

CITY OF WILLIAMSTON

161 E. Grand River
Williamston, MI 48895

RESOLUTION APPROVING AMENDMENTS TO TAX INCREMENT FINANCING
PLAN FOR TAX INCREMENT DISTRICT 2A

WHEREAS, the Tax Increment Financing Authority of the City of Williamston, "Authority", has been established by the City of Williamston, "City", pursuant to Act 450 P.A. 1980, as amended, "Act 450"; and

WHEREAS, pursuant to Act 450 the City established a Tax Increment Financing District and approved a Tax Increment Financing Plan, on August 26, 1985, later ratified and confirmed as Tax Increment Financing District "2A", by resolution adopted by the City on December 8, 1986, and also designated the Board of Directors of the City of Williamston Economic Development Corporation, "E.D.C.", to act as the Authority; and

WHEREAS, this Plan which constitutes both a Development Plan and a Tax Increment Financing Plan, "Plan", within the meaning of Act 450, is in need of amendment to specify in detail part of Phase 2 of the development originally provided for in the Plan; and

WHEREAS, by resolution adopted on June 7, 1990, the E.D.C. acting as the Authority adopted a resolution amending the plan subject to the approval of City Council; and

WHEREAS, a Public Hearing was held on the proposed amendments pursuant to notice, and after publication, on August 13, 1990, and at this hearing, an opportunity was given for expression of

opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the proposed amendments, and due consideration was given to all communications received in writing, if any, and

WHEREAS, the City Council has made and preserved a record of the public hearing, including all data presented:

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That the following amendments be made to the Plan dated July 1985 for Tax Increment District "2A":

A. Paragraph VI, entitled A DESCRIPTION OF IMPROVEMENTS TO BE MADE IN THE DEVELOPMENT AREA, A DESCRIPTION OF ANY REPAIRS AND ALTERATIONS NECESSARY TO MAKE THOSE IMPROVEMENTS, AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION OF THE IMPROVEMENTS, shall be amended to substitute the following for subparagraph B:

Other Improvements. It is proposed that the Authority assist the City in funding the issuance of a revenue bond sufficient to finance the following improvement to service the additional development likely or planned for the development area;

1. To assist the City in the financing of the expansion of the City's water supply system and specifically increase the water capacity to the District for the purpose of reducing fire insurance rates and to provide for adequate and increased service to the facilities located in the District. The project anticipates the construction of a 12 inch water main as recommended by the Department of Health from the water tower via a route westerly to Corwin Road then North to Grand River connecting to the existing West Grand River water mains. The engineer estimates the cost of this improvement, at present, is \$190,000. It would take approximately 1 year to complete. (See Exhibit "A").

B. Paragraph VII, THE LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF THE IMPROVEMENT,

INCLUDING REHABILITATION CONTEMPLATED FOR THE DEVELOPMENT AREA AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION OF THE PLAN, shall be amended to substitute the following for subparagraph C:

C) The improvement detailed in Paragraph VI is proposed to service the additional development likely or planned for the development area at the estimated cost and completed within the time indicated. It is estimated that this phase of the Plan will take approximately 2 years to complete, exclusive of the payment of any indebtedness incurred to complete the improvements. The purpose of the improvements is to provide the water supply infra-structure to enhance the development existing and anticipated along and near West Grand River and Corwin Road. This improvement would also serve to bring the City's water and systems into full compliance with all recommendations by the Michigan Public Health Department.

C. Paragraph VIII, entitled, STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLAN AND THE ESTIMATED TIME OF COMPLETION OF EACH STAGE, OF THE PLAN, shall be amended to substitute the following for subparagraph "Phase II".

Improvement

Water main extension and improvements

Dates for Implementation

December 1990

D. Paragraph XII, entitled, AN ESTIMATE OF THE COST OF THE DEVELOPMENT, A STATEMENT OF THE PROPOSED METHOD OF FINANCING THE DEVELOPMENT, AND THE ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING, shall be amended to substitute the following for subparagraph "Phase II":

As detailed in Exhibit "B" the Bekum and ITT Hancock Complex presently generates net tax increment revenue in excess of \$26,000.00 per year. It is estimated that future development proposed for the area will increase net captured revenue to over \$50,000.00 per year. Upon final payment of the balance due on the loan incurred by the City for the Public Improvements to service the Phase I development, it is proposed that the authority borrow such sums as may be necessary and pledge the existing and future TIFA Revenues as may be available to pay for the public improvement proposed for the area.

In the alternative, the TIFA revenues may be in part

pledged to secure a loan to be obtained by the City which would pay for the improvement in the Plan.

E. Paragraph XV, entitled, THE DURATION OF THE PROGRAM, OF THE PLAN, shall be amended in its entirety to read as follows:

The Development program in this Plan shall continue in existence until the public improvements called for in the Plan or any later amendemnts to the Plan are completed and any debt incurred in furtherance of the improvements paid in full.

2. The Council determines that the Plan as amended constitutes a public purpose under Section 18 of Act 450 and further finds:

A. A development plan as amended meets requirements set forth in Sections 13 (2) and 16 (2) of Act 450:

B. The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing or assist the City in doing so.

C. The plan as amended and the improvements are reasonable and necessary to carry out the purposes of the Tax Increment Financing Act.

D. The estimated amount of captured assessed value is reasonable.

E. The development plan as amended is in accord with existing land use plans and zoning.

F. Once the improvements are made as anticipated in development plan as amended, public services such as fire and police protection and utilities will be adequate to serve the development area.

3. The City Clerk is directed to submit a true copy of this Resolution to the Authority.

Adopted at a regular meeting of the Council for the City of Williamston held on September 10, 1990.

Yeas Hogg, LaRue, McManaman, Dunckel, Benke, Steffes

Nays Parker

Absent None

I certify that the above is a true and complete copy of a Resolution adopted at a regular meeting of the Council for the City of Williamston on the 10th day of September, 1990.

Mary LaClear
Mary LaClear, Clerk

edi


engineering
design
inc

100 SOUTH OTTAWA · ST. JOHNS · MICHIGAN · 48879

TELEPHONE 517-224-2355

PRELIMINARY COST
FOR
WESTSIDE WATER DISTRIBUTION
CITY OF WILLIAMSTON
APRIL 19, 1990

Install 12" water main from the elevated storage tank to Grand River at Corwin Rd. The route to be parallel with the railroad within their right-of-way to Corwin Road; then north along the west side of Corwin Rd. to the north side of Grand River.

1.	6300' of 12" D.I. Pipe	\$138,600
2.	7 - 12" Valves & Box	5,600
3.	East End Connection	1,500
4.	Putnam Connection & 6" Valve	2,000
5.	Putnam & Corwin Resurfacing	2,100
6.	Grand River Resurfacing	3,000
7.	Grading & Seeding	<u>3,150</u>
		\$155,950
	Construction Contingencies	15,600
	Engineering, Inspection & Testing	<u>15,600</u>
	Estimated Cost	\$187,150

C + O Contact -

HOUSTON ECONOMIC DEVELOPMENT CORPORATION

TAX INCREMENT FINANCING AUTHORITY

Projected Revenues:

FINANCIAL PLAN Long Term Revenues

FUNDING SOURCE	FY 2007/08	FY 2008/09	FY 2009/10	FY 2010/11	FY 2011/12
Capitalized Taxes	52,510	55,000	57,000	60,000	62,000
Other:					
TOTAL REVENUES	52,510	55,000	57,000	60,000	62,000
LESS CREDITS	26,075	27,000	27,700	28,500	29,500
NET REVENUES	26,435	28,000	29,300	31,500	32,500

FINANCIAL PLAN

Long Term Debt

ISSUE	FY BEG 7/1/90	FY BEG 7/1/91	FY BEG 7/1/92	FY BEG 7/1/92	FY BEG 7/1/92
1991 Infrastructure Principal/Interest	20,000	20,000	20,000	20,000	20,000
TOTAL DEBT EXPENSE	20,000	20,000	20,000	20,000	20,000

JOSEPH K. COX

ATTORNEY AT LAW

203 WEST GRAND RIVER

POST OFFICE BOX 0239

WEBBERVILLE, MICHIGAN 48892-0239

TELEPHONE (517) 521-3015

OR (517) 551-8001

FACSIMILE (517) 521-3710

Date: 11/20/95
To: Milford Mellon, City Manager
Economic Development Corporation
Board Members
From: Joseph K. Cox *JKC*
Re: Amendments to TIFA 2A Plan

Paragraph 3.1. A DESCRIPTION OF IMPROVEMENTS TO BE MADE IN PROJECT AREA 2 A.

Add to Subparagraph B, the following additional Paragraph 4:

B. Other Improvements.

4. Those improvements otherwise legally allowable to the Bekum property listed in Exhibit A.

Paragraph 4.1 THE LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF IMPROVEMENTS CONTEMPLATED FOR THE DEVELOPMENT AREA

Public Improvements

Insert Paragraph e)

e) Bekum improvements listed on Exhibit A	\$238,000
Total Public Improvements.	\$918,000

Paragraph 4.2 CONSTRUCTION PHASES AND COMPLETION SCHEDULE

Public Improvements

Insert Paragraph 5 under Project

	<u>Year</u>
5. Bekum America Corporation Improvements listed on Exhibit A	1997 & 98

EXHIBIT A

1.	Landscaping	\$ 4,000
2.	Sidewalks along Grand River 5' wide x 800' @ at \$15/l.f.	\$ 12,000
3.	Electrical power transformer and 600' of underground lines	\$ 25,000
4.	Rear parking lot with curb - 200' x 300' designed for trucks	\$ 90,000
5.	Site preparation - 10 acres	\$ 20,000
6.	New truck entrance from Grand River including draingage 400' @ \$95/l.f.	\$ 38,000
7.	Front parking lot resurfacing 200' x 200' asphalt cap	\$ 17,000
8.	New lighting system	\$ 30,000
9.	Entrance road resurfacing - 200'	\$ <u>2,000</u>
	TOTAL	\$238,000

**CITY OF WILLIAMSTON
ECONOMIC DEVELOPMENT CORPORATION
ACTING AS THE TAX INCREMENT FINANCE AUTHORITY**

May 18, 1998

Number EDC 3-1998

**RESOLUTION AMENDING DEVELOPMENT AND TAX INCREMENT FINANCE PLAN
FOR DEVELOPMENT AREA 2A TO PROVIDE FOR THE LEASE OF A PORTION
OF A BUILDING BEING PURCHASED BY THE CITY, AND PROVIDE FOR
THE USE OF OTHER LAND PURCHASED BY THE AUTHORITY**

WHEREAS, on December 18, 1997 the City of Williamston approved the execution of a Letter of Understanding to purchase the USA Plastics property at 1500 West Grand River, "Building," a copy being attached as Exhibit A; and

WHEREAS, as part of the transaction, the EDC, acting as the Tax Increment Finance Authority, purchased a vacant parcel of property on Corwin Road, consummating the transaction on December 31, 1997 a copy of the closing documents being attached as Exhibit B; and

WHEREAS, the plan of purchase of the Building by the City anticipated that a portion would be made available for use by private industry; and

WHEREAS, the City proposes to lease to the EDC for subsequent sublease the portion of the Building not needed for City purposes identified generally as the east 1/3; and

WHEREAS, the lease of the Building and sublease of the same, and purchase of the vacant lot on Corwin Road, are consistent with the purposes for which the Tax Increment Finance Authority was established; and

WHEREAS, under section 7 of Act 450 of the Public Acts of 1980, MCLA 125.1807, the Tax Increment Finance Authority Act, the Economic Development Corporation, acting as the "Authority," may, among other things:

- (c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation or reconstruction of a public facility, an existing building, or a multiple family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the revitalization and growth of the development area.
- (h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper, own, convey, demolish, relocate, rehabilitate, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the

authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect thereto.

- (j) Fix, charge, and collect fees, rents, and charges for the use of any building or property or any part of a building or property under its 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; and

WHEREAS, it is necessary and appropriate that the Plan for Development Area 2A, dated July, 1985, and amended in 1990 and 1995, attached as Exhibit C, be amended to authorize the EDC's lease and subsequent sublease of the portion of the Building and to provide a plan for the future use and availability of the parcel of property purchased by the Authority on Corwin Road; and

WHEREAS, pursuant to the Act, it is first necessary that this amendment be approved by the EDC.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The Plan for Development Area 2A, administered by the EDC, acting as the Tax Increment Finance Authority, prepared July, 1985, as amended in 1990 and 1995, is amended as follows:

- 1.1 Section 6.0, DESCRIPTIONS OF ANY PORTIONS OF THE DEVELOPMENT AREA WHICH THE AUTHORITY DESIRES TO SELL, DONATE, EXCHANGE OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS, is amended to add the following:

The City is intending to purchase the property at 1500 W. Grand River, formerly USA Plastics, and use approximately 2/3 for a municipal service center.

The Authority proposes to lease from the City the portion of the Building identified generally as the east 1/3. The Authority would constitute the legal entity from which this space could be sublet to private parties or for other public purposes to assist the City with the acquisition of the Building and on occasion provide available space to industries which may choose to later build in the area. The acquisition of the building immediately adjacent to the development area and the consolidation of the City DPW, Police

- 1.2 Section 7.0 PROPERTIES TO BE ACQUIRED, is amended to add the following:

As part of the City's purchase of the building at 1500 W. Grand River, the Authority purchased in its name a vacant parcel of property located on Corwin Road, more particularly described in the resolution approving this amendment to the Plan. The Authority determined that the immediate acquisition of this parcel was necessary and appropriate to enhance and further its interest in promoting the economic viability of the Development Area 2A. If the property is not needed or suitable for public purposes, the property would be made available for private development or resold to facilitate a commercial or manufacturing enterprise suitable for the location and which is consistent with the purpose of the Development Plan for Area 2A.

- 1.3 Section 9.0 AN ESTIMATE OF THE COST OF THE DEVELOPMENT, A STATEMENT OF THE PROPOSED METHOD OF FINANCING THE DEVELOPMENT AND THE ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING, is amended to add the following:

Phase III consists of the purchase of the vacant property on Corwin Road and the leasing of the section of the building at 1500 W. Grand River from the City. The financing for the purchase of the vacant lot came from funds available and on hand from the tax increment revenues available under this plan. The City has agreed to accept from the Authority as rent for the space, an assignment of all of the rents actually received from individuals subletting the premises, less the sum of 10% which would be paid over to the Authority to defray its administrative costs and expenses involved in implementing and administering this plan.

- 1.4 Section 10.0 DESIGNATION OF PERSON OR PERSONS NATURAL OR CORPORATE TO WHOM ALL OR A PORTION OF THE DEVELOPMENT IS TO BE SOLD, LEASED OR CONVEYED IN ANY MANNER AND FOR WHOM THE DEVELOPMENT IS BEING UNDERTAKEN, IF THAT INFORMATION IS AVAILABLE TO THE AUTHORITY, is amended to add the following:

The Authority intends to make the portion at 1500 W. Grand River leased from the City available for sublease in whole or in part to private industry or for other public purposes as may from time to time be necessary and appropriate. It is anticipated that the premises would

DEVELOPMENT IS BEING UNDERTAKEN, IF THAT INFORMATION IS AVAILABLE TO THE AUTHORITY, is amended to add the following:

The Authority intends to make the portion at 1500 W. Grand River leased from the City available for sublease in whole or in part to private industry or for other public purposes as may from time to time be necessary and appropriate. It is anticipated that the premises would be suitable for use by private industry for the distribution and storage of materials, for small warehousing, small manufacturing or similar uses. At the present time, all of these prospects are as of yet unidentified and consist primarily of businesses who may need space from time to time for the purposes mentioned. The Authority is considering an offer by Meridian Plumbing of 2654 East Grand River, East Lansing, Michigan to sublease all of the available space for a term of not less than 6 months. It is the intent of the Authority to delegate to the City Manager the responsibility for managing that portion of the premises, and in doing so, soliciting interest from prospective tenants and offering the space on a triple net basis with a rental rate per square foot consistent with the market rate for the type of space available.

2. Counsel to the EDC is directed to cause this resolution to be submitted to the City Council for approval in accordance with the procedure required to be followed in amending the plan, all of which are contained in Section 17 of the Act, MCLA 125.1817.

Adopted by the Economic Development Corporation at a regular meeting held on Monday, May 18, 1998.

Yeas:

Nays:

Absent:

Motion:

Support:

I certify that this is a true copy of Resolution No. ____-1998, adopted by the Williamston Economic Development Corporation at its regular meeting held on Monday, May 18, 1998.

Alan M. Dolley, City Clerk

Prepared By:

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