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# ELLSWORTH

## DEVELOPMENT PLAN & TAX INCREMENT FINANCING



JANUARY 14, 2019 ADOPTED

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# Acknowledgments

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# EXECUTIVE SUMMARY

As the Downtown Development Authority embarks on this planning effort, the Village Ellsworth is proactively planning for economic growth and private investment. Ellsworth is a small Village with year-round residents, acting as the business area and core of the community, hosting services, shops, and the local school. The town is filled with dedicated community members, determined to see the downtown area develop into an attractive and supportive environment for entrepreneurs and new businesses. Much of the focus of this Plan is positioning Ellsworth to meet the changing needs of businesses, workers, and visitors to the District.

At its core, Ellsworth is a historic northern Michigan Village. Like many other “up north” communities, the Village has developed with a service-oriented downtown district with residential uses that radiate outward and along the shores of Ellsworth Lake and Saint Clair Lake. This Plan seeks to better connect the commercial district, while also providing opportunity for new mixed uses and incubator businesses in the downtown, reinforcing the blend of commercial and residential uses that comprise the character of the area. Updated zoning, public investments, and better signage will improve these conditions.

Early on, the DDA hopes to invest in the Town Square, supporting special events and civic activities while installing streetscape improvements along main corridors. Of considerable importance will be the design, finance, and construction of a public sanitary sewer system, starting in the Village core, which will be essential to attracting and retaining new business ventures.

The DDA hopes to support placemaking public investments that increase the tax base and improve the overall user experience. Attracting local farmers to participate in the seasonal Farmer’s Market and promoting the historical society will enhance the sense of place and contribute to a lively downtown area. The installation of new wayfinding signage will spur placemaking opportunities, fostering consistent designs and messaging.

In addition to public investments in Ellsworth’s core, the DDA seeks to improve redevelopment opportunities in Ellsworth, connecting with the Michigan Economic Development Corporation (MEDC) through the Redevelopment Ready Communities Program. The DDA plans to explore retail incubator programs, market vacant and underutilized buildings to support adaptive reuse, and help connect potential new investors with grants and other financial incentives. Seeking funding through the Michigan State Housing Development Authority (MSHDA) for mixed use development in existing downtown buildings will aid in this long-term goal.

Finally, varied housing and improved neighborhoods emerged as a key need in this planning process. Identifying policies and projects that foster more inclusive housing options for seniors and securing financing to eliminate blight in residential areas are priorities for the Village. The DDA is committed to collaborating with developers working on this issue to make the Village a welcoming and accessible place for all to call home.

# INTRODUCTION

## Background

Act 197 of Public Acts of 1975 of the State of Michigan, commonly referred to as the Downtown Development Authority Act, was created in part to correct and prevent deterioration of business districts; to promote economic growth and revitalization; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation of the authority; and to authorize the levy and collection of taxes, the issuance of bonds, and the use of tax increment financing in the accomplishment of specific downtown development activities contained in locally-adopted development plans. This act was updated to the Recodified Tax Increment Financing Act, Act 57 of 2018, immediately prior to writing this Development and Tax Increment Financing Plan, replacing the old legislation with an updated Act.

The Act seeks to attack problems of urban decline, strengthen existing areas, and encourage new private developments in the downtown districts of Michigan communities. It seeks to accomplish this goal by providing communities with the necessary legal, monetary, and organizational tools to revitalize downtown districts 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 downtown district and the development priorities sought by the community in the revitalization of its business area.

On October 10, 2016, the Ellsworth Village Council adopted Ordinance No. 2 of 2016, establishing the Village of Ellsworth Downtown Development Authority and empowering the Village President, with Village Council approval, to appoint a nine-member DDA Board. A copy of this ordinance is included in Appendix A.

## Ellsworth

The Village of Ellsworth, nestled in eastern Banks Township along Ellsworth Lake and Saint Clair Lake, is home to 349 people (2010 U.S. Census). Located within Antrim County in the northwest portion of the lower peninsula, Ellsworth enjoys close proximity to Lake Michigan, several inland lakes, and neighboring communities that serve as hot spots for the local tourism economy. Incorporated as a Village in 1938, Ellsworth has been shaping its unique identity for several decades. However, the area known as Ellsworth has been inhabited for much longer.

Early Europeans settled in Ellsworth area as far back as 1881. Like many other northern Michigan communities, logging was a major industry and the railroad was a means to move timber. The railroads in northern Michigan were a transformative force for smaller communities such as Ellsworth, and it spurred economic development in the form of manufacturing and shipping. The railroad has since become inactive and operational facilities have closed or shifted gears. While the local economy now embraces retail, tourism, and services, the small-town character in Ellsworth remains the same. With a dedicated Downtown Development Authority now in place, this group is working towards improving its economic future, placemaking efforts, and overall quality of life.

## Basis for the Tax Increment Finance Plan and Development Plan

For purposes of designating a development plan district and for establishing a tax increment financing plan, the Act refers to a “downtown district” as being in a business district that is specifically designated by ordinance of the governing body of the municipality and a “business district” as being an area in the downtown of a municipality zoned and used principally for business. Tax increment financing can be used to provide the necessary funds for project implementation. 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 downtown district. The legal basis of support for the Development and Tax Increment Financing Plan is identified in Act 57.

The need for establishing the Village of Ellsworth Downtown Development Authority District (referred to as “DDA District”) is founded on the basis that the future success of Ellsworth’s efforts to strengthen its commercial core will depend, in large measure, on the readiness and ability of the Village to initiate public improvements that strengthen the commercial area, 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.

### Vision

Ellsworth will continue to position itself as a thriving small town with a vibrant, bustling downtown, and a variety of year-round special events. The Village serves as a tourism destination, cultivating its existing antique and quaint character. Both visitors and new commercial ventures support significant economic growth and investment.

### Goals

1. Take measures to preserve and protect Ellsworth’s unique traditional character.
2. Invest in high quality public infrastructure that will attract new businesses, residents, and visitors.
3. Promote a safe and connected multi-modal transportation system that leverages commercial recreational assets.
4. Cultivate relationships between the Village and community groups to support economic development through community events and initiatives.







## DOWNTOWN VISIONING

Recently, the Village of Ellsworth created a Downtown Development Authority (DDA). The purpose of a DDA is to facilitate investment into a town's downtown area. Act 197 of Public Acts of 1975 of the State of Michigan, commonly referred to as the Downtown Development Authority Act, was created to promote economic growth and revitalization and to encourage historic preservation. Oftentimes tax increment financing is used to fund specific downtown projects.

### PLACE A STICKER

**1** We want you to tell us what improvements are most needed in Downtown Ellsworth! Place a sticker next to ONE streetscape image, that you think is most important.

- MORE STREET TREES 
- IMPROVED CROSSWALKS 
- BETTER LIGHTING 
- WAYFINDING SIGNAGE 
- BURIED UTILITIES BEFORE 
- AFTER 

### COMMENT BOX

**2** What type of businesses would you frequent in Downtown Ellsworth?

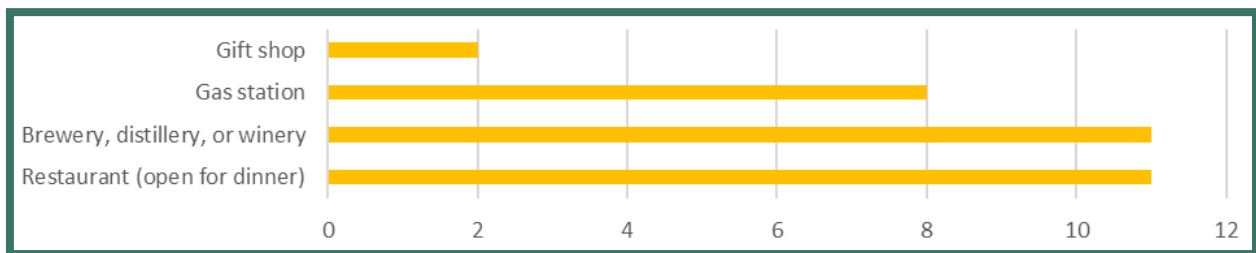
Above: Poster for Visioning Session

Right: Results from Visioning Session Questions, 2017

Below: Results from Visioning Session Question, "What new businesses would you MOST like to see in Downtown Ellsworth?"

**Downtown Visioning Results, November 2017:**

1. We want you to tell us what improvements are most needed in Downtown Ellsworth. Place a sticker next to ONE streetscape image that you think is most important.
  - a. More street trees: 7 votes
  - b. Improved crosswalks: 4 votes
  - c. Better lighting: 1 vote
  - d. Wayfinding signage: 7 votes
  - e. Buried utilities: 10 votes
  
2. What type of businesses would you frequent in Downtown Ellsworth? What else is missing downtown? (open-ended responses)
  - a. Take-out food
  - b. Open year-round, public restrooms
  - c. Skate rink under pavilion
  - d. Restaurant and brewery (combined)
  - e. Brewery
  - f. Senior housing in or near downtown
  - g. Something unique! Tasting room/pub
  - h. Year-round enclosed concession stand with a sink
  - i. Spa/sauna
  - j. Paint lines on streets annually. Crosswalks, median line, parking



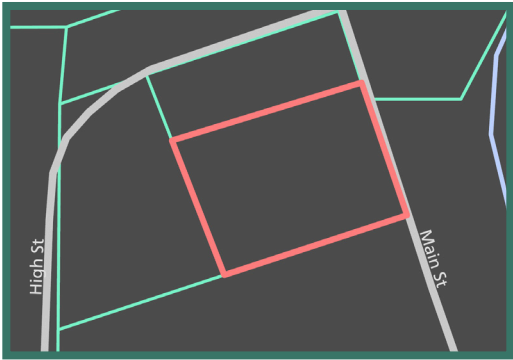
## Connection to the Michigan Economic Development Corporation’s Redevelopment Ready Community’s Program

In August of 2018, the Village of Ellsworth formally engaged in MEDC’s RRC Program. RRC is a certification program supporting community revitalization and the attraction and retention of businesses, entrepreneurs and talent throughout Michigan. To help make Ellsworth a better candidate for desirable redevelopment opportunities, a number of strategies related to downtown strategic planning and economic development were identified. This Downtown Plan plays a key role in moving the Village forward in the certification process.

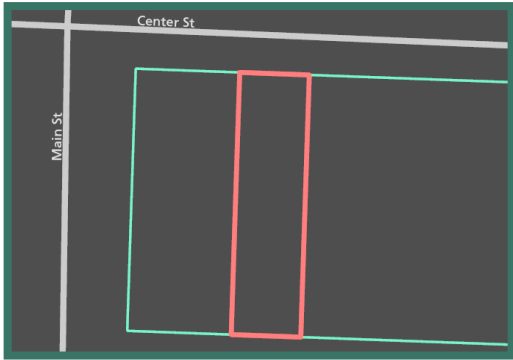
According to MEDC’s RRC program, one important element of becoming redevelopment ready is the identification and prioritization of redevelopment sites. The following three sites have been identified by the Village as Ellsworth as key opportunities for attracting desirable reinvestment in the Village:

*“Actively market vacant and underutilized buildings to support redevelopment and adaptive reuse.”*  
 – RRC Best Practices

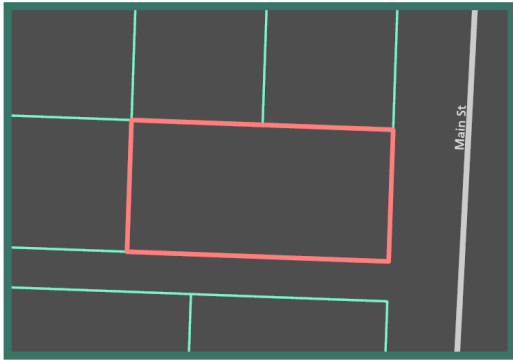
**Site Name:** 9667 Main Green Building  
**Site Address:** 9667 Main St, Ellsworth, MI 49729  
**Site Status:** Not listed for sale / currently vacant  
**Owner:** Shindorf Development Co, LLC  
**Preferred Development:** Commercial Industrial  
**Master Plan Designation:** General Commercial  
**Zoning Designation:** C-2, located along Breezeway Commercial Overlay  
**Building Size:** 3,017 sq. ft.  
**Lot Size:** 0.55 acres



**Site Name:** Downtown 6517 Center  
**Site Address:** 6517 Center St, Ellsworth, MI 49729  
**Site Status:** Not listed for sale / currently vacant  
**Owner:** Keith Stewart  
**Preferred Development:** Service or Retail  
**Master Plan Designation:** Commercial Village  
**Zoning Designation:** C-1, Village Commercial  
**Building Size:** 3,800 sq. ft.  
**Lot Size:** 0.9 acres



**Site Name:** 9265 Main Street  
**Site Address:** 9265 Main St, Ellsworth, MI 49729  
**Site Status:** For sale / privately owned / currently occupied  
**Owner:** Arthur and Pauline Morris  
**Preferred Development:** Mixed Use  
**Master Plan Designation:** Residential Village  
**Zoning Designation:** R-3, Village Residential  
**Building Size:** 3,223 sq. ft.  
**Lot Size:** 0.2 acres



# DEVELOPMENT PLAN

## 1. Development Area Boundary

In the Village of Ellsworth, the DDA district incorporates the entirety of the Village. While the Village is small, and the highest concentration of commercial activity occurs in the downtown core, there is a unique distribution of historic and commercial properties outside of the core area and along lakefront areas. Given this distribution of properties and the size of the Village (0.825 square miles) the entirety of the Village was approved as the DDA district and the Development Area encompasses the downtown district. The geographic boundary of the DDA extends generally from north of Main Street and Lake Street, south of the Ellsworth Community Park, east of Lake Street and part of Saint Clair Lake, and west of Water Street and Circle Drive. The DDA Boundary Map shows the geographic limits of the Village of Ellsworth Downtown Development Authority effective with the publication of Ordinance No. 2 of 2016.

The Development Area District, or boundary, must be equal to or less than the geographic limits of the Downtown Development Authority District. Please refer to the DDA Boundary Map for exact boundaries. The Development Area boundary follows east of Ash until Lake, northeast along Lake towards Lincoln, west along Lincoln towards Park, and south of Park to Ash. It generally focuses on the business district of Ellsworth.

## 2A. Location and Extent of Existing Streets and other Public Facilities within the Development Area; Location, Character and Extent of Existing Public and Private Land Uses.

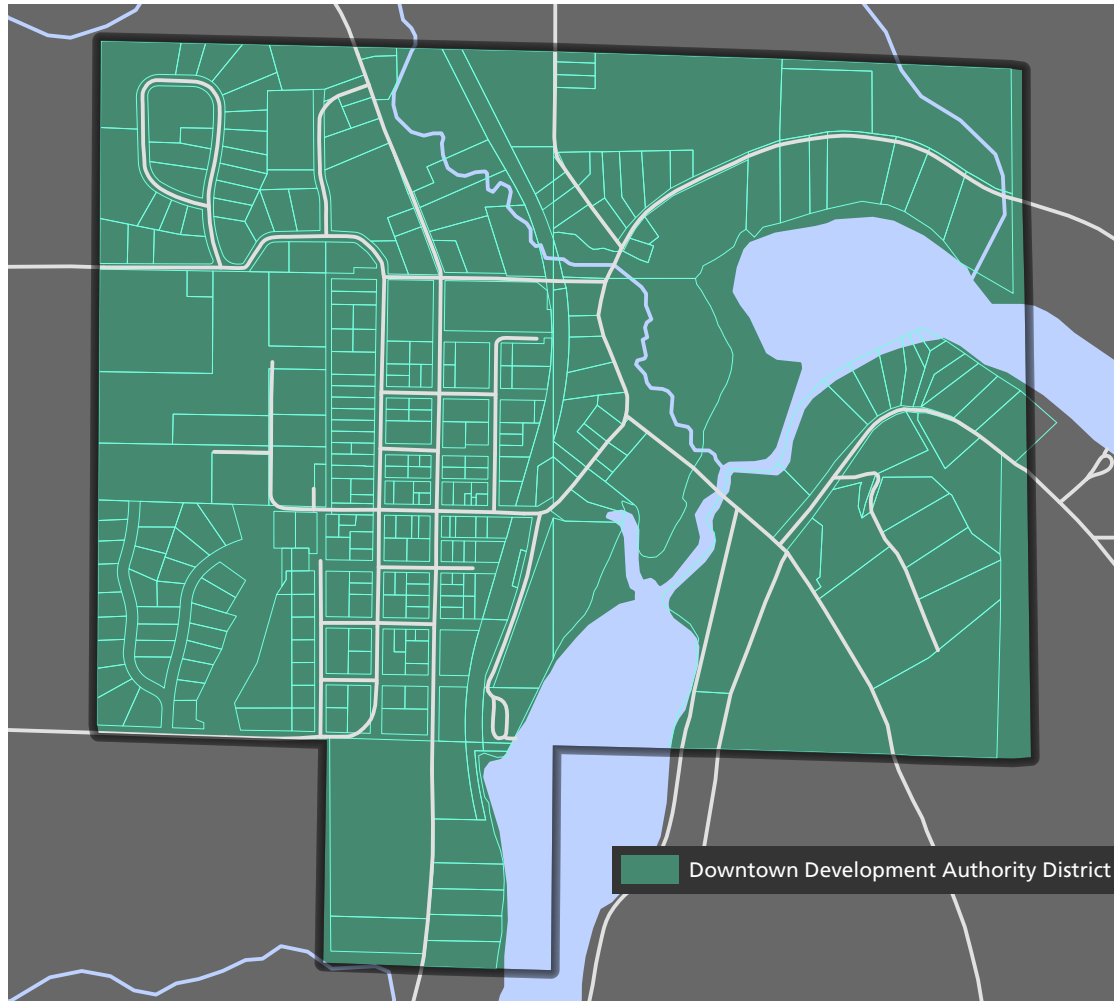
The Village of Ellsworth was developed in the late 19th Century and has a primary corridor, Main Street, that runs from the southern extent of the Village into the northern extent. There are several smaller roads that intersect Main Street in an east/west direction, forming the core of the Village and commercial area. However, with the unique topography and natural features, including Ellsworth Lake and Saint Clair Lake, several roads were constructed to best fit the existing landscape, including Lake Street, which forms much of the eastern boundary of the Development Area. The Breezeway (C-48) runs through the Village and serves as a scenic route for visitors seeking beautiful scenery and tourist destinations between U.S. 31 and U.S. 131.

The development area is serviced with municipal water, natural gas, electricity, telecommunications, and cable, but does not have a municipal sanitary sewer system or storm water facilities. The DDA and Village support installing a municipal sanitary sewer system as a high priority.

## 2B. Existing Public and Private Land Uses within the Development Area

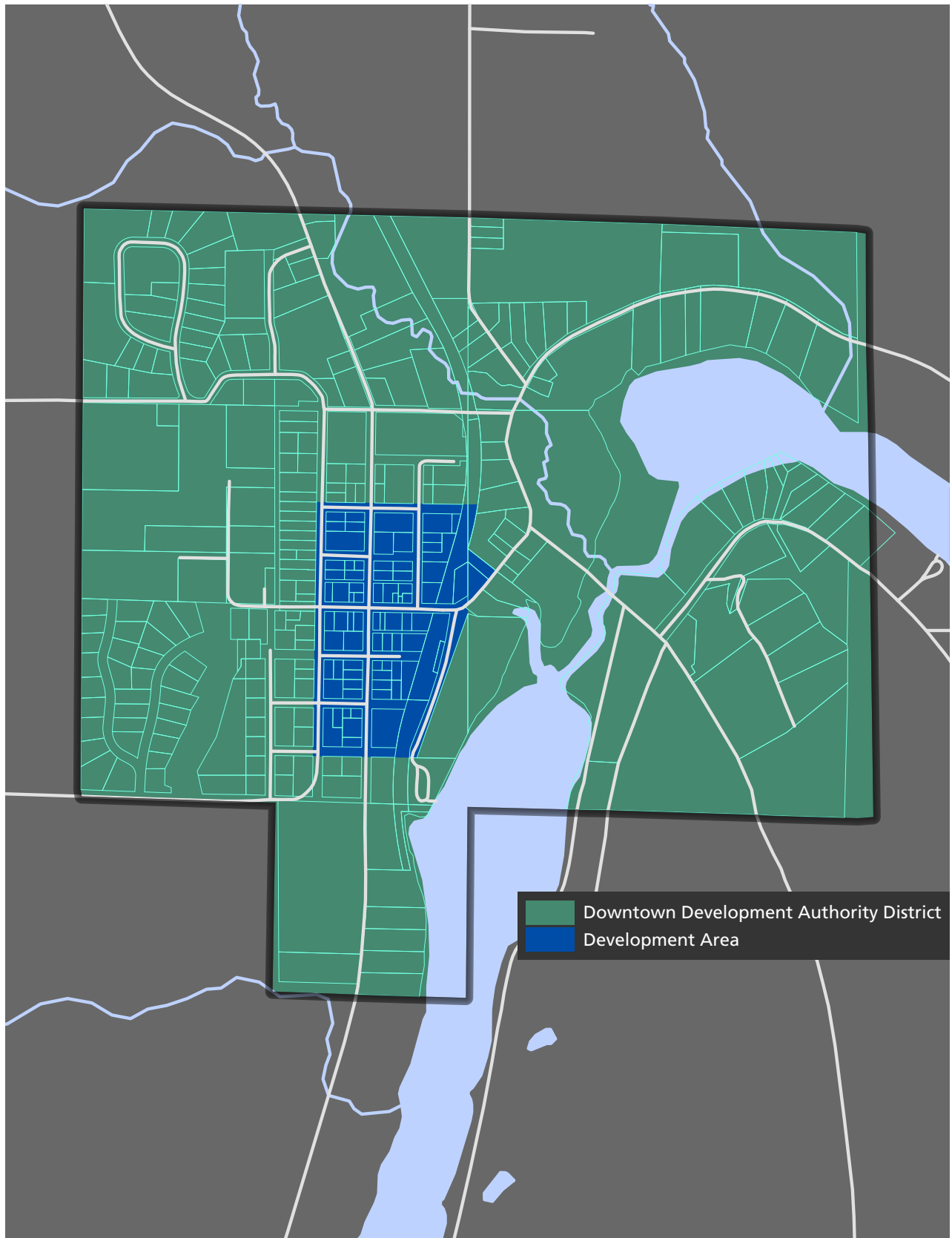
Existing land uses within the Development Area are comprised of public and private uses. Collectively, these land uses create a mixed-use, service-oriented, walkable center in the Village which constitutes the core of the business district. Residential properties radiate outward from the core, mixed along the corridors with some commercial and historic properties.

1: DDA Boundary



- Residential uses are primarily single-family homes, with some opportunities for increased density in the form of duplexes, multi-family units, and mobile homes. Duplexes are a permitted use in all residential districts within the Development Area, while multi-family units are only permitted in the Mixed Residential (R-4) district and as a permitted special use in the Village Residential District (R-3). The goal of the R-4 and R-3 districts are to carefully locate higher density housing adjacent to the Village core, enhancing opportunities for a walkable, livable, and vibrant core, while providing affordable housing and a variety of housing types.
- Commercial uses make up the business core and service area within the DDA District and Development Area, including professional, retail, and service businesses.
- There are no recreational land uses within the Development Area, but several are within the DDA District and near the Development Area, including the Ellsworth Community Park and recreation uses adjacent to Ellsworth Community Schools. There is a proposed trail system that will connect existing and future recreation properties, school properties, and the Village together, serving as a vital pedestrian and bicycling pathway. When completed, this will advance the vibrancy of the Village core area and improve walkability.
- Public facilities within the District include the Village of Ellsworth Village Hall and Banks Township Community Hall, along with the Banks Township Fire Department.
- There are a few vacant parcels located within the District. Some examples of vacant properties include the former barber shop on Center Street, the Stewart building on Center Street, and the former tool and die facility on Main Street.

2: Development Area Boundary





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

Existing land uses within the Development Area conform to current zoning designations and development patterns outlined in the adopted Master Plan of 2017. The Village of Ellsworth Master Plan is a long-range vision for the Village of Ellsworth. The plan delineates several land use classifications for the Development Area district and DDA district, including a variety of residential types, recreation and conservation areas, commercial and special tourism areas, and public uses.

### 4. Legal Description of Development Area

The DDA shall exercise its powers and duties within the Downtown Development District, being specifically described as follows:

*Beginning at the northwest intersection of right-of-way where Lincoln Street and Park Street meet, traversing south along the western extent of the Park Street right-of-way to the southern extent of the Ash Street right-of-way, traversing east along the northern edge of parcels 05-44-010-136-00 and 05-44-010-134-00, continuing east across Main Street to the northern edge of parcel 05-44-010-133-00 until the northern edge of parcel 05-44-010-141-00 intersects with the easternmost edge of right-of-way along Lake Street, then traversing northeast along this right-of-way until traversing northwest along the northern edge of parcel 05-44-013-005-00, then northeast along the eastern edges of parcels 05-44-013-006-00 and 05-44-013-011-00 until it intersects the northernmost right-of-way for Lincoln Street, coinciding with the southern edge of parcels 05-44-010-007-00 and 05-44-010-008-00, and following this right-of-way until intersecting again with the right-of-way for Park Street.*

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

Depending on infrastructure conditions and unrelated activities outside the purview of the DDA, there may be an occasion when infrastructure previously installed by the Village, such as sidewalks, may have to be replaced or repaired.

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

### *General Project Descriptions*



The Village of Ellsworth Downtown Development Authority covers the area that is encompassed by the Village limit. Projects are grouped according to several categories, reflecting on the interconnected nature of public improvements. Infrastructure, programming, redevelopment, housing, and policies all play a major role in enhancing the Development Area. Since the Development Area in Ellsworth is relatively small, and the DDA has identified priorities that are geographically diverse throughout the Village, the improvements will leave a lasting impact on the entire Village.

Continuing investments in the Town Square will be essential for supporting special events and the vibrancy of this public space. The Village plans to reinvigorate a Farmer’s Market for local vendors at the Town Square. Constructing the municipal public sanitary sewer system, installing streetscape improvements, installing new wayfinding signage and replacing old signage, and burying utility lines as opportunities arise are critical projects for the DDA to support. These will advance Ellsworth as a destination with a commitment to cultivate public spaces.

Proper programming and outreach efforts will spark interest to energize young populations and capitalize on the community’s identity. Promoting the historical society by programming walking tours and new events and simultaneously attracting farmers to participate in the seasonal farmers market will act as catalyst for Village activity.

Redevelopment efforts are vital for the long-term success of the community and Development Area. As top priority, the DDA is committed to assisting the Village in its Redevelopment Ready Communities® certification process, elevating the Village for grant and funding opportunities and providing a proper planning foundation for years to come. Attracting young and new entrepreneurs to the community through exploration of a retail incubator program while marketing vacant and underutilized buildings will bring new business and adaptive reuse opportunities. The DDA intends to explore and compile financing options for rehabilitation through the Michigan State Housing Development Authority (MSHDA) with a focus on supporting mixed use development in existing downtown buildings. In addition, the DDA would like to connect potential new investors with grants and other financial incentives to support new businesses.

As the population in Ellsworth ages, it will be imperative to plan for new housing types to accommodate this demographic transition. The DDA plans to work alongside developers on senior housing developments and seek out financing opportunities for blight elimination in residential areas. These two tasks, when combined, can open some exciting new opportunities for housing projects through the Development Area.

3: Project Table

Project No.	Project Description	Cost	Priority
<b>Public Infrastructure</b>			
1	Continue investments in the Town Square to support special events and civic activity (pavilion, bathrooms, electric)	TBD	High
2	Install wayfinding signage to connect visitors with recreational amenities and retail and dining opportunities. Includes replacement and expansion of the Breezeway signs and new signs for non-motorized connections.	\$21,000	Medium
3	Install streetscape improvements downtown including lighting, sidewalk upgrades, and street trees	TBD	High
4	Design, finance, and construct the Village’s public sanitary sewer system, beginning with the downtown core.	TBD	High
5	Consolidate and bury public utility lines as opportunities arise.	\$450,000	Low
<b>Programs &amp; Outreach</b>			
6	Attract local Farmer’s to participate as vendors in a regular seasonal Farmer’s Market in the Village.	\$1,000	High
7	Promote the Historical Society with walking tours and new promotional outreach and events.	\$5,000	Medium
<b>Redevelopment &amp; Business Development</b>			
8	Continue to work towards getting Redevelopment Ready Certified through the Michigan Economic Development Corporation (MEDC).	\$50,000	High
9	Explore a retail incubator program that would support new business ventures by residents and attract younger entrepreneurs to the community.	\$1,500	Medium
10	Actively market vacant and underutilized buildings to support redevelopment and adaptive reuse.	\$25,000	High
11	Connect potential new investors with grants and other financial incentives to support new businesses such as a tea room, gift shop, etc.	\$1,000	Low
12	Explore financing for rehabilitation through MSHDA for mixed use development in existing buildings downtown.	\$2,500	Low
<b>Community Housing</b>			
13	Support and collaborate with potential developers on senior housing developments to respond to an aging population.	\$3,000	Medium
14	Look for financing opportunities to support blight elimination in residential areas.	\$1,000	High
<b>Plans &amp; Policies</b>			
15	Update zoning to support mixed use development options	\$1,000	High
		<b>\$562,000</b>	

### *Village Capital Improvements Program (CIP) and Development Area Projects*

A number of projects proposed in this Development Plan are additionally outlined in the Village of Ellsworth Capital Improvements Program (CIP), adopted in 2018 and spanning 2018 through 2023. To coordinate among the two documents, details are provided below that encompass projects referenced in Table 3 and their relationship to the CIP.

The Village CIP makes capital spending more predictable and transparent. While it does not address all capital expenditures, it does provide for the large, physical improvements that are permanent in nature or represent major equipment purchases that have high cost and a longer useful life. It echoes many of the projects identified in this Development Plan and represents a significant amount of work regarding an existing conditions inventory and the related goals set by the Village. Details for several projects are outlined below:

- The sanitary sewer system is the first project listed, along with a high priority and a cost that will be determined following the results of the Engineering Feasibility Study. The system will be essential in meeting county and state code compliance for new businesses. The Village is optimistic that grants and loans from the USDA will help pay for the system.
- A free-standing shelter gazebo, large enough to serve as a bandstand for entertainment, picnics, and public events is planned for the community square in phase two of improvements. It is expected to cost \$30,000 dollars and last for 30 years.
- In phase three of community square improvements, a double restroom building of masonry block and wood is planned, following the installation of the sanitary sewer in the downtown area. It will cost approximately \$95,000 dollars and last at least 25 years.
- A universal kayak launch is planned at Community Park, costing \$30,000 dollars, will be installed and financed through the MDNR Trust Fund.
- Sidewalk repairs are planned for several blocks in the Development Area, which should last at least 40 years and will support non-motorized infrastructure needs. They will in part be funded by the Rural Task Force Program.
- Repaving has been identified on Center Street / Lake Street and along Essex Road leading into the downtown area. With a lifespan of 40 years, this will leave a lasting impact on the gateways to the downtown area and the overall image of the development area. With a projected cost of \$82,000 dollars, it is expected to receive funds from the Rural Task Force Program.
- The design and installation of wayfinding signage for 10 directional / informational signs will enforce community branding and the image of Ellsworth.





*Improved pedestrian crosswalks and greenspaces in Ellsworth are excellent placemaking initiatives for the Village*



## 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 the Development Area is outlined based on a prioritization of projects and programs by the DDA. The completion timeframe will vary depending on the form of capital funding. If the DDA elects a pay-as-you-go approach, then the timeframe to complete the projects identified will be spread out over many fiscal years. On the other hand, if the DDA elects to utilize a limited general obligation bond issued through the Village then the timeframe for several projects will be accelerated.

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

In reference to the public improvements outlined, open space within the DDA District and Development Area will be confined to right-of-ways, plazas, and parks within the District. Existing park property in the DDA district and Development Area will remain as open space.

## 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.

There are no parcels at this time that the DDA plans to acquire, sell, donate, exchange, or lease, as part of this Development Plan.

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

### Zoning

Below is a list of zoning districts that are within the DDA boundary. Please refer to the Village Zoning Map illustrates the location and extent of each zoning district within the DDA boundary.

- R-1: Low Density Residential District
- R-2 General Residential District
- R-3 Village Residential District
- R-4 Mixed Residential District
- C-1: Village Commercial District
- C-2: General Commercial District
- PUD: Planned Unit Development
- BOD: Breezeway Overlay District

Promoting mixed use developments, senior housing, and retail incubator spaces are identified as priorities by members of the DDA. To administratively support these developments, it is critical to ensure the zoning ordinance is equally supportive of these uses.

4: Estimated Time of Completion by Project Table

Public Infrastructure			
Project Number	Short Term (1-5 yrs.)	Mid Term (6-10 yrs.)	Long Term (10+ yrs.)
1			
2			
3			
4			
5			
Programs & Outreach			
6			
7			
Redevelopment & Business Development			
8			
9			
10			
11			
12			
Community Housing			
13			
14			
Plans & Policies			
15			

# WAYFINDING & PLACEMAKING OPPORTUNITIES

## Pedestrians and Trail Users



To the left are examples of pedestrian scale wayfinding signage directing trail users to community amenities. Pictured from left: City of Utica and City of Kalamazoo.

Below are examples of wayfinding signage designed for slow moving vehicles in the Central Business District. Pictured from left: City of Ann Arbor, City of Chelsea, and the City of Northville.

## Central Business District



## Destinations of Interest & Placemaking

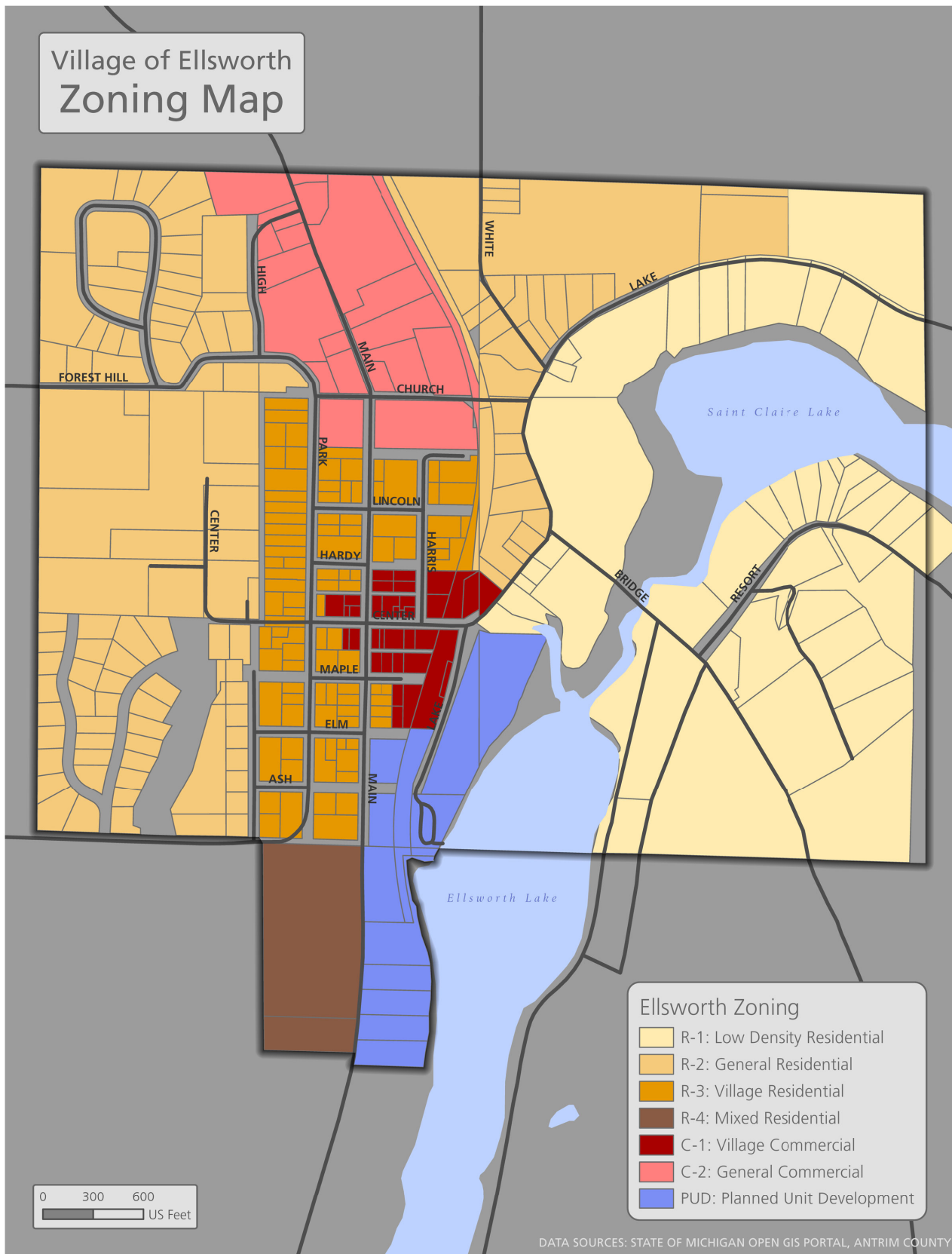


A sign highlighting locations of key shopping and recreation destinations in Downtown Petoskey.



A public fountain in Northville, Michigan that serves as a public gathering space and contributes to the overall sense of place in downtown Northville.

5: Village Zoning Map



The existing ordinance allows for some higher density and senior housing options, depending on the specific residential district. Senior citizen housing facilities are permitted by special approval in the Low Density Residential (R-1) district, and nursing homes are permitted by special approval in the all other residential districts (R-1 through R-4). Although the existing ordinance allows for some flexibility regarding senior housing options, there are opportunities for improvement; senior citizen housing facilities could be expanded as a special use permit in the Village Residential (R-3) district and as a use by right in the General Residential (R-2) district. Access to a sanitary sewer is an important consideration for higher density and multi-unit developments.

With mixed use developments and innovative retail spaces considered priorities by DDA members, the zoning ordinance should reflect this effort to ensure these uses can be located in the appropriate districts. The Village Commercial district (C-1) allows by special approval residential dwellings on the second floor of commercial structures. This use could be expanded to the R-2 and R-3 districts, allowing for mixed-use developments in the residential areas that specifically border the Village Commercial (C-1) district. An overlay could be created and adopted that would specify the particular adjacent areas to C-1 as a means to control the location of these developments.

Additionally, the zoning ordinance should be updated to allow incubator retail spaces. An opportunity to update the definition for “Temporary Building and Use” to include language geared at incubator retail spaces, or to craft a new definition, would be appropriate. The Village Commercial (C-1) district would be a suitable location for such uses.

### *Streets, Street Levels, and Intersections*

A long-term goal of the Ellsworth Development Area is to bury utility lines whenever the opportunity arises, which will improve the visual aesthetic of the streetscapes in the community. The DDA members also desire to update sidewalk infrastructure which will benefit the connectivity and walkability of the Development Area while potentially improving the conditions of existing intersections.

### *Utilities*

Regarding utilities, the Village of Ellsworth desires the installation of a sanitary sewer system throughout the District. Listed as an action needed in the Ellsworth and Atwood Strategic Plan, developing sanitary sewer infrastructure is a preference of the community and the DDA has expressed support of this endeavor.

## **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 within the Development Area. The amount of the funding will be predicated on the stability of the taxable valuation base of the downtown area and the extent of new future redevelopment and rehabilitation projects. Sources of funding may include tax increment revenues on a “pay-as-you-go” basis, the issuance of bonds by the DDA or Village and other sources approved by the Village in accordance with the Act 57.



**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 pursuant to this Development Plan will remain in public ownership for the public benefit.

**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.**

At present there are no agreements for property conveyance between the Village of Ellsworth, Ellsworth DDA or any person(s), natural or corporation. The Development Plan utilizes a voluntary acquisition strategy to acquire property within the Development Area. Acquisition of such property would be on a negotiated basis between the Downtown Development Authority and the interested party.

Any such sale, lease or exchange shall be conducted by the DDA pursuant to requirements specified in Act 57 with the consent of the Village Council. If needed, more detailed procedures will be developed prior to the transactions, in accordance with applicable Village 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.**

Because estimates show approximately 105 persons live within the Development District, and very little has changed from a housing perspective, a Citizen’s Council was formed pursuant to Act 57, and they will have the opportunity to review and comment on the various projects and overall plan. The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within the DDA District and Development Area.

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

The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families. As a result, a plan for compliance Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is not addressed.

## **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.**

The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families. As a result, a plan for compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is not addressed.

## **17. A Plan for compliance with Act 227 of the Public Acts of 1972.**

Act 227 of Public Acts of 1972 is an Act to provide financial assistance; advisory services and reimbursement of certain expenses to persons displaced from real property or deprived of certain rights in real property. This Act requires procedures and policies comparable to the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Because the Development Plan does not require the acquisition of property and displacement of persons a plan for compliance with Act 227 is not addressed.





# 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 (aa), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.
- B. "Assessed value" means 1 of the following:
- 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 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 (aa). In the case of a municipality having a population of less than 35,000 that established an authority prior to 1985, created a district or districts, and approved a development plan or tax increment financing plan or amendments to a plan, and which plan or tax increment financing plan or amendments to a plan, and which plan expired by its terms December 31, 1991, the initial assessed value for the purpose of any plan or plan amendment adopted as an extension of the expired plan shall be determined as if the plan had not expired December 31, 1991. For a development area designated before 1997 in which a renaissance zone has subsequently been designated pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, the initial assessed value of the development area otherwise determined under this subdivision shall be reduced by the amount by which the current assessed value of the development area was reduced in 1997 due to the exemption of property under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, but in no case shall the initial assessed value be less than zero.
- 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, 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:

- iii. 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 part.
- iv. 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.
- v. 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 203(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:
    - 1. The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.
    - 2. The Art Institute Authorities Act, 2010 PA 296, MCL 123.1201 to 123.1229.
    - 3. Except as otherwise provided in section 203(3), ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016.
    - 4. 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 214(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):

- e. 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.
- f. The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (2) or (5).

5. Tax increment revenues include ad valorem property taxes and specific local taxes, in an annual amount and for each year approved by the state treasurer, attributable to the levy by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and by local or intermediate school districts, upon the captured assessed value of real and personal property in the development area of an authority established in a city with a population of 600,000 or more to pay for, or reimburse an advance for, not more than \$8,000,000.00 for the demolition of buildings or structures on public or privately owned property within a development area that commences in 2005, or to pay the annual principal of or interest on an obligation, the terms of which are approved by the state treasurer, issued by an authority, or by a city on behalf of an authority, to pay not more than \$8,000,000.00 of the costs to demolish buildings or structures on public or privately owned property within a development area that commences in 2005.

6. Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the levy by this state under the state education tax act, 1993 PA 331, MCL 211.201 to 211.906, and by local or intermediate school districts which were levied on or after July 1, 2010, upon the captured assessed value of real and personal property in the development area of an authority established in a city with a population of 600,000 or more to pay for, or reimburse an advance for, costs associated with the land acquisition, preliminary site work, and construction of a catalyst development project.



## 2. Purpose of the Tax Increment Financing Plan

The Village of Ellsworth Downtown Development Authority District was established pursuant to ordinance to improve the public realm, preserve historical structures, support new business growth, and retain existing businesses. In order to halt property tax value deterioration, increase property tax valuations, and facilitate the overall economic growth of its business district, it was 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 57 Public Acts of Michigan, 2018 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 Village of Ellsworth 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 Village of Ellsworth deems it to be in the best interest of the Village and the Downtown Development District to develop and adopt a Development Plan and Tax Increment Financing Plan for the Downtown Development District area.

### 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. If tax increment revenues increase, they may be used on projects and programs that have been identified in the adopted Development Plan. 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 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”) or base year value. 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 is not allowed.

The Village of Ellsworth Downtown Development Authority at a future date will enter into a tax sharing agreement with Antrim County.

### 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 Village of Ellsworth, Banks Township, Banks Township Fire & Rescue Authority, 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 2018 state taxable valuations on real property and on all non-exempt parcels within that portion of the Development Area as of December 31, 2016. The Initial Assessed Valuation of the Authority is set forth below.
- b. The anticipated Captured Taxable Value is equivalent to the annual total taxable

<b>2018 Taxable Valuations</b>
<b>\$1,436,869</b>

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. From years 2018 through 2048 the growth rate is forecasted at 1.50% based on current taxable valuation growth trends. A more detailed depiction of the Captured Taxable Valuations can be found in Tables 7 and 8.



- c. If the Village proceeds with the implementation of a sanitary sewer collection and treatment system for the Phase 1 area (downtown and Village core) it is likely that vacant or underutilized commercial buildings will be redeveloped and revitalized. Currently, many of these properties cannot meet health department guidelines for on-site septic systems which has exacerbated their devaluation and reuse.
- d. 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 it to the DDA to use for purposes outlined in the development plan. A review of the 2018 millage rates for all Local Taxing Jurisdictions in the development area is as set forth in Table 7.

6: Anticipated Captured Taxable Valuation

Real and Personal Property						
Year	FY Jan - Dec	Tax Role Assessment Date	Initial Base Valuation	Annual Taxable Growth	Forecasted Valuation	Annual Captured Valuation
0	2018	12-31-17	\$1,436,869	1.50%		
1	2019	12-31-18		1.50%	\$1,458,422	\$21,553
2	2020	12-31-19		1.50%	\$1,480,298	\$43,429
3	2021	12-31-20		1.50%	\$1,502,503	\$65,634
4	2022	12-31-21		1.50%	\$1,525,040	\$88,171
5	2023	12-31-22		1.50%	\$1,547,916	\$111,047
6	2024	12-31-23		1.50%	\$1,571,135	\$134,266
7	2025	12-31-24		1.50%	\$1,594,702	\$157,833
8	2026	12-31-25		1.50%	\$1,618,622	\$181,753
9	2027	12-31-26		1.50%	\$1,642,902	\$206,033
10	2028	12-31-27		1.50%	\$1,667,545	\$230,676
11	2029	12-31-28		1.50%	\$1,692,558	\$255,689
12	2030	12-31-29		1.50%	\$1,717,947	\$281,078
13	2031	12-31-30		1.50%	\$1,743,716	\$306,847
14	2032	12-31-31		1.50%	\$1,769,872	\$333,003
15	2033	12-31-32		1.50%	\$1,796,420	\$359,551
16	2034	12-31-33		1.50%	\$1,823,366	\$386,497
17	2035	12-31-34		1.50%	\$1,850,716	\$413,847
18	2036	12-31-35		1.50%	\$1,878,477	\$441,608
19	2037	12-31-36		1.50%	\$1,906,654	\$469,785
20	2038	12-31-37		1.50%	\$1,935,254	\$498,385
21	2039	12-31-38		1.50%	\$1,964,283	\$527,414
22	2040	12-31-39		1.50%	\$1,993,747	\$556,878
23	2041	12-31-40		1.50%	\$2,023,653	\$586,784
24	2042	12-31-41		1.50%	\$2,054,008	\$617,139
25	2043	12-31-42		1.50%	\$2,084,818	\$647,949
26	2044	12-31-43		1.50%	\$2,116,091	\$679,222
27	2045	12-31-44		1.50%	\$2,147,832	\$710,963
28	2046	12-31-45		1.50%	\$2,180,050	\$743,181
29	2047	12-31-46		1.50%	\$2,212,750	\$775,881
30	2048	12-31-47		1.50%	\$2,245,942	\$809,073

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. Revenues captured will be used to accomplish projects in the Development Area outlined in Table 3.

7: Anticipated Millage To Be Captured

Local Unit of Government	Millage Rate
Village of Ellsworth	12.2439
Banks Township	1.9878
Fire Authority	1.1000
Antrim County	0.0000
<b>Total</b>	<b>15.3317</b>

8: Anticipated Captured Revenue

Year	FY Jan - Dec	Village of Ellsworth	Banks Township	Fire Authority	Antrim County	Annual Captured Revenue	Total Captured Revenue
0	2018						
1	2019	\$264	\$43	\$24	–	\$330	\$330
2	2020	\$532	\$86	\$48	–	\$666	\$996
3	2021	\$804	\$130	\$72	–	\$1,006	\$2,003
4	2022	\$1,080	\$175	\$97	–	\$1,352	\$3,354
5	2023	\$1,360	\$221	\$122	–	\$1,703	\$5,057
6	2024	\$1,644	\$267	\$148	–	\$2,059	\$7,115
7	2025	\$1,932	\$314	\$174	–	\$2,420	\$9,535
8	2026	\$2,225	\$361	\$200	–	\$2,787	\$12,322
9	2027	\$2,523	\$410	\$227	–	\$3,159	\$15,481
10	2028	\$2,824	\$459	\$254	–	\$3,537	\$19,017
11	2029	\$3,131	\$508	\$281	–	\$3,920	\$22,938
12	2030	\$3,441	\$559	\$309	–	\$4,309	\$27,247
13	2031	\$3,757	\$610	\$338	–	\$4,704	\$31,951
14	2032	\$4,077	\$662	\$366	–	\$5,105	\$37,057
15	2033	\$4,402	\$715	\$396	–	\$5,513	\$42,569
16	2034	\$4,732	\$768	\$425	–	\$5,926	\$48,495
17	2035	\$5,067	\$823	\$455	–	\$6,345	\$54,840
18	2036	\$5,407	\$878	\$486	–	\$6,771	\$61,611
19	2037	\$5,752	\$934	\$517	–	\$7,203	\$68,813
20	2038	\$6,102	\$991	\$548	–	\$7,641	\$76,454
21	2039	\$6,458	\$1,048	\$580	–	\$8,086	\$84,541
22	2040	\$6,818	\$1,107	\$613	–	\$8,538	\$93,078
23	2041	\$7,185	\$1,166	\$645	–	\$8,996	\$102,075
24	2042	\$7,556	\$1,227	\$679	–	\$9,462	\$111,537
25	2043	\$7,933	\$1,288	\$713	–	\$9,934	\$121,471
26	2044	\$8,316	\$1,350	\$747	–	\$10,414	\$131,884
27	2045	\$8,705	\$1,413	\$782	–	\$10,900	\$142,785
28	2046	\$9,099	\$1,477	\$817	–	\$11,394	\$154,179
29	2047	\$9,500	\$1,542	\$853	–	\$11,896	\$166,074
30	2048	\$9,906	\$1,608	\$890	–	\$12,404	\$178,479
	<b>Total</b>	<b>\$142,533</b>	<b>\$23,140</b>	<b>\$12,805</b>	<b>\$0</b>	<b>\$178,479</b>	<b>\$178,479</b>

## 7. Use of Captured Revenues

Revenues captured through this Tax Increment Plan will be used to finance those improvements and projects outlined in Table 3 and Table 6 of the Development Plan in accordance with procedures specified in this Plan.

Captured revenues, either a portion of or entirely, may be used for the following:

- Finance current financial obligations of DDA;
- Maintenance of streetscape, public parking lots, parks, and pedestrian plazas;
- Pay for costs incurred by the Village/DDA in implementing both the Development Plan and the Tax Increment Financing Plan;
- Marketing, promotions, and events costs;
- Capital projects located outside the Development Area which, if funded by the DDA, meet the goals and objectives of the Development Plan, provide greater connectivity and activity to the business district, and strengthen the downtown development district;



- 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. Table 9 enumerates the forecasted “uses” of the tax increment revenue and the amount available for capital projects.

The amount available for capital improvements will increase as the valuations in the district increase above the forecasted assumptions and with the implementation of new development not incorporated in the forecast. For every \$1,000,000 of added valuation, the tax increment revenues will increase by \$20,713.

9: Revenues Available for Capital Projects

Year	FY Jan - Dec	Accumulated Net Captured Revenue
0	2018	
1	2019	\$330
2	2020	\$996
3	2021	\$2,003
4	2022	\$3,354
5	2023	\$5,057
6	2024	\$7,115
7	2025	\$9,535
8	2026	\$12,322
9	2027	\$15,481
10	2028	\$19,017
11	2029	\$22,938
12	2030	\$27,247
13	2031	\$31,951
14	2032	\$37,057
15	2033	\$42,569
16	2034	\$48,495
17	2035	\$54,840
18	2036	\$61,611
19	2037	\$68,813
20	2038	\$76,454
21	2039	\$84,541
22	2040	\$93,078
23	2041	\$102,075
24	2042	\$111,537
25	2043	\$121,471
26	2044	\$131,884
27	2045	\$142,785
28	2046	\$154,179
29	2047	\$166,074
30	2048	\$178,479
<b>Total</b>		<b>\$178,479</b>



## 8. Duration of the Program

The 2018 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 but in any event no longer than 30 years (2048) from the effective date of adoption of the TIFA plan.

## 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 affected 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.

10: Forecasted Revenue by Source

Local Unit of Government		
Village of Ellsworth	59.11%	\$142,533
Banks Township	9.60%	\$23,140
Fire Authority	5.31%	\$12,805
Antrim County	25.98%	\$62,648
Net Capture to DDA		\$241,127

## 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 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:

- d. Real property is based on an annual growth rate of 1.50% for 30 years.
- e. Costs provided for the various development projects enumerated in Table 3 and Table 4 are estimated costs in 2018 dollars. Final costs are determined after the Authority authorizes final designs and will vary depending on the year authorized.

## 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. Agreements Between Downtown Development Authority and other Development Authorities

The Downtown Development Authority has not entered into any agreements with other development authorities at this time.



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

As discussed in the Development Plan, the revitalization and preservation 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 planned program.

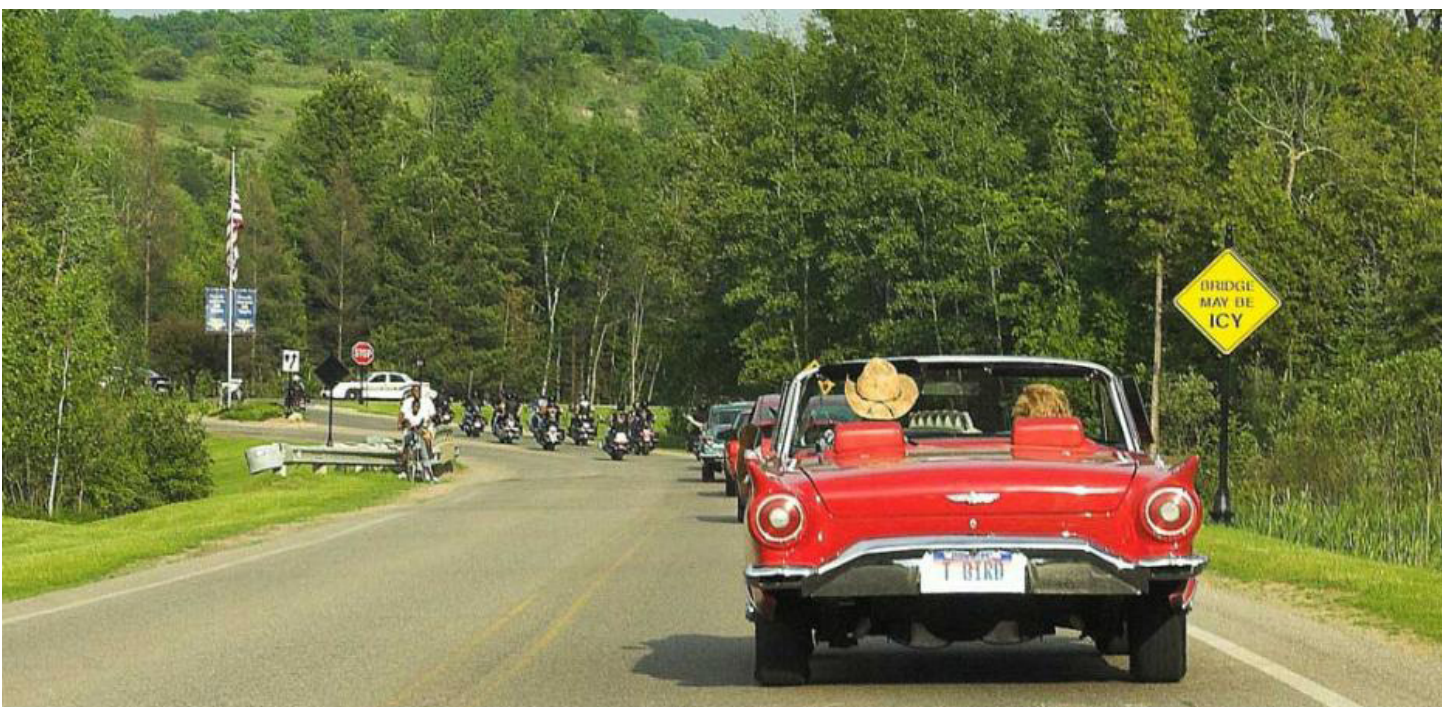
## 15. Relationship to Community Master Plan

The Development Plan indicates the need to revitalize the business areas of the community and support economic development, which is an integral component of the community's redevelopment success and overarching 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.

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

The Recodified Tax Increment Financing Act, 2018 PA 57 ("Act 57") was signed by Gov. Rick Snyder on March 15, 2018. It consolidates the legislative authority to create and operate tax increment authorities into a single statute and repeals the Downtown Development Authority Act (1975 PA 197). Authorities created under Act 197 before Act 57 goes into effect will not be subject to the new legislation, with the exception of new reporting requirements. The initial reporting requirement occurs within 90 days of Act 57's effective date of Jan. 1, 2019, when each authority must send Treasury a copy of, or an email link to, its currently adopted development plan or its currently adopted tax increment finance plan. Act 57 also requires an authority to submit a comprehensive annual report to Treasury and the governing bodies of its related municipality and of each taxing unit levying taxes subject to capture by the authority. Further, the report shall be published in a newspaper of general circulation.



# APPENDIX A

## ORDINANCE NO. 01142019

### APPROVING THE DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN FOR THE ELLSWORTH DOWNTOWN DEVELOPMENT AUTHORITY

An Ordinance to approve the Village of Ellsworth, County of Antrim, State of Michigan Amended and Restated Downtown Development Authority Development Plan and Tax Increment Financing Plan.

WHEREAS, the Ellsworth Downtown Development Authority (the "Authority") has prepared and recommended for approval the Village of Ellsworth Development Plan and Tax Increment Financing Plan (the "Plan") for the Development Area in the Downtown District within the Village of Ellsworth (the "Village"); and

WHEREAS, on 1/14/2019 the Village Council held a public hearing on the Plan for the Authority's Development Area in the Downtown District pursuant to Act 57, Public Acts of Michigan, 2018, as amended (the "Act"); and,

WHEREAS, the Village Council has given the taxing jurisdictions in which the Development Area is located an opportunity to meet with the Village and to express their views and recommendations regarding the Plan, as required by the Act.

NOW, THEREFORE, THE VILLAGE OF ELLSWORTH ORDAINS:

1. Findings.

- a. The Development Plan portion of the Plan meets the requirements set forth in section 217(2) of the Act, and the Tax Increment Financing Plan portion of the Plan meets the requirements set forth in section 214(1) of the Act.
- b. The proposed method of financing the development is feasible, and the Authority has the ability to arrange the financing.
- c. The development is reasonable and necessary to carry out the purposes of the Act.
- d. Any land included within the Development Area to be acquired is reasonably necessary to carry out the purposes of the Act.
- e. The Development Plan portion of the Plan is in reasonable accord with the master plan of the Village.
- f. Public services, such as fire and police protection and utilities, are or will be adequate to service the Development Area.
- g. Changes in zoning, streets, street levels, intersections, and utilities, to the extent required by the Plan, area reasonably necessary for the Plan and for the Village.

2. Public Purpose. The Village Council hereby determines that the Plan constitutes a public purpose.
3. Best Interest of the Public. The Village Council hereby determines that it is in the best interests of the public to halt property value deterioration, increase property tax valuation, eliminate the causes of the deterioration in property values, and to promote growth in the Downtown District to proceed with the Plan.
4. Approval and Adoption of Plan. The Plan is hereby approved and adopted. A copy of the Plan and all later amendments thereto shall be maintained on file in the Clerk's Office.
5. Conflict and Severability. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of the Ordinance are to the extent of such conflict hereby repealed, and each section is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of the Ordinance.
6. Paragraph Headings. The paragraph headings in this Ordinance are furnished for convenience or reference only and shall not be considered to be a part of the Ordinance.
7. Publication and Recordation. The Ordinance shall be published in full promptly after its adoption in a newspaper of general circulation in the Village, qualified under State law to publish legal notices, and shall be recorded in the Ordinance Book of the Village, which recording shall be authenticated by the signature of the Clerk.
8. Effective Date. The ordinance is hereby determined by the Village Council to be immediately necessary for the interests of the Village and shall be in full force and effect from and after its passage and publication as required by law.

Passed and adopted by the Village Council of the Village of Ellsworth, County of Antrim, State of Michigan, on 1-14-2020

AYES: Campbell, Boss, Sowers, Spearing  
McCallum, Stewart, Rasmussen

NAYS: Ø

ABSENT: Ø

ORDINANCE DECLARED ADOPTED:

Marlene Drenth 01/14/2019  
Marlene Drenth, Clerk Date

I hereby certify that the foregoing is a true and complete copy of the resolution adopted by the Village Council of the Village of Ellsworth, County of Antrim, State of Michigan at a Regular Meeting held on 1-14- 2020 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Marlene Drenth 01/14/2019  
Marlene Drenth, Clerk Date

VILLAGE OF ELLSWORTH DOWNTOWN  
DEVELOPMENT AUTHORITY  
ORDINANCE NUMBER 2 of 2016

An ordinance to establish a Downtown Development Authority pursuant to Act 197 of the Public Acts of 1975 as amended; to describe the boundaries of the downtown district; to provide for the appointment of a board to govern the Authority; and to provide for all other matters necessary and related thereto.

THE VILLAGE OF ELLSWORTH ORDAINS:

- Section 1. **DETERMINATION OF NECESSITY.** The Village of Ellsworth Council hereby ratifies its earlier determination that it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation of the deterioration and increase property tax valuation where possible in its business district, to eliminate the cause of the deterioration, and to promote economic growth by establishing a Downtown Development Authority.
- Section 2. **CREATION OF AN AUTHORITY.** There is hereby created a Downtown Development Authority for the Village of Ellsworth, Antrim County, Michigan. The Authority shall be a public body corporate and shall be known and exercise its powers under the name of the Downtown Development Authority of the Village of Ellsworth.
- Section 3. **POWERS AND DUTIES:** The Authority shall develop whatever plans are appropriate, in the opinion of the Village Council, to aid in the economic growth of the Downtown District. Once the plans are approved by the Ellsworth Village Council, the Authority shall implement the plans for development in the Downtown district so as to best achieve the goals set by the Ellsworth Village council consistent with the purposes of the enabling act. The Authority shall also have powers and duties as set forth in Act 197 of 1975 as amended.
- Section 4. **BOUNDARIES:** The Downtown Development Authority of the Village of Ellsworth shall exercise its powers and duties within the Downtown district described as follows:
- The entire Village of Ellsworth as established at the time of the passage of this ordinance.
- Section 5. **GOVERNING BOARD:** The Authority shall be under the supervision and control of a board as provided for in Act 197 of 1975 as amended. The board shall consist of nine (9) members, which shall include the Village president. Members shall be appointed by the President of the Village, subject to approval by the Village Council. Not less than a majority of the members shall be persons having an interest in property located in the Downtown district. Not less than one of the members shall be a resident of the Downtown district, if the downtown district has one hundred (100) or more persons residing within it. Of the members first appointed, an equal number of the members, as near as practicable, shall be appointed for one year, two years, three years, and four years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of four (4) years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only.
- Or, the Village of Ellsworth, because it has less than 5,000 population, may have the municipality's planning commission created pursuant to former 1931 PA 285 or the Michigan Planning Enabling Act, 2008 PA 33, MCL 125.3801 to 125.3885, serve as the Governing Board.
- Section 6. **DIRECTOR'S BOND:** If the board of the Authority employees a director, the bond required to be furnished by the director shall be in the: penal sum of \$25,000.00, payable to the Authority for use and benefit of the Authority and filed with the Ellsworth Village Clerk.
- Section 7. **TERMINATION:** The Downtown Authority, upon completion of the purposes for it has been organized shall be dissolved by ordinance shall be held to be invalid, the invalidity of such provision shall not affect any other provision, and for this purpose the provisions of this ordinance are severable.

The undersigned President and Clerk of the Village of Ellsworth hereby certify that this Ordinance was duly adopted by Ellsworth Village Council at a meeting held on October 10, 2016 and was published in the local newspaper of general circulation. This ordinance shall have immediate effect upon said date of publication.

  
\_\_\_\_\_  
Hugh Campbell, Village President

  
\_\_\_\_\_  
Marlene Drenth, Village Clerk

# APPENDIX B

## 11: Development Area Properties

Parcel_No	Property Address
05-44-010-070-00	6536 CENTER ST
05-44-010-076-00	6516 CENTER ST
05-44-010-075-00	6518 CENTER ST
05-44-010-070-10	
05-44-010-086-00	6519 CENTER ST
05-44-010-071-00	6526 CENTER ST
05-44-010-123-00	6337 ELM ST
05-44-010-078-00	6514 CENTER ST
05-44-010-057-00	6627 HARDY ST
05-44-010-056-00	9283 MAIN ST
05-44-010-048-00	9312 HARRIS ST
05-44-010-107-00	
05-44-010-106-00	
05-44-010-089-00	6537 CENTER ST
05-44-010-069-00	9248 PARK ST
05-44-010-072-00	9235 MAIN ST
05-44-010-124-00	6333 ELM ST
05-44-010-077-00	
05-44-010-073-00	9234 MAIN ST
05-44-010-131-00	9047 MAIN ST
05-44-010-100-00	9136 MAIN ST
05-44-010-047-00	9320 HARRIS ST
05-44-010-101-00	
05-44-010-032-00	6773 LINCOLN ST
05-44-010-052-00	
05-44-010-059-00	
05-44-010-112-00	6441 MAPLE ST
05-44-010-105-00	6423 MAPLE ST
05-44-010-058-00	9265 MAIN ST
05-44-010-118-00	9119 MAIN ST
05-44-010-054-00	9284 MAIN ST
05-44-010-060-00	
05-44-010-108-00	9132 MAIN ST
05-44-010-122-00	
05-44-010-120-00	9120 MAIN ST
05-44-010-055-00	9268 MAIN ST
05-44-010-023-00	
05-44-010-091-00	6539 CENTER ST
05-44-010-102-00	6426 MAPLE ST

Parcel_No	Property Address
05-44-010-081-00	6511 CENTER ST
05-44-010-092-00	6541 CENTER ST
05-44-010-030-00	6763 LINCOLN ST
05-44-010-087-00	6517 CENTER ST
05-44-010-110-00	9137 MAIN ST
05-44-010-080-00	6509 CENTER ST
05-44-010-125-00	9073 MAIN ST
05-44-010-098-00	9254 PARK ST
05-44-010-051-00	9278 HARRIS ST
05-44-010-127-00	6341 ELM ST
05-44-013-004-00	
05-44-010-088-00	6535 CENTER ST
05-44-010-033-00	9334 PARK ST
05-44-010-031-00	9333 MAIN ST
05-44-010-119-00	6336 ELM ST
05-44-010-053-00	9271 HARRIS ST
05-44-010-111-00	
05-44-010-109-00	6437 MAPLE ST
05-44-010-121-00	9106 MAIN ST
05-44-010-126-00	6339 ELM ST
05-44-010-074-00	6520 CENTER ST
05-44-010-082-00	6513 CENTER ST
05-44-014-032-40	9135 LAKE ST
05-44-014-032-30	9251 LAKE ST
05-44-010-099-00	6436 MAPLE ST
05-44-010-117-00	6340 ELM ST
05-44-010-079-00	6508 CENTER ST
05-44-013-005-00	9273 LAKE ST
05-44-010-103-00	
05-44-010-040-00	9303 MAIN ST
05-44-010-132-00	
05-44-010-104-00	
05-44-014-032-10	6927 CENTER ST
05-44-010-025-00	9332 HARRIS ST
05-44-010-045-00	9307 HARRIS ST
05-44-010-041-00	6612 HARDY ST
05-44-010-049-00	9304 HARRIS ST
05-44-010-027-01	6741 LINCOLN ST