and 11 of said block; thence westerly to a point that coincides with the center line of Tawas Street; thence southwesterly along said center line to a point that coincides with the center line of Washington Avenue; thence northwesterly along said center line to a point that coincides with the northerly extension of the lot line common to Lot 1 and Lot 2, Block 13 of Hitchcock's First Addition to the city; thence southwesterly along said lot line to a point that coincides with the center line of Third Avenue; thence easterly along said center line to a point that coincides with the center line of Washington Avenue, thence southeasterly along said center line to a point of beginning.

And:

An area in the City of Alpena, Michigan, within the boundaries described as follows: Beginning at a point that coincides with the intersection of the center line of Fletcher Street and the southwesterly extension of the lot line common to Lots 8 and 9 Block 79, of the village plat, now city; thence northeasterly along the extension of the lot line common to Lots 8 and 9, Block 79 of the village plat, now city to the center line of the alleyway of said block; thence southeasterly along the center line of said alleyway of said block; thence southeasterly along the center line of said alleyway to a point of intersection with the southwesterly extension of the lot line common to Lot 3 and Avery Park; thence northeasterly along said lot line to the center line of Oldfield Street; thence southeasterly, along said center line to a point that coincides with the northeasterly extension of the lot line common to Lots 9 and 10 of Block 82 of the village plat, now city; thence southwesterly along said lot line 70 feet; thence at a right angle southeasterly 66 feet; thence at a right southwesterly to the center line of Fletcher Street; thence northwesterly along said center line to a point of beginning.

And:

Entire Block 72, Lots 7 & 8 through 35 inclusive, Block 76, Water Power Number 4, and Water Power Number 5 in the recorded plat of the village; now city. Also Water Power Number 3, village; now city, lying southwesterly of Oldfield Street, except the following 3 parcels described as:

a. Commencing at the intersection of the southwesterly line of Oldfield Street and the southeasterly line of Water Power No. 3, the point of beginning; thence southwesterly parallel with the southeasterly line of Beech Street extended, 142.5 feet; thence northwesterly parallel

with Oldfield Street 264 feet; thence northeasterly parallel with Beech Street extended, 142.5 feet; thence southeasterly parallel with Oldfield Street 264 feet to point of beginning.

b. Commencing on a point on the southwesterly line of Oldfield Street 231.00 feet northwesterly from the centerline of Beech Street extended (recorded as 234.5 feet); thence north 39 degrees west 210.6 feet along the southwesterly 33 foot right of way line of Oldfield Street; thence north 74 degrees 9 minutes 34 seconds west 41.89 feet to a point 20 feet east of the northeasterly 30 foot right of way line of the D & M Railroad spur; thence south 6 degrees 58 minutes 8 seconds east 1.18 feet; thence 260 feet along the arc of a 8 degree 1 minute 31 second curve to left(long chord bearing south 17 degrees 26 minutes 4 seconds east 259.37 feet); thence north 50 degrees 51 minutes 1 second east 120.66 feet to the point of beginning.

c. Commencing at the intersection of the southeasterly line of Walnut Street extended and the southwesterly line of Oldfield Street; thence southeasterly on Oldfield Street 17 feet to the point of beginning; thence southwesterly parallel with Walnut Street 551.1 feet plus or minus to the bank of Thunder Bay River; thence northwesterly along said river bank to the northwesterly line of Water Power No. 3 said line being 83 feet at right angles to last mentioned line; thence northeasterly to a point in southwesterly line of Oldfield Street 83 feet northwesterly from the point of beginning; thence southeasterly 83 feet to the point of beginning.

5. Existing Improvements in the Development Area to be Demolished, Repaired or Altered and Time Required for Completion.

The proposed development program for the Development Area incorporates the integration of public and private improvements. The overall project descriptions and schedule of phasing for projects in the Development Plan have been delineated in the next section by their respective location within the Development Area.

As previously mentioned, the purpose the DDA is to revitalize the business district and encourage reinvestment in property. Projects, which cannot be quantified at this time but are necessary for the success of the plan, include projects that involve the private sector. The DDA's role in these projects is to provide the infrastructure (streets, parking, utilities, pedestrian amenities, lighting, etc.) to support the private initiative, or in some cases acquire and package the land necessary to accommodate the private development. The plan does not contemplate the demolition of public improvements at this time. The projects and programs identified in this plan were in the Alpena Downtown Market Analysis and Downtown Strategic Plan (June 2003).

6. The Location, Extent, Character and Estimated Cost of Improvements including Rehabilitation for the Development Area and an Estimate of Time Required for Completion.

Projects proposed for implementation in the development area delineate various public improvements confined to the public right of way. Cost estimates listed in Table 1 are estimated costs and will be refined as design plans are completed for individual projects. Funding for the public improvement proposed from a variety of sources including tax increment revenues, Federal and State sources, and other additional sources depending on the scope and location of the project. In addition, funds may be sought from Community Development Block Grant funds, Rural Development Administration, Clean Michigan Initiative (CMI), Michigan Department of Transportation Economic Development Trust Fund, and monies through the Transportation Enhancement Activities program (known as "TEA-21").

Table 1-A
Estimated Cost of Improvements

		Funding Program Forecasted Cost
Project / Program Description		
<i>Organizational Strategies</i>		
By-Law Review	Annual review of DDA By-Laws	\$ -
DDA Communications	Preparation of DDA communication materials including newsletters, sign boards, press releases, and weekly newspaper column.	\$ 1,500
Memberships	Maintain memberships in downtown related organizations	\$ 550
Annual Strategic Planning Session	Conduct an annual strategic planning session with DDA Board to review progress on master plan and new projects	\$ 700
DDA Budget	Utilize DDA Budget and TIF revenues as local match for state and federal grants	\$ -
Partnerships	Continue working relationship with Chamber and Downtown Business Association	\$ -
<i>Design and Physical Improvement Strategies</i>		
Façade / Sign Grant Program	Develop grant program to encourage quality façade and signs improvements - 2 Projects per Year	\$ 10,000
Low Interest Loan Pool	Establish a low interest loan pool with banks for façade and sign improvements and upper story conversions	\$ 500,000
Design / Façade Study	Conduct a façade study for downtown	\$ 35,000
Design Guidelines	Develop design guidelines to promote quality exterior improvements	\$ 3,500
Wayfinding/Signage System	Implement a wayfinding system for downtown Alpena	\$ 75,000
Streetscape and Parking Lot Improvements	Install consistent streetscape and parking lot improvements and have the DDA design committee review these projects	
	- Second Street Streetscape Improvements	\$ 2,750,000
	- Urban Parks and Plazas	\$ 75,000
	- Public Parking Lot Enhancements	\$ 4,250,000
	- Parking Structure	\$ 5,550,000
<i>Economic Development Strategies</i>		
Market Analysis	Implement findings of the market study	\$ 5,000
Business Retention	Establish and implement a business retention program	\$ 25,000
Business Recruitment	Using the Market Study results establish a business recruitment process	\$ 25,000
Upper Story Residential Development	Amend local ordinances where applicable and encourage use of low interest loan program	\$ 1,500
Redevelopment Projects	Position DDA as a stakeholder in redevelopment projects	\$ 2,500
Economic Development Fund	Establish a fund which is used to support or procure projects within the DDA	\$ 20,000
Land Acquisition	Acquire land for public purposes or to package redevelopment opportunities	\$ 1,000,000
<i>Marketing and Promotion Strategies</i>		
Marketing and Promotion Program	Develop a marketing and promotion program and investigate hiring a marketing director	\$ 25,000
Web Site	Continue the Alpena DDA website and add market and wayfinding information	\$ 1,500
Banners and Christmas Decorations	DDA contribution towards and banners and decorations	\$ 15,000
<i>Local Government Strategies</i>		
Amend Zoning Ordinance	Amend the zoning ordinance reflecting recommendations outlined	\$ 3,500
Create Access Management Program	Establish access management program to encourage on site connections and shared drives	\$ 2,000
Two-Way Streets	Convert one-way streets to two-way streets with on-street parking (pavement stripping; signage; traffic signal revisions)	\$ 65,000
Downtown Parking Plan	Conduct a downtown parking plan	\$ 31,000
National Register of Historic Places	Incorporate downtown within a National Register of Historic Places district	\$ 20,000
		\$ 14,493,250

Table 1-B
Project and Program Activity Timeframe

Project / Program Description	Activity Timeframe	Responsible Party	
		Primary Party	Secondary Party
Organizational Strategies			
By-Law Review	Annual review of DDA By-Laws	2	DDA
DDA Communications	Preparation of DDA communication materials including newsletters, sign boards, press releases, and weekly newspaper column.	1	DDA
Memberships	Maintain memberships in downtown related organizations	1	DDA
Annual Strategic Planning Session	Conduct an annual strategic planning session with DDA Board to review progress on master plan and new projects	2	DDA
DDA Budget	Utilize DDA Budget and TIF revenues as local match for state and federal grants	2	DDA
Partnerships	Continue working relationship with Chamber and Downtown Business Association	3	DDA Chamber and ADBA
Design and Physical Improvement Strategies			
Façade / Sign Grant Program	Develop grant program to encourage quality façade and signs improvements - 2 Projects per Year	1	DDA CITY
Low Interest Loan Pool	Establish a low interest loan pool with banks for façade and sign improvements and upper story conversions	1	DDA CITY
Design / Façade Study	Conduct a façade study for downtown	2	DDA
Design Guidelines	Develop design guidelines to promote quality exterior improvements	2	CITY DDA
Wayfinding/Signage System	Implement a wayfinding system for downtown Alpena	1	DDA CITY
Streetscape and Parking Lot Improvements	Install consistent streetscape and parking lot improvements and have the DDA design committee review these projects	3	DDA
	- Second Street Streetscape Improvements	1	DDA CITY
	- Urban Parks and Plazas	1	DDA
	- Public Parking Lot Enhancements	1	DDA
	- Parking Structure	3	DDA CITY
Economic Development Strategies			
Market Analysis	Implement findings of the market study	1	DDA
Business Retention	Establish and implement a business retention program	1	DDA
Business Recruitment	Using the Market Study results establish a business recruitment process	2	DDA
Upper Story Residential Development	Amend local ordinances where applicable and encourage use of low interest loan program	1	CITY DDA
Redevelopment Projects	Position DDA as a stakeholder in redevelopment projects	2	CITY DDA
Economic Development Fund	Establish a fund which is used to support or procure projects within the DDA	1	
Land Acquisition	Acquire land for public purposes or to package redevelopment opportunities	1	DDA
Marketing and Promotion Strategies			
Marketing and Promotion Program	Develop a marketing and promotion program and investigate hiring a marketing director	2	DDA CITY
Web Site	Continue the Alpena DDA website and add market and wayfinding information	1	DDA
Banners and Christmas Decorations	DDA contribution towards and banners and decorations	1	DDA
Local Government Strategies			
Amend Zoning Ordinance	Amend the zoning ordinance reflecting recommendations outlined	1	CITY DDA
Create Access Management Program	Establish access management program to encourage on site connections and shared drives	2	CITY DDA
Two-Way Streets	Convert one-way streets to two-way streets with on-street parking (pavement stripping; signage; traffic signal revisions)	1	CITY DDA
Downtown Parking Plan	Conduct a downtown parking plan	2	DDA CITY
National Register of Historic Places	Incorporate downtown within a National Register of Historic Places district	2	DDA CITY

Timeframe

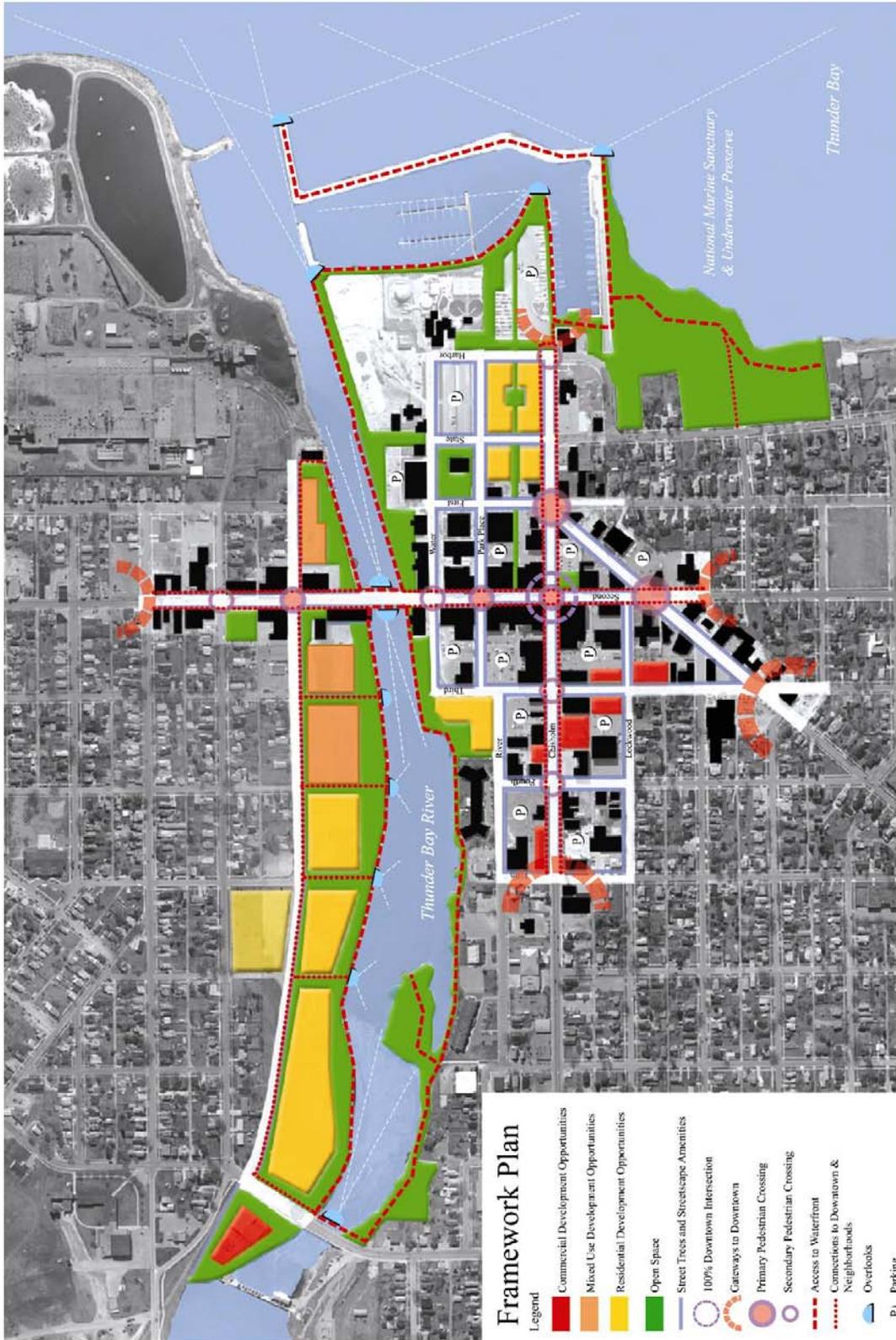
- 1 Within One Year
- 2 Commence within 1 - 2 Years
- 3 Within 3 Year to 5 Years

Project / Program Description	Activity Timeframe	Responsible Party	
		Primary Party	Secondary Party
Organizational Strategies			
By-Law Review	Annual review of DDA By-Laws	2	DDA
DDA Communications	Preparation of DDA communication materials including newsletters, sign boards, press releases, and weekly newspaper column.	1	DDA
Memberships	Maintain memberships in downtown related organizations	1	DDA
Annual Strategic Planning Session	Conduct an annual strategic planning session with DDA Board to review progress on master plan and new projects	2	DDA
DDA Budget	Utilize DDA Budget and TIF revenues as local match for state and federal grants	2	DDA
Partnerships	Continue working relationship with Chamber and Downtown Business Association	3	DDA Chamber and ADBA
Design and Physical Improvement Strategies			
Façade / Sign Grant Program	Develop grant program to encourage quality façade and signs improvements - 2 Projects per Year	1	DDA CITY
Low Interest Loan Pool	Establish a low interest loan pool with banks for façade and sign improvements and upper story conversions	1	DDA CITY
Design / Façade Study	Conduct a façade study for downtown	2	DDA
Design Guidelines	Develop design guidelines to promote quality exterior improvements	2	CITY DDA
Wayfinding/Signage System	Implement a wayfinding system for downtown Alpena	1	DDA CITY
Streetscape and Parking Lot Improvements	Install consistent streetscape and parking lot improvements and have the DDA design committee review these projects	3	DDA
	- Second Street Streetscape Improvements	1	DDA CITY
	- Urban Parks and Plazas	1	DDA
	- Public Parking Lot Enhancements	1	DDA
	- Parking Structure	3	DDA CITY
Economic Development Strategies			
Market Analysis	Implement findings of the market study	1	DDA
Business Retention	Establish and implement a business retention program	1	DDA
Business Recruitment	Using the Market Study results establish a business recruitment process	2	DDA
Upper Story Residential Development	Amend local ordinances where applicable and encourage use of low interest loan program	1	CITY DDA
Redevelopment Projects	Position DDA as a stakeholder in redevelopment projects	2	CITY DDA
Economic Development Fund	Establish a fund which is used to support or procure projects within the DDA		
Land Acquisition	Acquire land for public purposes or to package redevelopment opportunities	1	DDA
Marketing and Promotion Strategies			
Marketing and Promotion Program	Develop a marketing and promotion program and investigate hiring a marketing director	2	DDA CITY
Web Site	Continue the Alpena DDA website and add market and wayfinding information	1	DDA
Banners and Christmas Decorations	DDA contribution towards and banners and decorations	1	DDA
Local Government Strategies			
Amend Zoning Ordinance	Amend the zoning ordinance reflecting recommendations outlined	1	CITY DDA
Create Access Management Program	Establish access management program to encourage on site connections and shared drives	2	CITY DDA
Two-Way Streets	Convert one-way streets to two-way streets with on-street parking (pavement stripping; signage; traffic signal revisions)	1	CITY DDA
Downtown Parking Plan	Conduct a downtown parking plan	2	DDA CITY
National Register of Historic Places	Incorporate downtown within a National Register of Historic Places district	2	DDA CITY

Timeframe

1 Within One Year

2 Commence within 1 - 2 Years



Development Plan Project and Program Descriptions

Organizational Strategies

By-Law Review

The DDA By-Laws should be reviewed annually for sections that may be outdated so that necessary amendments can be recommended and approved by the DDA.

Communication

Communication between board members, the business community, City Council, and the residents of Alpena is critical to the success of the Downtown Development Authority future projects. An overall public relations program to raise the level of awareness of DDA activities and accomplishments should be in place.

Memberships

In order to stay up-to-date with current trends, issues and problems facing downtowns, the DDA should consider or continue memberships in the Michigan Downtown Finance Association, National Main Street Center, Michigan Retailers Association, and the Michigan Economic Developers Association. These organizations can provide vital information and education regarding economic development, grant and funding availability, and commercial district revitalization.

Annual Strategic Planning Session

The DDA Board should schedule an Annual Strategic Planning Session to review the Master Plan and update if necessary.

Design and Physical Improvement Strategies

In order to increase the physical appeal to business owners, investors and potential customers, Design and Physical Improvement Strategies must be a vital part of your revitalization program. The Alpena DDA Design Committee has been very active in many aspects of the district's physical improvements including; landscaping, Christmas decorations, lighting and other physical improvements within the district. The Committee also administers the Vendor Ordinance throughout the district. In addition to these activities, the Committee may also consider the following:

Facade/Sign Grant Program

Incentive programs should be considered for business and building owners to improve and maintain the district's building facades and signs. Grant or loan programs can be developed to accomplish this task.

Low Interest Loan Pool

Establish with local lending institutions the creation of a low-interest loan pool which can be used for the improvements to exterior facades and conversion of upper story spaces to residential units. Local lending institutions should view their participation in the program as part of their respective Community Reinvestment Act (CRA) activities. Historic Building improvements to facades must be in compliance with the Secretary of the Interior Standards for Rehabilitation of Historic Buildings.

Design/Facade Study

Another consideration is to complete a design study for one of the main blocks of downtown. This study would show existing and proposed conditions and outline guidelines to achieve the goals of the improvements. The study could be used for all future developments as a guide for appropriate facade improvements.

Design Guidelines

Design Guidelines, whether mandatory or voluntary, will help to guide the appropriate design of facade, sign, and other physical improvements in the downtown district. At the very least, review the National Trust for Historic Preservation publication on appropriate improvements to historic buildings. A pro-active approach to facade improvement needs to be established and with the right tools in hand i.e., incentive programs and design guidelines, you should be able to start realizing your goals of facade improvements in the district.

Wayfinding / Signage System

One of the recommendations noted in this plan is to develop a 'Wayfinding System' in the Downtown district. The Design Committee should oversee the development of this project and make recommendations to the DDA Board.

Streetscape and Parking Lot Improvements

Specific projects include the Washington / Second St. streetscape, parking lot enhancements, and improvements to existing and future park and urban plazas. Also, included is the future development of a multi-level parking deck for approximately 300 vehicles.

Economic Development Strategies

The goal of an Economic Development strategy is to strengthen the existing economic assets of the business district while diversifying the economic base. Activities include analysis of current markets, retaining and expanding existing businesses, recruiting new businesses to create a balanced mix, converting vacant and under-utilized spaces to productive properties, and creating attractive public/private financing mechanisms to encourage development.

Business Retention

Business retention starts with thoroughly knowing each and every business so that you can assess the needs of the district and in turn be pro-active to meeting those needs. Business retention can be as simple as maintaining a safe, clean and well-maintained environment or can become a full-blown program of financial assistance, workshops and seminars, and marketing/promotion efforts provided by the DDA Board.

Business Recruitment

Business recruitment strategies are essential to the success of a comprehensive revitalization plan. One of the most effective recruitment tools a downtown district can have is an effective program to assist existing businesses in remaining downtown or expanding their businesses within the downtown. Through this process, you will strengthen your businesses and they, in turn will become your greatest recruitment tool. Once your business retention program is solidly underway, you should prepare for a comprehensive business recruitment strategy.

Upper-Story Housing Development

Opportunity exists for upper-story housing development in Downtown Alpena. In order to encourage this type of development, financial assistance and incentive programs need to be created. In addition, local ordinances may have to be amended to allow for these uses within the context of a commercial district.

Redevelopment Projects

Conversion of the former Fletcher property, and the Harborside Mall property to other uses should be pursued by the DDA. Typically this will involve the DDA becoming a stakeholder in the project as a potential "financier" of infrastructure and site improvements. The DDA should use this leverage to procure a higher level of quality in the project. In many instances a community in the midst of transition will accept a lower quality of project in order to get something going. However, Alpena's downtown location on the Thunder Bay River is a unique resource that many communities would be

envious of. As a result, the DDA should provide financial assistance where possible and in turn require higher quality and public access to the waterfront.

Land Acquisition

From time to time the Downtown Development Authority made need to acquire land or buildings to facilitate public improvements or private investment in the development area.

Marketing & Promotion Strategies

Raising the level of awareness of the downtown district is key to the success of the businesses and the district as a whole. Creating an overall marketing and promotions program directed at your target markets will help increase awareness and bring new customers to the region.

Developing a Marketing & Promotion Program

Hiring a Marketing Director that can focus solely on marketing the community, creating an image, establishing relationships with business owners and media, creating a tourism related program, and creating an annual advertising program would be ideal. Budget constraints may prevent the Alpena DDA from doing this immediately. In the future, if and when funding is more available, the Alpena DDA may want to consider hiring a part-time Marketing staff person or work with the City to hire a joint full-time City/Downtown Marketing staff person. In the meantime, many marketing programs can be put in place at little or no cost to the DDA with the help of active volunteers.

Tourism

Alpena's Tourism Industry should begin to grow more rapidly with the designation of the National Marine Sanctuary. Downtown Alpena should be proactive in meeting the needs of future tourism by working with the community partnerships. The Downtown group can provide useful information to businesses that serve tourists that could include suggestions for tourism-oriented businesses. Improved business practices and customer service should strengthen downtown businesses and prepare them to meet these new opportunities. Educating your local community about the opportunities that exist in Alpena should be the first step towards developing an overall tourism plan that can be part of your overall marketing plan.

Web Site

Place on the DDA web site a summary of market demographics and profiles, trade area information, downtown wayfinding and parking lot map, and information on existing businesses. Where possible provide a link to existing business websites to increase market exposure and penetration. Lastly, make the market study available as a downloadable "PDF" file.

Banners and Seasonal Decorations

Continuation of funding for seasonal decorations and street banner program.

Local Government Strategies

Amend Zoning Ordinance

Collaborate with the City of Alpena Planning Department modifications to the City Zoning Ordinance as outlined in the Downtown Strategic Plan.

Two-Way Streets

Reconfigure local streets for two-way traffic with maximum on-street parking, to improve access to businesses and links to the waterfront, to reduce vehicular speeds, and to improve pedestrian circulation. .

Downtown Parking Plan

To maximize on-street and off-street parking, a downtown parking plan should be considered. Such a study should include a database of floor space and building uses, the quantification of actual parking demand (i.e., the behavior of all those who use downtown parking facilities), and the application of downtown parking demands onto future build-out projections. Further, the study would indicate the best location for new parking lots, the conversion of underutilized parking lots to potential in-fill developments, and assess the effectiveness of local parking standards.

7. A Statement of the Construction or Stages of Construction Planned, and the Estimated Time of Completion.

The time schedule for construction of the public improvement program for projects enumerated in the Development Plan would occur over the next forty(40) years and would be contingent on the availability of other funding sources to leverage forecasted tax increment revenues. Improvements proposed in the amended plan are considered public-private initiatives and therefore involve close coordination with the City of Alpena, state and federal agencies, and private developers.

8. Parts of the Development Area to be Left as Open Space and Contemplated Use.

Concerning the public improvements outlined, open space within that portion of the Development Area covered by the Development Plan will be confined to right-of-ways, pedestrian walks along streetscapes, water related recreation activities along the Thunder Bay River and Lake Huron.

9. Portions of the Development Area which the Authority Desires to Sell, Donate, Exchange, or Lease to or From the Municipality and the Proposed Terms.

Currently there are no properties that the Downtown Development Authority owns that it desires to sell, donate, exchange, or lease to or from the City of Alpena.

10. Desired Zoning Changes and Changes in Streets, Street Levels, Intersections and Utilities.

There are no zoning changes, which affect changes in land use, needed to encourage or accommodate the level of redevelopment and development envisioned by this Development Plan. However, there are modifications to the zoning ordinance suggested in the Downtown Strategic Plan which will influence the scope and extent of the redevelopment and revitalization efforts outlined in the Downtown Strategic Plan and enumerated in this Development Plan.

11. An Estimate of the Cost of the Development, Proposed Method of Financing and Ability of the Authority to Arrange the Financing.

Financing for the public improvement projects outlined in Section 6 would be provided through funds generated by the Tax Increment Financing Plan induced by annual increases in property valuations from natural growth and new construction within the Development Area. Further, the Downtown Development Authority may request the City to sponsor a revenue bond or provide subordinate loan collateral using the proceeds of the tax increments as debt service payment to finance the improvements. In addition, funds may be sought Community Development Block Grant (CDBG) program funds, monies through the Transportation Enhancement Activities program (known as "TEA-21") and, any other funding programs that the Authority and City of Alpena deem beneficial.

12. Designation of 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.

The public improvements undertaken in the Development Plan will remain in public ownership for the public benefit. Although components of the projects outlined (ie. lighting and landscaping) benefit adjacent commercial property owners, they are public assets to be managed by the municipality.

13. The Procedures for Bidding for the Leasing, Purchasing, or Conveying of all or a portion of the Development upon its completion, if there is no expressed or implied Agreement between the Authority and Persons, Natural or Corporate, that all or a portion of the Development will be Leased, Sold, or Conveyed to those Persons.

Currently there are no agreements for property conveyance between the City of Alpena, Alpena Downtown Development Authority or any person(s); natural or corporate for properties within that portion of the Development Area covered by the Development Plan. All land acquisitions, if any, would be done by mutual agreement between the seller and Authority, as property becomes available. Any such sale, lease or exchange shall be conducted by the Downtown Development Authority pursuant to requirements specified in Act 179 of Public Acts of 1975, as amended, with the consent of the City of Alpena. If needed, more detailed procedures will be developed before the transactions are executed, according to applicable City policy and Michigan state law.

14. Estimates of the Number of Persons residing in the Development Area and the Number of Families and Individuals to be Displaced.

On the basis of a review of the properties within the Downtown Development Authority District and Development Area it is estimated that there are less than 100 individuals who reside within the Development Area. This estimate was based on a physical inventory of dwelling units, which indicated less than 25 residential units in the DDA Development Area. As a result, the City of Alpena will not need to establish an Area Development Citizens Council pursuant to Section 21 of Act No. 197 of 1975, as amended.

The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within that portion of the Development Area covered by the Development Plan.

15. A Plan for Establishing Priority for the Relocation of Persons Displaced by the Development in any New Housing in the Development Area.

There is no plan to condemn property in conjunction with the Development Plan. As a result this section is inapplicable.

16. Provision for the Costs of Relocating Persons Displaced by the Development, and Financial Assistance and Reimbursement of Expenses, including Litigation expenses and expenses incident to the Transfer of Title in accordance with the Standards and Provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

There is no plan to condemn property in conjunction with the Development Plan. As a result this section is inapplicable.

17. A Plan for compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and Act 227 of the Public Acts of 1972.

There is no plan to condemn property in conjunction with the Development Plan. As a result this section is inapplicable.

TAX INCREMENT FINANCING PLAN

1. Definitions as Used in This Plan.

- a. "Captured Taxable Value" (the "CTV") means the amount in any one (1) year by which the current taxable value including the taxable value of property for which specific local taxes are paid in lieu of property taxes as determined, exceeds the initial taxable value.
- b. "Initial Taxable Value" (the "ITV") means the taxable 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 the equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial taxable value shall be included as zero. For the purpose of determining initial taxable 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 taxable value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in subdivision (c.) below.
- c. "Specific Local Taxes" mean a tax levied under Act 198 of the Public Acts of 1974, being sections 207.551 to 207.571 of the Michigan Compiled Laws, the commercial redevelopment act, Act No. 255 of the Public Acts of 1978, being section 207.651 to 207.668 of the Michigan Compiled Laws, the technology park development act, Act No. 385 of the Public Acts of 1984, being sections 207.701 to 207.718 of the Michigan Compiled Laws and Act No. 189 of the Public Acts of 1953, being sections 211.181 and 211.182 of the Michigan Compiled Laws. The initial taxable value or current taxable value of property subject to specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate.
- d. "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 capture taxable value of real and personal property in the development area subject to requirement specified in Act No. 179 of the Public Acts of 1975, as amended.

2. Purpose of the Tax Increment Financing Plan

The City of Alpena Downtown Development Authority District was established pursuant to ordinance because the city experienced notable property value deterioration in various locations throughout the community. 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 City under the provisions of Act 179 Public Acts of Michigan, 1975 as amended (the "Act").

The "Downtown Development Authority Act", authorizes the Authority to prepare a Tax Increment Financing Plan (the "Plan"), which includes the Development Plan, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred or reimbursed, duration of the program, the impact of tax increment financing on the taxable values of all taxing jurisdictions in which the development area is located, and a statement of the portion of the captured taxable value to be used by the Authority. The benefit of using tax increment financing as a method to finance district improvements is that all local units of government levying taxes within the City of Alpena contribute to the revitalization of the business district. Prior to legislative authorization of tax increment financing only the municipality provided tax revenues for revitalization activities while the other taxing authorities shared in the benefits of the revitalization efforts. The City of Alpena deems it to be in the best interest of the City and the Downtown Development District to amend and restate the adopted 1981 Tax Increment Financing Plan No. 1 for this area, and institute a Tax Increment Financing Plan for the recently expanded Downtown Development District.

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 (“DDA”) 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 taxable value. 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. Because the DDA had no obligated expenditures prior to the change in Michigan property tax law, capture of school district millage by the DDA will not be allowed in the future.

The Authority intends to utilize all captured revenue from the District, as referenced in Table 3, until the projects addressed in the Development Plan are completed and, until any bonded indebtedness is paid, whichever is the later occurrence. An exception to this provision is the taxing jurisdiction agreement associated with taxable valuation and subsequent tax increment revenues from the redevelopment of the Fletcher Paper Plant property.

Fletcher Paper Plant Taxing Jurisdiction Agreement

Recognizing that the redevelopment of the Fletcher Paper Plant will probably involve the use of brownfield redevelopment incentives and financing, the DDA will forego any tax increment revenue captured from this property until the Brownfield Redevelopment Authority obligations including administrative costs are fully funded. After these obligations have been fully funded, the DDA agrees to capture not more than twenty-five (25%) percent of the taxable valuation and tax increment from the subject property. The other seventy-five (75%) percent of the taxable valuations will be available for distribution to the City of Alpena, County of Alpena, and Alpena Community College based on their respective millages.

5. Property Valuations and Captured Revenue.

The property valuation on which tax increment revenues will be captured is the difference between the Initial Assessed Valuation and the Current Assessed Valuation. The purpose of this section is to set forth the Initial Assessed Valuation, the projected Captured Assessed Valuation and the anticipated increment revenues to be received by the Authority from the local taxing jurisdictions including the City of Alpena and Alpena County, 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 Assessed Valuation is established based on the 1981 state equalized valuations on real property and on all non-exempt parcels within that portion of the Development Area as of December 31, 1980. The Initial Assessed Valuation of the Authority is set forth below.

Table 2

Base Taxable Real Property Valuations

<i>City of Alpena “DDA” TIF</i>	1981 Taxable Valuations	1988 Taxable Valuation	2003 Taxable Valuations
Real Property	\$6,954,100	1,249,114	611,600
Personal Property	\$1,206,400	132,100	128,000
District Valuation	8,160,500	1,381,214	\$739,600

- b. The anticipated Captured Taxable value is equivalent to the annual total taxable value within the Development Area boundaries less the Initial Taxable 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 CTV. The CTV 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. For projection purposes, the annual growth rate for the remainder of the forecast (2003 - 2043) is factored at 1.25 (%) percent for real property. Personal property captured by this tax increment financing plan is forecasted to annually decline at a rate of 15/100's of 1 percent. A more detailed depiction of the Captured Taxable Valuations can be found in Table 3 and Table 4.
- c. The Authority will receive that portion of the tax levy of all taxing jurisdictions paid each year on the Captured Taxable 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.

The Treasurer will collect the general property taxes from property owners in the development area district. After taxes are collected, the Treasurer will deduct that portion of the total tax revenues that is derived from captured taxable value within the development area and distribute them to the DDA to use for purposes outlined in the development plan. A review of the 2003 millage rates for all Local Taxing Jurisdictions in the development area is as set forth in Table 5.

Table 3
Anticipated Captured Taxable Valuation

Year	Total Valuations		
	Real Property Capture	Personal Property Capture	Total Captured Valuations
1981			
Average			
2003	\$1,996,523	(\$41,100)	\$1,955,423
1 2004	\$2,131,665	(\$43,238)	\$2,088,427
2 2005	\$2,268,496	(\$45,373)	\$2,223,123
3 2006	\$2,407,037	(\$47,505)	\$2,359,532
4 2007	\$2,547,310	(\$49,633)	\$2,497,677
5 2008	\$2,689,337	(\$51,758)	\$2,637,578
6 2009	\$2,833,139	(\$53,881)	\$2,779,258
7 2010	\$2,978,738	(\$56,000)	\$2,922,739
8 2011	\$3,126,157	(\$58,115)	\$3,068,042
9 2012	\$3,275,420	(\$60,228)	\$3,215,192
10 2013	\$3,426,548	(\$62,337)	\$3,364,210
11 2014	\$3,579,565	(\$64,443)	\$3,515,121
12 2015	\$3,734,494	(\$66,547)	\$3,667,948
13 2016	\$3,891,361	(\$68,647)	\$3,822,714
14 2017	\$4,050,188	(\$70,743)	\$3,979,445
15 2018	\$4,211,000	(\$72,837)	\$4,138,163
16 2019	\$4,373,823	(\$74,927)	\$4,298,896
17 2020	\$4,538,681	(\$77,015)	\$4,461,666
18 2021	\$4,705,600	(\$79,099)	\$4,626,501
19 2022	\$4,874,605	(\$81,180)	\$4,793,425
20 2023	\$5,045,723	(\$83,258)	\$4,962,464
21 2024	\$5,218,979	(\$85,333)	\$5,133,646
22 2025	\$5,394,402	(\$87,405)	\$5,306,997
23 2026	\$5,572,017	(\$89,473)	\$5,482,544
24 2027	\$5,751,852	(\$91,539)	\$5,660,313
25 2028	\$5,933,936	(\$93,601)	\$5,840,334
26 2029	\$6,118,295	(\$95,661)	\$6,022,634
27 2030	\$6,304,959	(\$97,717)	\$6,207,242
28 2031	\$6,493,956	(\$99,770)	\$6,394,186
29 2032	\$6,685,316	(\$101,820)	\$6,583,495
30 2033	\$6,879,067	(\$103,867)	\$6,775,200
31 2034	\$7,075,241	(\$105,911)	\$6,969,330
32 2035	\$7,273,866	(\$107,952)	\$7,165,914
33 2036	\$7,474,975	(\$109,990)	\$7,364,985
34 2037	\$7,678,597	(\$112,025)	\$7,566,573
35 2038	\$7,884,765	(\$114,056)	\$7,770,709
36 2039	\$8,093,510	(\$116,085)	\$7,977,425
37 2040	\$8,304,864	(\$118,111)	\$8,186,753
38 2041	\$8,518,860	(\$120,133)	\$8,398,726
39 2042	\$8,735,531	(\$122,153)	\$8,613,378
40 2043	\$8,954,910	(\$124,169)	\$8,830,741

Table 4
Anticipated Captured Revenue

Year	Total Captured Valuations	Captured Revenues 28.8949	Accumulated Revenues
1981 Average			
2003	\$1,955,423	\$53,383	\$53,383
1 2004	\$2,088,427	\$60,458	\$113,841
2 2005	\$2,223,123	\$64,357	\$178,198
3 2006	\$2,359,532	\$68,306	\$246,504
4 2007	\$2,497,677	\$72,305	\$318,809
5 2008	\$2,637,578	\$76,355	\$395,165
6 2009	\$2,779,258	\$80,457	\$475,621
7 2010	\$2,922,739	\$84,610	\$560,232
8 2011	\$3,068,042	\$88,817	\$649,049
9 2012	\$3,215,192	\$93,077	\$742,125
10 2013	\$3,364,210	\$97,391	\$839,516
11 2014	\$3,515,121	\$101,759	\$941,275
12 2015	\$3,667,948	\$106,183	\$1,047,458
13 2016	\$3,822,714	\$110,664	\$1,158,122
14 2017	\$3,979,445	\$115,201	\$1,273,323
15 2018	\$4,138,163	\$119,796	\$1,393,119
16 2019	\$4,298,896	\$124,449	\$1,517,567
17 2020	\$4,461,666	\$129,161	\$1,646,728
18 2021	\$4,626,501	\$133,933	\$1,780,661
19 2022	\$4,793,425	\$138,765	\$1,919,426
20 2023	\$4,962,464	\$143,658	\$2,063,084
21 2024	\$5,133,646	\$148,614	\$2,211,698
22 2025	\$5,306,997	\$153,632	\$2,365,330
23 2026	\$5,482,544	\$158,714	\$2,524,044
24 2027	\$5,660,313	\$163,860	\$2,687,905
25 2028	\$5,840,334	\$169,072	\$2,856,977
26 2029	\$6,022,634	\$174,349	\$3,031,326
27 2030	\$6,207,242	\$179,693	\$3,211,019
28 2031	\$6,394,186	\$185,105	\$3,396,125
29 2032	\$6,583,495	\$190,586	\$3,586,710
30 2033	\$6,775,200	\$196,135	\$3,782,845
31 2034	\$6,969,330	\$201,755	\$3,984,601
32 2035	\$7,165,914	\$207,446	\$4,192,047
33 2036	\$7,364,985	\$213,209	\$4,405,256
34 2037	\$7,566,573	\$219,045	\$4,624,300
35 2038	\$7,770,709	\$224,954	\$4,849,255
36 2039	\$7,977,425	\$230,938	\$5,080,193
37 2040	\$8,186,753	\$236,998	\$5,317,191
38 2041	\$8,398,726	\$243,135	\$5,560,326
39 2042	\$8,613,378	\$249,349	\$5,809,675
40 2043	\$8,830,741	\$255,641	\$6,065,316

6. Maximum Indebtedness.

The maximum amount of indebtedness to be incurred by the DDA will be limited to only those projects and programs identified in the Development Plan and will be limited by the annual revenues available to Downtown Development Authority for bond interest and principal payments. This amount may vary depending on the size of the Development Area District, the type and intensity of development and redevelopment, and the balance of indebtedness owed by the DDA on previous bond issues or loans. A description of the various projects and the actual amounts expected to be financed are as set forth in Section 5 and 6 of the Development Plan. Revenues captured will be used to accomplish projects in the Development Area.

Table 5

Anticipated Millage To Be Captured (*Non-Homestead*)

Local Unit of Government

City of Alpena (All Millages)	18.3429
Alpena Community College	2.4542
County of Alpena (All Millages)	8.0978

Total Millage Capture **28.8949**

7. Use of Captured Revenues

Revenues captured through this Tax Increment Plan will be used to finance those improvements and projects outlined in Table 1A and 1B of the Development Plan in accordance with procedures specified in this Plan. Further, captured revenues can be used to finance current financial obligations of DDA, to pay for costs incurred by the City/DDA in implementing both the Development Plan and the Tax Increment Financing Plan, costs incurred by the City/DDA in implementing the Market Analysis and Downtown Strategy Plan (2003), marketing and promotions costs, and to pay for costs associated with the administration and operation of the Development and Tax Increment Plan.

8. Duration of the Program

The 2003 Amended and Restated Development Plan and Tax Increment Financing Plan shall extend the Tax Increment Financing Plan until such time that all projects and programs identified in the Development Plan have been implemented.

9. Plan Impact on Local Taxing Jurisdictions

The Authority recognizes that future development and continued enhancements in the DDA business area 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 experience a gain in property tax revenues from improvement made in 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. Such future benefits cannot be accurately quantified at this time. However based on the tax increment revenue forecast the City of Alpena would contribute 63% of tax increment revenues, and the County would contribute 28%.

10. Release of Captured Revenues After Completion of Plan

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:

- A. Real Property valuations are based on the 2003 actual State Taxable Value (S.T.V.) and reflect an increase of 1.25% each year thereafter. These increases are net of any additions or subtractions due to new construction, property acquisition, relocation, or other factors, based on an analysis of equalized valuations since 1981, as provided by the City of Alpena.
- B. Personal property valuations are subject to capture and have been forecasted to decline by 15/100's of 1 percent per year.
- C. Commercial facilities exemptions certificates (CFT) have expired and are no longer available within the Downtown Development Authority District.
- D. Costs provided for the various development projects enumerated in Table 1 are estimated costs in 2003 dollars. Final costs are determined after the Authority authorizes the final designs.

12. Operating Agreement Between Downtown Development Authority and Local Unit 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 an adequate revenue source to support the proposal.

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 and private financing such as grants, special assessments, and loans. It is strongly recommended that tax increment financing revenues be used to leverage other funds in order to implement the planned program.

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 8 of Act 285 of 1931; the Municipal Planning Act.

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

Annually the Authority shall submit to the City of Alpena 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 179 of 1975 (MCL 125.1665). Further, the report shall be published in a newspaper of general circulation.