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**BOYNE CITY**  
**LOCAL DEVELOPMENT FINANCE AUTHORITY**

Monday, September 12, 2016—following the EDC meeting at City Hall  
364 N. Lake St., Boyne City, MI 49712

- 1. CALL MEETING TO ORDER**
- 2. ROLL CALL**  
Excused Absences
- 3. READING AND APPROVAL OF MINUTES**  
Approval of August 8, 2016 meeting minutes
- 4. HEARING CITIZENS PRESENT (ON NON-AGENDA ITEMS)**
- 5. CORRESPONDENCE**
- 6. REPORTS OF OFFICERS, BOARDS, AND STANDING COMMITTEES**
- 7. UNFINISHED BUSINESS**
  - a. LDFA Plan Update with Mac McClelland, Consulting Engineer with Otwell Mawby – projects and cost estimates
  - b. Other
- 8. NEW BUSINESS**
  - a. Other
- 9. GOOD OF THE ORDER**
- 10. ANNOUNCEMENTS**
  - The next regular meeting is scheduled for November 14, 2016.
- 11. ADJOURNMENT**

*Individuals with disabilities requiring auxiliary aids or services in order to participate in municipal meetings may contact Boyne City Hall for assistance:*

*Cindy Grice, City Clerk/Treasurer, 364 North Lake Street, Boyne City, Michigan 49712 (231) 582-0334*



Approved: \_\_\_\_\_

**MEETING OF  
August 9, 2016**

**MINUTES OF THE BOYNE CITY LOCAL DEVELOPMENT FINANCE  
AUTHORITY MEETING DULY CALLED AND HELD ON MONDAY, AUGUST 8,  
2016 AT City Hall~364 N Lake St, Boyne City**

**CALL TO ORDER**

Chair Gillett called the meeting to order at 12:20 p.m.

**ROLL CALL**

Present: Pat Anzell, Kelly Bellant, Michael Cain, Michelle Cortright, Todd Fewins, Pete Friedrich, Ralph Gillett and Josette Lory

**MEETING  
ATTENDANCE**

Staff: Recording Secretary Jane Halstead and City Clerk/Treasurer Cindy Grice

Public: One

**APPROVAL OF  
MINUTES  
MOTION**

**Friedrich moved and Bellant seconded PASSED UNANIMOUSLY** to approve the May 23, 2016 minutes.

**HEARING CITIZENS  
PRESENT**

None

**UNFINISHED BUSINESS**

LDFA Plan Update Considerations with Mac McClelland, Consulting Engineer with Otwell Mawby. The LDFA wants to extend the Development and Tax Increment Financing Plan. The current TIF expires in April 2017. Considerations include workforce housing, public facilities and the acquisition of property. McClelland will draft a plan listing projects and cost estimates for September meeting.

Cortwright asked if the board should consider funding for a recruiter to sell/market lots in the park.

The board discussed fiber technology and whether upgraded technology would entice future business.

**NEW BUSINESS**

None.

**GOOD OF THE ORDER**

Kirkland Products received modification to emission permits from DEQ.

Improved sidewalks (1.1 miles) are being added in Boyne City through the Safe Routes to School program.

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**EXCUSED ABSENCES  
MOTION**

**Anzell moved, Friedrich seconded PASSED UNANIMOUSLY** to excuse Marilea Grom from the Economic Development Corporation meeting which was held prior to this meeting.

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**NEXT MEETING**

The next meeting of the Local Development Finance Authority is scheduled for Monday, September 12, 2016.

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**ADJOURNMENT**

The August 9, 2016 Local Development Finance Authority meeting was adjourned at 1:08 p.m.

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Pete Friedrich, LDFA Secretary

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Jane Halstead, Recording Secretary

KEY QUESTIONS AND CLARIFICATIONS  
BOYNE CITY AIR INDUSTRIAL PARK  
LDFA TIF AND DEVELOPMENT PLAN EXTENSION

- **Initial Taxable Value** – The initial taxable value of the LDFA was established as of December 31, 1997, which was \$6,342,306. The 2016 taxable value of properties included in the LDFA District is \$12,093,638, a difference of \$5,751,332. The captured taxes on this increment is \$146,944. Approximately 22% of the value is personal property, which is subject to consideration of a phase out. There is an option is to reset the initial taxable value; however, the reset would reduce the available TIF capture. The current capture by parcel is attached.
- **Tax Sharing** – If there is interest to providing some additional revenues to the taxing jurisdictions, there is an opportunity to capture a specified percentage of the total tax capture, that would return some revenues to the taxing jurisdictions.
- **Length of the Plan** – The previous Plan was twenty years, from 1997 to 2017. A determination should be made as to the length of Plan, which would like to need to factor the anticipated public facility expenditures and available TIF revenues.
- **Affordable Housing** – There does not appear to be a way for the LDFA to directly invest in affordable housing. Section 12(2) states that “...a tax increment financing plan shall provide for the use of tax increment revenues for *public facilities for eligible property* whose captured assessed value produces the tax increment revenues...”  
*Public facilities* are defined in Section 2 as (i) public infrastructure; (ii) acquisition and disposal of land; and (iii) administrative, property acquisition/disposal, and professional costs. *Eligible Property* is defined in Section 2 as real and personal property located within an authority district of which the primary purpose and is or will be 1 of the following:
  - (i) The manufacture of goods or materials or the processing of goods or materials by physical or chemical change.
  - (ii) Agricultural processing.
  - (iii) A high technology activity.
- **Property Acquisition** -- A review of potential property acquisitions should be conducted to determine a cost estimate. It appears that all property acquisitions must be within the LDFA District in order to qualify under the definition of public facilities.
- **Public Facilities Budget** – A very preliminary draft Table 1 – Public Facilities is attached for discussion purposes. The budget includes very high numbers for the full scope of eligible activities as placeholders and will likely need to be dramatically pared down, based on available TIF revenues.
- **Draft Plan** – A very rough initial draft of the Boyne City LDFA TIF and Development Plan is attached to provide a framework for discussion.

DDA/LDFA Report (Summary) FOR BOYNE CITY

09/09/2016  
11:41 AM

All Records  
DDA/LDFA Parcels  
Summer, Real & Personal Property  
DDA/LDFA Chosen: LDFA, BC, Adjusted Values (All Adjustments Included)

Parcel # Owner Name	School	Class	Taxable Value PRE Taxable	Base Value	Captured Value Non PRE Taxable	Other Info
15051-300-001-00 MASCOW SHARON K - PAID IN FULL	15020	201	82,412	0	82,412	
15051-300-002-00 REDMER GILBERT C SR - UNPAID	15020	301	70,410	0	70,410	
15051-300-003-00 CITY OF BOYNE CITY - UNPAID	15020	090	0	0	0	
15051-300-004-00 CITY OF BOYNE CITY - UNPAID	15020	090	0	0	0	
15051-300-005-00 JONES CATHERINE E TRUST AGREEMENT - UNPAID	15020	201	59,738	0	59,738	
15051-300-006-00 CJT PROPERTIES LLC - PAID IN FULL	15020	301	85,000	0	85,000	
15051-300-007-00 JONES LARRY D TRUST - UNPAID	15020	301	85,497	0	85,497	
15051-300-008-00 PHILLIPS RODNEY - UNPAID	15020	201	80,841	0	80,841	
15051-300-009-10 TOP O MICHIGAN RURAL ELEC CO - PAID IN FULL	15020	301	45,671	0	45,671	
15051-300-012-00 DECOMA INTER OF AMERICA INC - UNPAID	15020	301	2,204,500	0	2,204,500	
15051-300-901-00 CITY OF BOYNE CITY - UNPAID	15020	090	0	0	0	% in District: 0
15051-300-902-00 CITY OF BOYNE CITY - UNPAID	15020	090	0	0	0	% in District: 0
15051-300-903-00 CITY OF BOYNE CITY - UNPAID	15020	090	0	0	0	% in District: 0
15051-306-001-35 12TH AVENUE REALTY CO LLC - PAID IN FULL - % 0	15030	301	0	0	0	% in District: 0
15051-306-001-45 12TH AVENUE REALTY CO LLC - PAID IN FULL - % 0	15030	301	0	0	0	% in District: 0
15051-306-001-55 CITY OF BOYNE CITY - UNPAID - % 0 within distri	15030	099	0	0	0	% in District: 0
15051-306-001-60 JNR BOYNE INVESTMENTS LLC - PAID IN FULL - % 0	15030	201	0	0	0	% in District: 0
15051-306-001-65 CITY OF BOYNE CITY - UNPAID - % 0 within distri	15030	090	0	0	0	% in District: 0
15051-306-002-00 JNR BOYNE INVESTMENTS LLC - UNPAID	15030	099	0	0	0	% in District: 0

DDA/LDFA Report (Summary) FOR BOYNE CITY

All Records  
DDA/LDFA Parcels  
Summer, Real & Personal Property  
DDA/LDFA Chosen: LDFA, BC, Adjusted Values (All Adjustments Included)

Parcel # Owner Name	School	Class	Taxable Value PRE Taxable	Base Value	Captured Value Non PRE Taxable	Other Info
15051-306-005-00 CITY OF BOYNE CITY - PAID IN FULL	15030	301	29,600	0	29,600	
15051-306-006-00 BULMANN PROPERTY VENTURES LLC - PAID IN FULL	15030	301	12,900	0	12,900	
15051-306-007-00 GREEN IRA - PAID IN FULL	15030	201	84,944	0	84,944	
15051-306-013-00 GAG SIM/TECH FILTERS, INC - PAID IN FULL	15030	301	105,942	0	105,942	
15051-306-014-10 SCHUNK STEVEN - UNPAID	15030	301	694,700	0	694,700	
15051-336-163-25 GCC ENTERPRISES - UNPAID	15020	201	117,821	0	117,821	
15051-336-163-30 BOYNE AREA GYMNASTICS INC - UNPAID - % 0 within	15020	201	0	0	0	% in District: 0
15051-336-164-10 TOP O MICHIGAN RURAL ELECT CO - PAID IN FULL	15020	201	1,699,841	0	1,699,841	
15051-336-164-30 SKY HARBOR LEASING LLC - PAID IN FULL - % 0 wit	15020	301	0	0	0	% in District: 0
15051-336-165-15 TUPPER ENTERPRISES LLC - UNPAID	15020	301	494,441	0	494,441	
15051-336-166-20 MDR ENTERPRISES LLC - UNPAID	15020	201	125,380	0	125,380	
15051-888-501-00 AT&T MOBILITY LLC - PAID IN FULL	15020	209	10,431	0	10,431	
15051-900-002-20 ALTAIR LEASING - UNPAID	15020	251	77,600	0	77,600	
15051-900-004-10 BOYNE PRECISION DIE & ENG LLC - UNPAID	15020	351	0	0	0	
15051-900-012-25 BOYNE AREA GYMNASTICS - UNPAID	15020	251	10,000	0	10,000	
15051-900-031-10 CONSUMERS ENERGY COMPANY - PAID IN FULL	15030	551	54,500	0	54,500	
15051-900-032-65 AT&T MOBILITY LLC - PAID IN FULL	15020	251	65,500	0	65,500	
15051-900-038-40 FEDERAL SCREW WORKS - UNPAID	15030	351	232,600	0	232,600	
15051-900-038-55 CHRISTOPHER FAIR, DC - UNPAID	15020	251	3,000	4,900	-1,900	

All Records  
DDA/LDFA Parcels  
Summer, Real & Personal Property  
DDA/LDFA Chosen: LDFA, BC, Adjusted Values (All Adjustments Included)

Parcel # Owner Name	School	Class	Taxable Value PRE Taxable	Base Value	Captured Value Non PRE Taxable	Other Info
15051-900-042-00 PATRICK'S AUTO PARTS INC - UNPAID	15020	251	8,800 8,800	700	8,100 0	
15051-900-044-00 GREAT LAKES GOLF & SITE DEVELOPMENT - UNPAID	15030	RFP	0 0	0	0 0	
15051-900-045-10 GAG SIM/TECH FILTER INC - PAID IN FULL	15030	351	800 800	0	800 0	
15051-900-045-35 GE EQUIP SMALL TICKET LLC SER2011-1 - UNPAID	15020	RFP	0 0	0	0 0	
15051-900-045-40 ARETE' INDUSTRIES INC - UNPAID	15020	351	7,600 7,600	0	7,600 0	
15051-900-048-30 MANUFACTURER SERVICES/WELLS FARGO - PAID IN FULL	15020	251	151,800 151,800	0	151,800 0	
15051-900-055-80 KIRTLAND PRODUCTS LLC - UNPAID	15020	351	431,900 431,900	0	431,900 0	
15051-900-059-20 LEXAMAR INC - UNPAID	15020	351	408,100 408,100	0	408,100 0	
15051-900-060-55 MAILFINANCE - UNPAID	15020	251	0 0	0	0 0	
15051-900-069-25 PHILLIPS RODNEY - UNPAID	15020	251	0 0	0	0 0	
15051-900-071-50 CLASSIC INSTRUMENTS - PAID IN FULL	15030	351	60,100 60,100	0	60,100 0	
15051-900-072-50 R B MECHANICAL INC - UNPAID	15020	251	0 0	0	0 0	
15051-900-084-00 TEMPREL INC - UNPAID	15020	351	0 0	0	0 0	
15051-900-086-00 GREAT LAKES ENERGY COOPERATIVE - PAID IN FULL	15020	551	1,176,400 1,176,400	0	1,176,400 1,176,400	
15051-900-092-00 PRECISION EDGE SURGICAL - PAID IN FULL	15030	351	687,000 687,000	0	687,000 0	
15051-990-012-00 FEDERAL SCREW WORKS - UNPAID	15030	099	0 0	0	0 0	
15051-990-013-00 LEXAMAR INC - UNPAID	15020	099	0 0	0	0 0	
15051-990-015-00 GAG SIM/TECH FILTER INC - UNPAID	15030	099	0 0	0	0 0	
15051-990-017-00 CLASSIC INSTRUMENTS, LLC - UNPAID	15030	099	0 0	0	0 0	

All Records  
DDA/LDFA Parcels  
Summer, Real & Personal Property  
DDA/LDFA Chosen: LDFA, BC, Adjusted Values (All Adjustments Included)

Parcel # Owner Name	School	Class	Taxable Value PRE Taxable	Base Value	Captured Value Non PRE Taxable	Other Info
15051-990-023-00 PRECISION EDGE SURGICAL - PAID IN FULL	15030	355	1,302,546	0	1,302,546	
15051-990-024-00 CLASSIC INSTRUMENTS LLC - PAID IN FULL	15030	355	60,992	0	60,992	
15051-995-012-00 FEDERAL SCREW WORKS - UNPAID	15030	099	0	0	0	
15051-995-013-00 LEXAMAR INC - UNPAID	15020	099	0	0	0	
15051-995-015-00 GAG SIM/TECH FILTER INC - UNPAID	15030	RFP	0	0	0	
15051-995-016-00 LEXAMAR INC - UNPAID	15020	356	0	0	0	
15051-995-017-00 POINTS NORTH PRINTING - UNPAID	15030	RFP	0	0	0	
15051-995-018-00 LEXAMAR INC - UNPAID	15020	356	739,700	0	739,700	
15051-995-019-00 ARETE INDUSTRIES INC - UNPAID	15020	099	0	0	0	
15051-995-020-00 FEDERAL SCREW WORKS - UNPAID	15030	356	150,900	0	150,900	
15051-995-021-00 KIRTLAND PRODUCTS LLC - UNPAID	15020	356	851,700	0	851,700	
15051-995-022-00 LEXAMAR INC - UNPAID	15020	356	1,552,700	0	1,552,700	
15051-995-023-00 PRECISION EDGE SURGICAL - PAID IN FULL	15030	356	602,800	0	602,800	
15051-995-023-01 PRECISION EDGE SURGICAL - PAID IN FULL	15030	356	54,400	0	54,400	
15051-995-024-00 LEXAMAR INC - UNPAID	15020	356	0	0	0	
15051-995-025-00 JERVIS B WEBB COMPANY - UNPAID	15020	356	0	0	0	
15051-995-026-00 CLASSIC INSTRUMENTS LLC - UNPAID	15020	356	0	0	0	

All Records  
DDA/LDFA Parcels  
Summer, Real & Personal Property  
DDA/LDFA Chosen: LDFA, BC, Adjusted Values (All Adjustments Included)

Parcel # Owner Name	School	Class	Taxable Value PRE Taxable	Base Value	Captured Value Non PRE Taxable	Other Info
TOTAL PARCELS:		74	14,781,507	5,600	14,775,907	
TOT PRE/MET TAXABLE:			6,097,000			
TOT NON-PRE/MET TAXABLE:			8,684,507			
TOT PRE/MET CAPTURED:			6,091,400			
TOT NON-PRE/MET CAPTURED:			8,684,507			

-----GRAND TOTALS-----

All Records  
 DDA/LDFA Parcels  
 Summer, Real & Personal Property  
 DDA/LDFA Chosen: LDFA, BC, Adjusted Values (All Adjustments Included)

Parcel # Owner Name	School	Class	Taxable Value PRE Taxable	Base Value	Captured Value Non PRE Taxable	Other Info
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Totals for School District: 15020

TOTAL PARCELS:		46	10,646,783	5,600	10,641,183	
TOT PRE/MBT TAXABLE:						
TOT NON-PRE/MBT TAXABLE:						
TOT PRE/MBT CAPTURED:						
TOT NON-PRE/MBT CAPTURED:						

Totals for School District: 15030

TOTAL PARCELS:		28	4,134,724	0	4,134,724	
TOT PRE/MBT TAXABLE:						
TOT NON-PRE/MBT TAXABLE:						
TOT PRE/MBT CAPTURED:						
TOT NON-PRE/MBT CAPTURED:						

**TABLE 1  
PUBLIC FACILITIES  
BOYNE CITY LDFA TIF DEVELOPMENT PLAN  
BOYNE CITY LOCAL DEVELOPMENT FINANCING AUTHORITY  
BOYNE CITY, MICHIGAN**

<b>Public Facility Description</b>	<b>TOTAL PUBLIC FACILITIES</b>
<b><i>Road Improvements</i></b>	
Additional Access Roads	\$750,000
Maintenance and Improvements	<u>\$200,000</u>
<i>Subtotal</i>	<u>\$950,000</u>
<b><i>Stormwater Improvements</i></b>	
Phase II	\$200,000
Phase III	\$100,000
Maintenance and Improvement	<u>\$50,000</u>
<i>Subtotal</i>	<u>\$350,000</u>
<b><i>Water and Sewer Improvements</i></b>	
Water and Sewer Extensions	\$300,000
Maintenance and Improvement	<u>\$150,000</u>
<i>Subtotal</i>	<u>\$450,000</u>
<b><i>Other Infrastructure</i></b>	
Trail Development	\$500,000
Signage	\$5,000
Lighting Improvements	\$30,000
Landscaping	<u>\$20,000</u>
<i>Subtotal</i>	<u>\$555,000</u>
<b><i>Property Acquisition</i></b>	
	\$2,000,000
<b><i>Administrative and Operational Support</i></b>	
	\$250,000
<b><i>Subtotal Totals</i></b>	
	\$4,555,000
<b><i>Contingencies (15%)</i></b>	
	<u>\$683,250</u>
<b>LDFA PUBLIC FACILITIES TOTAL</b>	<b><u>\$5,238,250</u></b>

**TAX INCREMENT FINANCING PLAN  
and  
DEVELOPMENT PLAN AMENDMENT**

**CITY OF BOYNE CITY**

**LOCAL DEVELOPMENT FINANCE AUTHORITY AND DISTRICT**

**at**

**Boyne City Air Industrial Park**

**March 2017**

## TABLE OF CONTENTS

<b>INTRODUCTION.....</b>	<b>1</b>
<b>I. TAX INCREMENT FINANCING PLAN .....</b>	<b>5</b>
A. STATEMENT OF INCREASE VALUE CREATION .....	6
B. ANNUAL ESTIMATED CAPTURE ASSESSED VALUE .....	6
C. ANNUAL ESTIMATED TAX INCREMENT REVENUES .....	6
D. TAX INCREMENT PROCEDURE .....	7
E. MAXIMUM INDEBTEDNESS .....	8
F. OPERATING/PLANNING EXPENDITURES; ADVANCES .....	9
G. TIF PLAN COST .....	10
H. DEVELOPMENT AND TIF PLAN DURATION .....	10
I. ESTIMATE OF IMPACT OF TIF ON TAXING JURISDICTIONS.....	10
J. LEGAL DESCRIPTION OF THE ELIGIBLE PROPERTY .....	10
K. ESTIMATED JOB CREATION .....	10
<b>II. DEVELOPMENT PLAN .....</b>	<b>11</b>
A. PROPERTY DESCRIPTION; LDFA DISTRICT BOUNDARIES .....	11
B. PROPERTY BOUNDARIES .....	11
C. PUBLIC INFRASTRUCTURE AND LAND USES .....	11
D. PUBLIC FACILITIES ACQUISITION .....	11
E. PUBLIC FACILITIES DEVELOPMENT, COST, SCHEDULE .....	11
F. CONSTRUCTION AND SCHEDULE .....	12
G. PROPERTY TRANSACTION WITH MUNICIPALITY .....	12
H. DESIRED ZONING AND INFRASTRUCTURE CHANGES .....	12
I. PUBLIC FACILITY COST AND FINANCING .....	12
J. PUBLIC FACILITY CONVEYANCE AND BENEFIT .....	12
K. PUBLIC FACILITY TRANSFER PROCEDURES .....	13
L. RESIDENTIAL DISPLACEMENT .....	13
M. PLAN FOR RESIDENTIAL RELOCATION .....	13
N. PROVISION OF COSTS OF RELOCATION .....	13
O. STRATEGY TO COMPLY WITH RELOCATION ASSISTANCE ACT, 1972 PA 227 .....	13
P. OTHER MATERIAL THAT THE LDFA OR CITY CONSIDERS PERTINENT .....	13
MCL 125.2165(2)(k).....	13

### LIST OF EXHIBITS

#### TABLES

Table 1	Public Facilities and Cost
Table 2	Tax Capture Table(s) Cash Flow Analysis
Table 3	Captured Taxes and Tax Revenues
Table 4	Impact on Tax Jurisdictions

#### FIGURES

Figure 1	Property Location Map
Figure 2	LDFA District Boundaries

#### ATTACHMENTS

Attachment A	Legal Description
Attachment B	Schedule of Initial Assessed Values

## Introduction

This Boyne City Local Development Financing Authority (L DFA) Tax Increment Financing Plan and Development describes the approach, elements, and impacts to continue and expand upon the success for the Boyne City Air Industrial Park L DFA District.

### LOCAL DEVELOPMENT FINANCING ACT

In 1986, the Michigan legislature enacted Public Act 281 titled the *Local Development Financing Authority Act*. This legislation allows Michigan villages and other qualified local governments to form an authority to:

*“encourage local development to prevent conditions of unemployment and promote economic growth; to provide for the establishment of local development finance authorities and to prescribe their powers and duties; to provide for the creation of a board to govern an authority and to prescribe its powers and duties; to provide for the creation and implementation of development plans; to authorize the acquisition and disposal of interests in real and personal property; to permit the issuance of bonds and other evidences of indebtedness by an authority; to prescribe powers and duties of certain public entities and state officers and agencies; to reimburse authorities for certain losses of tax increment revenues; and to authorize and permit the use of tax increment financing.”*

### POWERS OF THE AUTHORITY

Section 7 of the act provides a detailed explanation of the powers of the Board of Directors of the L DFA. These are as follows:

*“(a) Study and analyze unemployment, underemployment, and joblessness and the impact of growth upon the authority district or districts.*

*(b) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility.*

*(c) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, to promote the growth of the authority district or districts, and take the steps that are necessary to implement the plans to the fullest extent possible to create jobs, and promote economic growth.*

*(d) Implement any plan of development necessary to achieve the purposes of this act in accordance with the powers of the authority as granted by this act.*

*(e) Make and enter into contracts necessary or incidental to the exercise of the board's powers and the performance of its duties.*

*(f) Acquire by purchase or otherwise on terms and conditions and in a manner the authority considers proper, own or lease as lessor or lessee, convey, demolish,*

*relocate, rehabilitate, or otherwise dispose of real or personal property, or rights or interests in that property, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect to the property.*

*(g) Improve land, prepare sites for buildings, including the demolition of existing structures, and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, or operate a building, and any necessary or desirable appurtenances to a building, as provided in section 12(2) for the use, in whole or in part, of a public or private person or corporation, or a combination thereof.*

*(h) Fix, charge, and collect fees, rents, and charges for the use of a building or property or a part of a building or property under the board's control, or a facility in the building or on the property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.*

*(i) Lease a building or property or part of a building or property under the board's control.*

*(j) Accept grants and donations of property, labor, or other things of value from a public or private source.*

*(k) Acquire and construct public facilities.*

*(l) Incur costs in connection with the performance of the board's authorized functions including, but not limited to, administrative costs, and architects, engineers, legal, and accounting fees.*

*(m) Plan, propose, and implement an improvement to a public facility on eligible property to comply with the barrier free design requirements of the State Construction Code promulgated under the State Construction Code act of 1972, Act No. 230 of the Public Acts of 1972."*

#### **BOYNE CITY LOCAL DEVELOPMENT FINANCING AUTHORITY**

The City of Boyne City Commission established the Local Development Financing Authority by resolution approved on November 12, 1996 under the auspices of Act 281, PA 1986 ("the Act"). The resolution established that the Authority District as all properties in a Planned Industrial District (PID), General Commercial/Industrial District (GC/I), and Industrial District I.

The LDFA developed and approved a resolution to adopt the Development and TIF Plan on April 8, 1997 and the City Commission approved a resolution to adopt the Development and TIF Plan on

April 29, 1997. The duration of the Plan was established as 20 years, with the ending date of April 29, 2017.

The LDFA was charged with the duty of improving the economic environment of the Authority District under the parameters of the Act. The LDFA serves as the principle instrument in acquiring and developing land to expand the Boyne City Air Industrial Park.

The Development and TIF Plan also included a list of projects, separated into immediate, short-term, long-term, and on-going. The Development and TIF Plan included a total cost of \$1,956,500, but the total of Table 1, List of Projects and Cost, which is attached, was actually \$2,318,650.

The public facilities proposed under the Development Plan have been completed and the obligations for those public facilities have been met through tax capture and reimbursement under the Tax Increment Financing Plan.

The LDFA Board is proposing to build on and continue the success by updating the LDFA Plan.

This Boyne City LDFA Tax Increment Financing Plan and Development Plan describes the District boundaries, providing for additional public facilities, and extending the time period for tax capture.

## I. Tax Increment Financing Plan

The Boyne City LDFA board has determined that the following TIF plan is necessary for the achievement of the purposes of PA 281 of 1986, as amended to help eliminate the causes of unemployment, underemployment and joblessness, and to promote economic growth in the city. This determination is consistent with the Boyne City Commission resolution adopted December 10, 1996 that stated, in part, that “the Authority can assist in development, expansion, and improvements to the industrial sectors of the City of Boyne City.”

The extension of the Boyne City Air Industrial Park LDFA TIF and Development Plan will help to diversify the local economic base with industrial and technology-led economic development by:

- Attracting and retaining industrial and technology related jobs in the city;
- Attracting and retaining industrial technology related capital in the city;
- Creating and expanding tax base over the long term; and
- Providing the only viable financing mechanism available to Boyne City for implementing the LDFA TIF and Development Plan.

**A. Statement of Increase Value Creation**  
**MCL 125.2162(1)(a)**

The City of Boyne City may capture operating levies of all taxing jurisdictions within the LDFA district. Investment in reimbursable public facilities and improvements is a proven mechanism for generating private capital in the form of business retention, attraction and expansion. Private investment, in turn, creates tax base and assessed value subject to capture by the LDFA to pay for past and future public facilities and improvements. The implementation of the LDFA TIF and Development Plan has resulted in \$\_\_\_\_\_ in public investment, \$\_\_\_\_\_ in private investment, and an increase of \$5,751,332 in taxable value, with anticipated continued success with the extension of the LDFA TIF and Development Plan.

**B. Annual Estimated Capture Assessed Value**  
**MCL 125.2162(1)(b)**

The base value for the original LDFA TIF and Development Plan was determined on the basis of assessments as of December 31, 1997, which was \$6,342,306. The schedule of initial taxable values for each parcel including in the LDFA District is provided in Attached B. The LDFA TIF Plan proposed an extension of the capture period for twenty (20) years, to 2037. The annual estimated taxable values for this period are shown in Table 2 and have been developed with the assumptions that accompany that chart.

**C. Annual Estimated Tax Increment Revenues**  
**MCL 125.2162(1)(d).**

Table 2 also estimates the tax increment revenues generated from estimated taxable value for each year of the proposed plan. Key assumptions behind these estimates involve:

- The rate of Industrial Park build out;
- The pattern of types of development within the park and corresponding costs of construction;
- The ratio of estimated taxable real and personal property;
- Depreciation and inflationary projections; and
- Eligibility/approval of all taxable projects for PA 198 tax exemption certification.

**D. Tax Increment Procedure**

**MCL 125.2162(1)(d)**

The basic concept of tax increment financing allows a local government, through an authority such as the LDFA, to finance public improvements in a designated development district by capturing the property taxes levied on any increase in property values within that district. Under a TIF plan, a base year is established for the development district, resulting in an "initial assessed value" for the district.

In subsequent years, any increase in assessment above the base year level is referred to as the "captured assessed value." Property taxes levied on the state equalized value of all real and personal property within the designated area by taxing jurisdictions (less any debt service or other millages specified as exempt in the enabling statutes) is diverted, or "captured" for use in carrying out the adopted development plan for the district.

For the purposes of this TIF plan, the initial assessed value of all property in the LDFA district shall be established as of December 31, 1997. The total assessed value, as of that date, was \$6,342,306. Increases in assessed values of properties within a development district that result in the generation of tax increment revenue, can be attributable to any of the following sources:

- New construction occurring after the date established as the tax base year;
- Improvements to existing properties occurring after the date established as the tax base year; and
- Increases in property values that occur for any other reason.

The procedure for authorizing or amending a TIF plan and the development plan, if part of the TIF plan, includes holding and noticing a public hearing, disclosure to taxing jurisdictions impacted by the plan, and an approval process as outlined in sections 16 and 17 of PA 281, as amended.

Public Hearing: The City Commission shall hold a public hearing on the TIF plan and the development plan and shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to express their views and recommendations regarding the TIF plan. The LDFA shall fully inform the taxing jurisdictions about the fiscal and economic implications of the proposed TIF plan. The taxing jurisdictions may present their recommendations at the public hearing on the TIF plan. Notice of the time and place of the City Commission's public hearing shall be published twice in a newspaper

of general circulation in the city, the first of which shall not be less than 20 days before the date set for the hearing. The notice shall contain all the information required in section 16 (2). At the public hearing, the City Commission shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference to the TIF plan and development plan. The City Commission shall make and preserve a record of the public hearing, including data presented at that time. After the public hearing the City Commission shall determine whether the TIF plan and development plan each constitutes a public purpose and shall, by resolution, approve, reject or modify each plan. Unless contested in a court of competent jurisdiction within 60 days of adoption of resolution, the procedure, notice and findings shall be conclusive. The treasurer is required by law to transmit taxes collected from all taxing units on captured assessed value of all real and personal property located in the development district (with exceptions as previously defined) to the LDFA. The taxes transmitted to the LDFA, known as tax increment revenue, must be deposited by the LDFA in the project fund established under the TIF plan.

Public Act 281 of 1986, as amended, authorizes an LDFA to use tax increment revenues to pay the cost of public facilities and improvements, as defined in Section 2, on a cash pay-as-you-go basis or to make payments on bonds issued by the city or LDFA to finance the facilities or improvements. The LDFA shall expend tax increment revenue only in accordance with the TIF plan. Surplus revenue shall revert proportionately to the respective taxing units unless retained to further the implementation of the development plan pursuant to a resolution of the LDFA.

The TIF plan may be amended upon approval of the City Commission following the same notice and public hearing process as required for approval or rejection of an original plan except if amendment is for revisions in estimates for captured assessed value and tax increment revenue. When the City Commission determines that the purpose for which the TIF plan was established has been achieved, it may abolish the plan.

***E. Maximum Indebtedness***

***MCL 125.2162(1)(e)***

The maximum indebtedness is anticipated to be \$ \_\_\_\_\_, the estimated cost of the public facilities. There are three options for financing the cost of the public facilities: 1) pay-as-you-go with TIF revenues; 2) an advance from the City of Boyne City with reimbursement from TIF revenues; and 3) the issuance of a promissory note or sale of bonds with bond payments made with TIF revenues. is not anticipated for the

implementation of the development plan. The method of financing will depend on the timing, cost, and need for the public facilities to encourage private investment. The LDFA and City of Boyne City reserve the option of issuing a note or incurring bonded indebtedness in an amount up to \$\_\_\_ million. This limitation shall include the principal amount of any note of bonded indebtedness only and shall not include any reimbursement agreement to repay any advances made by the City of Boyne City, or any owner or lessee of eligible property in the LDFA district for costs incurred for a public facility or improvement. The exact type of note or bond to be issued will be determined by the LDFA and City Commission as the occasion arises.

**F. Operating/Planning Expenditures; Advances**  
**MCL 125.2162(1)(f)**

Table 1 provides a breakdown of all estimated expenditures of the LDFA for the anticipated duration of the TIF plan. Advances extended by the City of Boyne City are estimated as follows:

Road Improvements	
Stormwater Improvements	
Water and Sewer Improvements	
Infrastructure maintenance and repair	
Water and sanitary sewer connections to lots	
Administrative support	
<b>SUBTOTAL</b>	

Advances extended by other parties are estimated as follows:

<b>SUBTOTAL</b>	
<b>TOTAL ADVANCES</b>	

Estimated advances are presented as “up to” amounts because, at the time of adoption of this plan, the pace of continued Industrial Park buildout is uncertain and as a result, the amount that the city and others may need to advance or the amount of captured assessed value available to support the repayment of advances.

**G. TIF Plan Cost**

**MCL 125.2162(1)(g)**

Table 1 provides further detail about public facilities and public improvement projects anticipated in the TIF and development plans. Section 12 (7) of PA 281, as amended, states, "The tax increment financing plan may provide for the use of tax increment revenues for public facilities for any eligible property located in the business development area.

Table 2 provides projections for tax increment revenue and expenditures for the duration of the TIF and development plans. As the chart indicates, all tax increment revenue will be expended for eligible costs until such time as annual revenues exceed annual costs, including the repayment of advances as identified in section F above.

**H. Development and TIF Plan Duration**

**MCL 125.2162(1)(h)**

The anticipated duration of the TIF and development plans is twenty years, from 2017 to 2037.

**I. Estimate of Impact of TIF on Taxing Jurisdictions**

**MCL 125.2162(1)(i)**

Table 4 provides an estimate of the impact of the TIF plan on the revenues of all taxing jurisdictions that levy taxes in the LDFA district.

**J. Legal Description of the Eligible Property**

**MCL 125.2162(1)(j)**

The TIF plan applies to the LDFA district boundaries, which, in part, include those of the Boyne City Air Industrial Park. The boundaries of the LDFA district are identified by the legal descriptions presented Appendix C – Legal Descriptions.

**K. Estimated Job Creation**

**MCL 125.2162(1)(k)**

Based upon estimates based on anticipated buildout of the Air Industrial Park, 400 new jobs are anticipated to be created within ten years from 2017. This estimate assumes full park build out, the expansion of existing employers in the park during this period, and the "graduation" of start-up firms incubated in the park's Innovation Center into new locations both within and outside the park.

## **II. Development Plan**

The LDFA board has determined that the preceding TIF plan is necessary for the achievement of the purposes of the LDFA act and the TIF plan requires project financing. Therefore, the following development plan is determined to be necessary to accomplish the development program contained in the TIF plan.

### ***A. Property Description; LDFA District Boundaries*** ***MCL 125.2165(2)(b)***

### ***B. Property Boundaries*** ***MCL 125.2165(2)(c)***

### ***C. Public Infrastructure and Land Uses*** ***MCL 125.2165(2)(d)***

### ***D. Public Facilities Acquisition*** ***MCL 125.2165(2)(e)***

### ***E. Public Facilities Development, Cost, Schedule*** ***MCL 125.2165(2)(f)***

Table 1 provides public facility and public improvement project information in a summary format.

**F. Construction and Schedule**

**MCL 125.2165(2)(g)**

This information is also provided in Table 1.

**G. Property Transaction with Municipality**

**MCL 125.2165(2)(h)**

**H. Desired Zoning and Infrastructure Changes**

**MCL 125.2165(2)(i)**

**I. Public Facility Cost and Financing**

**MCL 125.2165(2)(j)**

Table 1 summarizes the estimated costs and method of financing for each anticipated public facility and public improvement project. These projects have been or will be funded by the city or others with reimbursement anticipated from tax increment revenues generated within the LDFA district over time. Table 1 provides cash flow projections for the operation of the LDFA during its 20-year life. Based upon the assumptions that accompany Table 2, adequate tax increment revenue is anticipated to cover public facility and public improvement projects identified in the development plan.

**J. Public Facility Conveyance and Benefit**

**MCL 125.2165(2)(k)**

There are no plans to lease, sell or convey public facilities, as defined by Section 2 (aa) of PA 281, as amended, within the LDFA district.

Residents of the City of Boyne City, as well as Charlevoix County and adjacent counties, are among the beneficiaries of the development plan through the creation of new jobs and investment, economic growth, and long-term tax base enhancement. Firms located in the LDFA district will benefit from public improvements and the maintenance and operation of public facilities supported by the development plan.

***K. Public Facility Transfer Procedures***  
***MCL 125.2165(2)(l)***

Not applicable.

***L. Residential Displacement***  
***MCL 125.2165(2)(m)***

There are currently no residential dwellings or residences that occupy the LDFA District.

***M. Plan for Residential Relocation***  
***MCL 125.2165(2)(n)***

The Eligible Property does not currently contain any residential dwellings; therefore, a plan for residential relocation is not applicable.

***N. Provision of Costs of Relocation***  
***MCL 125.2165(2)(o)***

The Eligible Property does not currently contain any residential dwellings; therefore, a provision for residential relocation has not been allocated.

***O. Strategy to Comply with Relocation Assistance Act, 1972 PA 227***  
***MCL 125.2165(2)(p)***

The Eligible Property does not currently contain any residential dwellings; therefore, relocation is not necessary

***P. Other material that the LDFA or city considers pertinent***  
***MCL 125.2165(2)(k)***

None.

**LIST OF EXHIBITS**

**TABLES**

Table 1	Public Facilities and Cost
Table 2	Tax Capture Table(s) Cash Flow Analysis
Table 3	Captured Taxes and Tax Revenues
Table 4	Impact on Tax Jurisdictions

**FIGURES**

Figure 1	Property Location Map
Figure 2	LDFA District Boundaries

**ATTACHMENTS**

Attachment A	Legal Description
Attachment B	Schedule of Initial Assessed Values