

City of Negaunee
County of Marquette, Michigan
Downtown Development Authority

AMENDED and RESTATED
DEVELOPMENT PLAN and TAX INCREMENT FINANCING PLAN
for DDA DISTRICT #1 and DDA DISTRICT #2
ADOPTED 2020





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Marquette County, Michigan
Downtown Development Authority

AMENDED and RESTATED DEVELOPMENT PLAN and TAX INCREMENT FINANCING PLAN

Adopted 12-12-2019
Effective 12-23-2019

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EXHIBITS and ADOPTION DOCUMENTATION

- City of Negaunee Downtown Development Authority Ordinance
- City of Negaunee Downtown Development Authority Development Plan and Tax Increment Financing Plan Ordinance
- Tax Sharing Agreement between County of Marquette and City of Negaunee

BACKGROUND AND PURPOSE

Purpose of the Tax Increment Financing Act (replacement to Downtown Development Authority Act)

Act 57 of Public Acts of 2018 of the State of Michigan, referred to as the Tax Increment Authority Act, incorporates PA 57 of 2018, formerly referred to as the Downtown Development Authority Act. Part 2 of PA 57 of 2018, contains the provisions for Downtown Development Authorities.

Downtown Development Authorities were 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; 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. 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.

Creation and Continuance of the Negaunee Downtown Development Authority

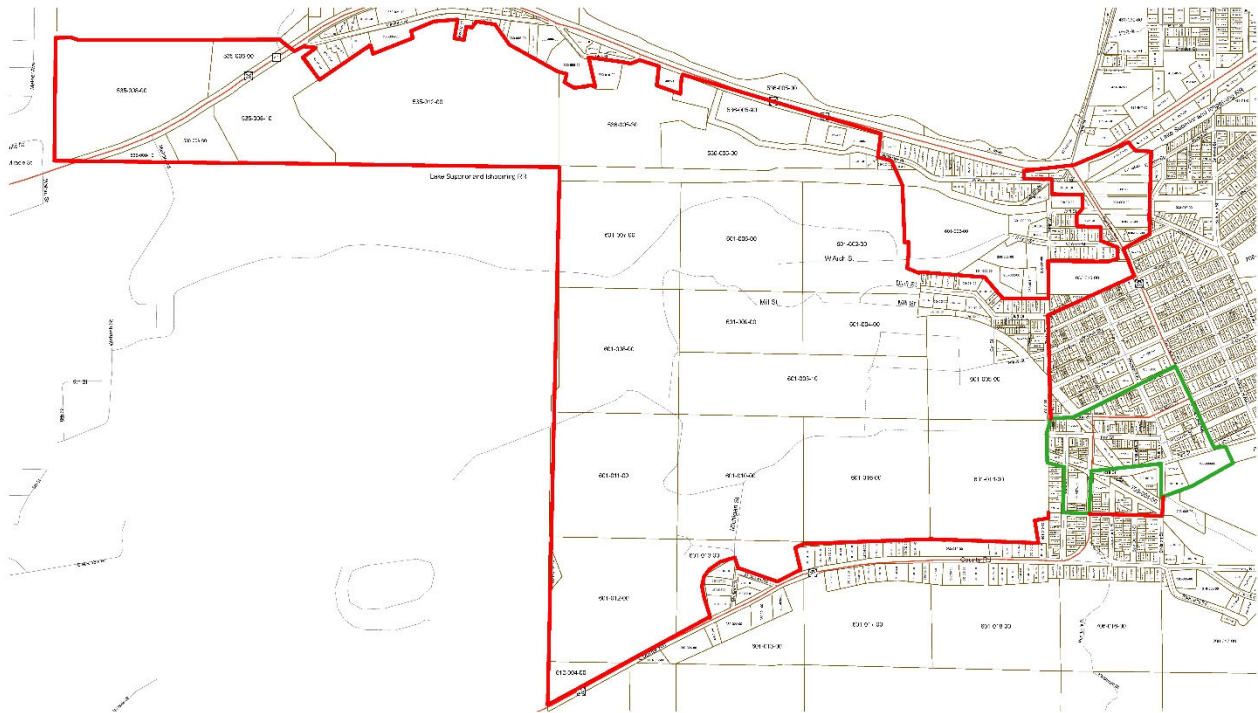
In February 1983, the City of Negaunee adopted Ordinance #290 establishing the Negaunee Downtown Development Authority (“DDA”). Although the DDA was established in 1983 it did not prepare or adopt a Development Plan and Tax Increment Financing Plan. As a result of the recently adopted Negaunee Economic Development Strategy, called “Moving Forward” in 2018, the Action Program called for the preparation of a Downtown Plan and Streetscape and reactivation of the dormant Downtown Development Authority. In addition, reactivation of the DDA is consistent with Redevelopment Ready Communities™ and efforts advanced by Project Empire (a MEDC initiative). In January, 2020, the City Council adopted amended Chapter 290 to expand the DDA District to include properties west and northwest of the current DDA District.

Basis For The Development Plan and Tax Increment Financing Plan

Act 57 of Public Acts of 2018 which replaced Act 57 of Public Acts of 2018, the Downtown Development Authority Act (“Act 57”), provides the legal mechanism for local officials to address the need for economic development in the central business district. In the City of Negaunee, the DDA district incorporates the commercial and several residential properties in the traditional historic downtown of the City roughly bounded by Teal Lake Avenue, Tobin Street, W. Case Street, and Rail Street.

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 Plan and Tax Increment Financing Plan is identified in Act 57 of the Public Acts of 2018, as amended.

The need for establishing the Negaunee Downtown Development Authority (referred to as "DDA District") is founded on the basis that the future success of Negaunee's efforts to revitalize its commercial area will depend, in large measure, on the readiness and ability of its public corporate entity 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. Map 1 shows the geographic limits of the Negaunee Downtown Development Authority effective as of February 1983 and amended in January 2020. The Development Area District, or boundary, (Map 2) must be equal to or less than the geographic limits of the Downtown Development Authority District.



DRAFT VERSION

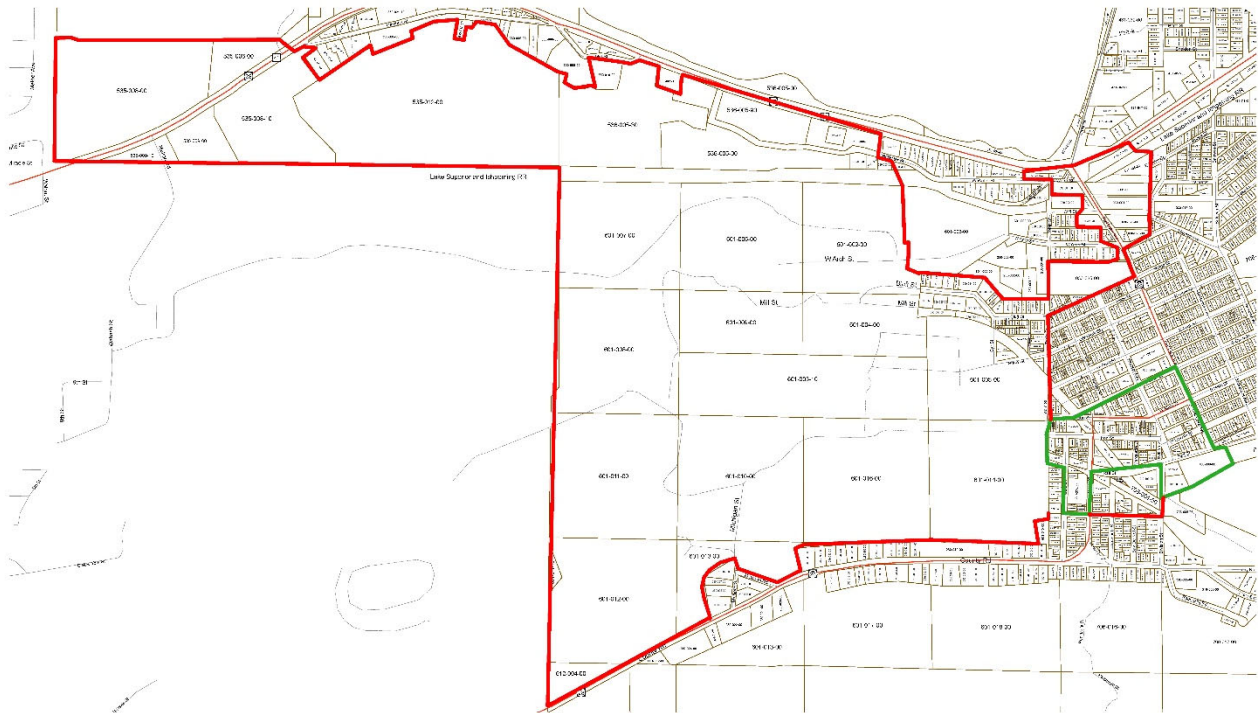
The Development Plan envisions the integration of public and private land uses as a method of strengthening the economic base of the Development Area. This will be accomplished by improving the public infrastructure adjacent to existing private development. Specifically, the Downtown Development Authority plans to utilize four distinct approaches to the revitalization and enhancement of the commercial base.

1. The first strategy is to improve the appearance of the district through public improvements such as installation of streetscape, realignment of several key intersections, pedestrian alleys and access, special events areas, and parks and plazas.
2. The second strategy is to work with property owners to improve the use, appearance and preservation of their buildings.
3. To provide assistance to local business and property owners through the use of low interest loans, merchants retention programs and coordinated advertising, promotion and marketing.
4. The final strategy is to link the downtown with the City and regional natural resources such as the Iron Heritage Trail, and City-owned properties adjacent to and west of the downtown.

DEVELOPMENT PLAN

1A. Designation of Boundaries of the Development Area

The Development Area boundary is located within the jurisdictional limits of the City of Negaunee and the City of Negaunee Downtown Development Authority. The City of Negaunee established the Downtown Development Authority pursuant to Act 57 of Public Acts of 2018 through adoption and publication of Ordinance #290 in 1983 and 2020. The Development Area boundary is illustrated below and is generally described as incorporating all public and private real estate within the Downtown Development District boundary.



Map 2

City of Negaunee

DOWNTOWN DEVELOPMENT PLAN and TAX INCREMENT FINANCING PLAN BOUNDARY

DDA District #1 (Green) and DDA District #2 (Red)

1B. Legal Description of the Development Area

The downtown development authority shall exercise its powers and duties within the downtown development district, City of Negaunee, County of Negaunee, State of Michigan, specifically described as follows:

District #1 (1983)

Commencing at the intersection of the centerline of Tobin Street and Jackson Street, thence south on Tobin Street to the northwest corner of Lot 88 of the Iron Plat Addition, thence southeasterly along the north lot line of Lot 88 to the centerline of Gold Street; thence south along the centerline of Gold Street to Copper Street; thence east along the centerline of Copper Street to Silver Street; thence north along the centerline of Silver Street to Rail Street; thence east along the centerline of Rail Street to the centerline of Division Street; thence south along the centerline of Division Street 300 feet; thence east 750 feet; thence northwesterly to the intersection of the centerline of Teal Lake Avenue and Case Streets; thence west along the centerline of Case Street to the centerline of Jackson Street; thence west on Jackson Street to the point of beginning.

(Ord. No. 290, 1983)

District #2 (2020)

Parcels included within the boundary (red) prepared by Marquette County Equalization Department as noted in Exhibit B of Ordinance No. 290, expanding the district.

(Ord. No 290, 2020)

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 Negaunee DDA District is approximately 42 acres in size and includes a mix of commercial, institutional and residential uses. The entire district is serviced by municipal water and sewer and has access to broadband services. The following street segments are in the DDA District and these include:

Street Segment	From	To
W Case Street	Teal Lake Avenue	Tobin Street
W Main Street	Teal Lake Avenue	Pioneer Avenue
Jackson Street	Pioneer Avenue	Tobin Street
W Lincoln Street	Teal Lake Avenue	Pioneer Avenue
Iron Street	Pioneer Avenue	Tobin Street
Rail Street	Pioneer Avenue	Gold Street
Gold Street	Iron Street	Cooper Street
Silver Street	Cooper Street	Iron Street
Division Street	Cooper Street	Rail Street
Mill Street	Cyr Street	Bluff Street
Bluff Street	Mill Street	Tobin Street
Water Street	Teal Lake Avenue	Future Malto Road
Cyr Street	Bluff Street	Jackson Mine Park
W. Arch Street	Teal Lake Avenue	Negaunee High School
Lombard Street	Snow Street	Cyr Street

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

Public Land Uses

City of Negaunee City Hall, Negaunee Library, U.S. Post Office, Negaunee Fire Station and Negaunee Police Department are located within the downtown district. The Negaunee Public School Administration Building is located on the southeast corner of West Main Street and Pioneer. The Negaunee Senior Center has frontage on Jackson Street but the building proper is not located within the District.

Private Land Uses

A. Residential – There are various residential properties located in the DDA District and these are grouped in the neighborhood bounded by W Case Street, Teal Lake Avenue, Pioneer Avenue and Rail Street, and along Cooper Street between Gold Street and Silver Street. In DDA District #2 there are residential properties located along the north side of W. Water Street and several along Future Malto Road.

B. Commercial - The majority of commercial property in the DDA District is located between Pioneer Avenue, Tobin Street, W Case Street, and Rail Street. In DDA District #2 there is the Teal Lake Senior Living Community facility.

C. Industrial - There are no current and operable industrial properties in either district.

Recreational Uses

There are several parks and open spaces located in the DDA district. A plaza is located on the southeast corner of Silver Street and Iron Street. A small triangular park adjacent to Negaunee City Hall is used for a Veterans Memorial, and Breitung Park located on Pioneer Street between Lincoln Street and W. Main Street.

Quasi-Public Uses

There are no quasi-public uses located within the existing DDA district or Development Area boundaries.

Educational Uses

The Negaunee Public School administration building is located in DDA District #1 and the Negaunee High School is located in DDA District #2.

Vacant Land

There are several parcels of property that may be classified as vacant or underutilized and they include the former grocery store at Jackson and Silver Streets, and a parcel at the west end of Iron Street.

2C. Existing Improvements in the Development Area to be Demolished, Repaired or Altered and Time Required for Completion.

The installation of streetscape elements such as pedestrian lighting, street trees, and pedestrian bump-outs at intersections will require existing sidewalks and curbs to be demolished and reconstructed. In addition, the intersections at Pioneer (Division) and Jackson, and Division and Iron would be reconfigured to reduce the amount of pavement and decrease the crossing distance for pedestrians. For development to occur in DDA District #2 Future Malto Road will need to be improved.

The physical design plan for the downtown includes several elements that involved public right-of-way and these include:

- Repurposing a portion of Marquette Street just south of Iron Street to create an events area for the downtown.
- Improvements to Rail Street.

2D. The Location, Extent, Character and Estimated Cost of Improvements including Rehabilitation for the Development Area.

The table below outlines the project name, description and estimated cost for those projects identified by the DDA Board.

Table 1
Negaunee DDA Projects and Programs and Probable Costs

Project Name	Description	Probable Cost
<i>Buildings</i>		
Façade Improvement Grants	Develop a façade program where matching funds are provided on a grant basis to property owners renovating their buildings based on the Secretary of Interior Standards for Historic Building restoration.	\$250,000 Budget; over period of plan term
ADA Compliance Grants	Provide matching funds on a grant basis to property owners renovating their buildings for ADA-related improvements.	\$75,000 Budget; over period of plan term
Farmers Market	Develop a formal Farmers Market pavilion and event building.	\$350,000
City Hall Improvements	Renovation to the historic City Hall Building including an elevator, windows and exterior improvements.	\$550,000 Budget
Fire Station Building	Renovation to the historic Fire Station Building including windows and exteriors repairs and painting.	\$250,000 Budget

Project Name	Description	Probable Cost
Street Improvements		
Iron Street Streetscape	Reconstruction of Iron Street between Division and Tobin to include new sidewalks, pedestrian lighting, street trees and parallel parking. Crosswalks and mid-block crossings will include bump-outs to provide for enhanced pedestrian safety and minimize street crossing distances.	\$1,525,000 2,344 lineal feet of streetscape
Marquette Street	Closure and conversion of a portion of Marquette Street just south of Iron Street to a special events area referred to as "Iron Street Square."	\$95,000 3,070 sqft of project area
Rail Street	Reduce the pavement width, resurface and integrate the nonmotorized trail.	\$102,300 2,046 sqft of project area; curb & gutter
Pioneer / Jackson Streets Intersection	Reconfiguration of the intersection to reduce the pavement width, install angle parking, slow traffic and increase pedestrian safety.	\$172,000 8,850 sqft of project area
Future Malto Drive	Construction of a new street that extends west from W. Water Street connecting at some point with Cambria Road.	\$2,500,000 4,900 lineal feet
Division / Iron Streets Intersection	Reconfiguration of the intersection to reduce the pavement width, slow traffic and increase pedestrian safety.	\$527,600 11,724 square feet of project area
Street Furnishings and Enhancements	Placement of bike loops, benches, trash receptacles, and electric charging stations at various locations in the district.	\$85,000 Budget
Lighting Upgrades and Underground Electrical	Replacement or retrofit existing lighting as needed and depending on the project bury overhead electrical lines underground.	\$1,500,000 Budget
Silver Street Approach	Improve the street segment either side of the Silver Street underpass and the triangular grass area where Silver Street connects with the county road.	\$65,000 Budget of improvements
Jackson Street Streetscape	Installation of pedestrian lights and street trees consistent with improvements made on Iron Street between Silver Street and Pioneer Avenue. These improvements will require coordination with MDOT.	\$845,000 1,300 lineal feet of streetscape
Parks and Plazas		
Downtown Green	Redevelop a portion of the City parking lot between Iron and Jackson Streets for a public outdoor and event space.	\$490,000 14,000 sqft of improvements

Project Name	Description	Probable Cost
Silver Street Park	Renovate the existing plaza located on the southeast corner of Iron Street and Silver Street.	\$130,050 8,670 sqft or improvements
Pedestrian Accessways	Install pedestrian walkways and access points to connect Jackson Street with Iron Street and Iron Street parking lots behind the buildings on the south side of Iron Street.	\$45,000 Budget
Alley Improvement	Improve the alley that exists behind the buildings on the south side of Iron Street between Division Street and Silver Street.	\$139,500 3,980 sqft or improvements
Fireman's Square	Close the street on the east side of the fire station building and repurpose this space for a plaza that highlights the past and current contributions of Negaunee firefighters.	\$205,650 4,570 sqft of improvements
Iron Ore Heritage Trail Overlook and Plaza	Develop a plaza on the land above the Silver Street underpass as a trailhead and rest area for nonmotorized users.	\$145,000 4,140 sqft of improvements
Jackson Mine Park	Installation of two gateway entrance structures along Tobin Street.	\$27,500 Budget
Parks Furnishings	Replace or add park equipment and features (i.e. splash pads, public artworks, interpretive signage) as needed.	\$350,000 Budget; over period of plan term
Parking		
South Parking Lot	This involves the reconfiguration of the parking lots behind the buildings on the south side of Iron Street into a consolidated and collective parking facility. This will likely be a public-private partnership.	\$365,000 28,434 sqft of improvements. curb & gutter and pavement
Marketing and Promotions		
Branding / Marketing	Participate with the City on a city-wide rebranding effort which will be used for future marketing and promotions, buy local campaign, and wayfinding.	\$18,000 Budget
Downtown Community Events	Assist in the funding of community events that are hosted in the downtown.	\$25,000 Annual Budget
Web Site	Establish and maintain a DDA web site that includes market information, property availability, and information and links to existing businesses.	\$7,500 Annual Budget
Wayfinding System	Design and implement a uniform and consistent wayfinding systems that identifies public facilities, downtown parking areas, parks, and other community assets. This would extend throughout the City including the US-41 / M-28 corridor.	\$95,000 Budget

Project Name	Description	Probable Cost
Redevelopment		
Property Acquisition	Reserve funds, if needed, for acquisition of buildings and/or vacant property.	\$750,000 Budget Reserve
Pre-Development Services	Provide funds, when needed, for Phase 1 and 2 assessments, and other feasibility and market studies to assist with property redevelopment.	\$75,000 Budget
Infrastructure Improvements	Reserve funds for infrastructure improvements and upgrades within the Development Area for District #1 and District #2. These would include water, sewer, stormwater, broadband, wireless, and electrical.	\$6,500,000 Budget Reserve

Note: The scope and cost of the project may vary depending on the final design of each component. Project descriptions reflect the overall scope of the projects envisioned by the Negaunee DDA. The DDA recognizes that market forces, private investment, future public-private partnerships, and legislative amendments may result in changes to the final design, cost, and prioritization of the projects consistent with overall concepts embodied in this Development Plan and Tax Increment Financing Plan.

2E. A Statement of the Construction or Stages of Construction Planned, and the Estimated Time of Completion.

On February 25, 2019 the DDA Board met to review the results of the board prioritization survey and discuss the extent, probable cost and timing of projects and programs. The table below outlines the project name, description and priority and timing assigned for those projects by the DDA Board. The Priority/Phasing reflects the timeframe for anticipated implementation.

High	1 to 5 years
Medium	6 to 10 years
Low	More than 10 years

Table 2
Negaunee DDA Projects and Programs by Priority

Project Name	Description	Priority/Phasing
Buildings		
Façade Improvement	Develop a façade program where matching funds are provided on a grant basis to property owners renovating their buildings based on the Secretary of Interior Standards for Historic Building restoration.	High
Fire Station Building	Renovation to the historic Fire Station Building including windows and exteriors repairs and painting.	High

Project Name	Description	Priority/Phasing
ADA Compliance Grants	Provide matching funds on a grant basis to property owners renovating their buildings for ADA-related improvements.	Medium
Farmers Market	Develop a formal Farmers Market pavilion and event building	Medium
City Hall Improvements	Renovation to the historic City Hall Building including an elevator, windows and exterior improvements.	Low
Streets		
Iron Street Streetscape	Reconstruction of Iron Street between Division and Tobin to include new sidewalks, pedestrian lighting, street trees and parallel parking. Crosswalks and mid-block crossings will include bump-outs to provide for enhanced pedestrian safety and minimize street crossing distances.	High
Street Furnishings and Enhancements	Placement of bike loops, benches, trash receptacles, and electric charging stations at various locations in the district.	Medium
Marquette Street	Closure and conversion of a portion of Marquette Street just south of Iron Street to a special events area referred to as “Iron Street Square.”	Medium
Project Name	Description	Priority/Phasing
Rail Street	Reconfiguration of the intersection to reduce the pavement width, install angle parking, slow traffic and increase pedestrian safety.	Medium
Lighting Upgrades and Underground Electrical	Replacement or retrofit existing lighting as needed and depending on the project bury overhead electrical lines underground.	Medium
Pioneer / Jackson Streets Intersection	Reconfiguration of the intersection to reduce the pavement width, install angle parking, slow traffic and increase pedestrian safety.	Medium
Division / Iron Streets Intersection	Reconfiguration of the intersection to reduce the pavement width, slow traffic and increase pedestrian safety.	Low
Silver Street Approach	Improve the street segment either side of the Silver Street underpass and the triangular grass area where Silver Street connects with the county road.	Low

Project Name	Description	Priority/Phasing
Jackson Street Streetscape	Installation of pedestrian lights and street trees consistent with improvements made on Iron Street between Silver Street and Pioneer Avenue. These improvements will require coordination with MDOT.	Low
Future Malto Drive	Construction of a new street that extends west from W. Water Street connecting at some point with Cambria Road.	Medium
Parks and Plazas		
Silver Street Park	Renovate the existing plaza located on the southeast corner of Iron Street and Silver Street.	High
Pedestrian Accessways	Install pedestrian walkways and access points to connect Jackson Street with Iron Street and Iron Street parking lots behind the buildings on the south side of Iron Street.	High
Downtown Green	Redevelop a portion of the City parking lot between Iron and Jackson Streets for a public outdoor and event space.	Medium
Iron Ore Heritage Trail Overlook	Develop a plaza on the land above the Silver Street underpass as a trailhead and rest area for nonmotorized users.	Medium
Alley Improvements	Improve the alley that exists behind the buildings on the south side of Iron Street between Division Street and Silver Street.	Low
Jackson Park Mine	Installation of two gateway entrance structures along Tobin Street.	Low
Project Name	Description	Priority/Phasing
Fireman's Square	Close the street on the west side of the fire station building and repurpose this space for a plaza that highlights the past and current contributions of Negaunee firefighters.	Low
Park Furnishings	Replace or add park equipment and features (i.e. splash pads, public artworks, interpretive signage) as needed.	Low
Parking		
South Parking Lot	This involves the reconfiguration of the parking lots behind the buildings on the south side of Iron Street into a consolidated and collective parking facility. This will likely be a public-private partnership.	Low

Project Name	Description	Priority/Phasing
Marketing and Promotions		3 High – 1 Low
Branding / Marketing	Participate with the City on a city-wide rebranding effort which will be used for future marketing and promotions, buy local campaign, and wayfinding.	High
Downtown/Community Events	Assist in the funding of community events that are hosted in the downtown.	High
Wayfinding System	Design and implement a uniform and consistent wayfinding systems that identifies public facilities, downtown parking areas, parks, and other community assets. This would extend throughout the City including the US-41 / M-28 corridor.	Medium
Web Site	Establish and maintain a DDA web site that includes market information, property availability, and information and links to existing businesses.	Low
Redevelopment		
Property Acquisition	Reserve funds, if needed, for acquisition of buildings and/or vacant property.	Medium
Pre-Development Services	Provide funds, when needed, for Phase 1 and 2 assessments, and other feasibility and market studies to assist with property redevelopment.	Medium
Infrastructure Improvements	Reserve funds for infrastructure improvements and upgrades within the Development Area. These would include water, sewer, stormwater, broadband, wireless, and electrical.	Low

Overall summary of the proposed development plan projects and programs is:

Project Category	Prioritization			Total Costs
	High (1-5 Yrs)	Medium(6-10 Yrs)	Low (10+ Yrs)	
Buildings	\$500,000	\$425,000	\$550,000	\$1,475,000
Street Improvements	\$1,525,000	\$4,680,00	\$1,437,600	\$7,643,150
Parks and Plazas	\$175,050	\$635,000	\$722,650	\$1,532,700
Parking	\$0	\$0	\$365,000	\$365,000
Marketing / Promotions	\$43,000	\$95,000	\$7,500	\$145,500
Redevelopment	\$0	825,000	\$6,500,000	\$7,325,000
TOTAL	\$2,243,050	\$6,660,550	\$9,582,750	\$18,486,350

2F. 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 rights-of-way, plazas, and parks within the District. Existing park property in the DDA district and Development Area will remain as open space.

2G. 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 under DDA ownership. As a result, the DDA has no plans to sell, donate, exchange, or lease, as part of this Development Plan. However, the DDA does the statutory ability to acquire property (buildings and vacant land) if it deems necessary to advance the redevelopment and revitalization of the downtown.

2H. Desired Zoning Changes and Changes in Streets, Street Levels, Intersections and Utilities.

The Development Plan proposes no zoning changes proposed within the Development Area. The current zoning of commercial and office accommodates existing and future land uses in the subject area.

2I. 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 City and other sources approved by the City in accordance with the Act 57 of 2018.

2J. 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.

2K. 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 City of Negaunee, Negaunee 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 City Commission. If needed, more detailed procedures will be developed prior to the transactions, in accordance with applicable city policy and Michigan state law.

2L. Estimates of the Number of Persons residing in the Development Area and the Number of Families and Individuals to be Displaced.

Based upon a review of the properties within the DDA district and Development Area it is estimated that there are 113 residential units and approximately 260 individuals who reside within the Development Area. As a result, a Development Area Citizens Council shall be established pursuant to Section 221 of Act 57 of 2018 (MCL 125.4221). Further, 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.

2M. 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.

2N. 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 Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is not addressed.

2O. 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 c (below) exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.
- b. "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.
- c. "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.
- d. "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:
 - (i) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this act.
 - (ii) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an

- amount equal to the amount necessary, without regard to subparagraph (i), to repay eligible advances, eligible obligations, and other protected obligations.
- (iii) Tax increment revenues do not include any of the following:
 - (A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.
 - (B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.
 - (C) Ad valorem property taxes exempted from capture under section 3(3) or specific local taxes attributable to such ad valorem property taxes.
 - (D) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem taxes:
 - i. The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.
 - ii. The art institute authorities act, 2010 PA 296, MCL 123.1201 to 123.1229.
 - iii 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.
 - (iv) The amount of tax increment revenues authorized to be included under subparagraph (ii) or (v), and required to be transmitted to the authority under section 14(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):
 - (A) The percentage that the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.
 - (B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (ii) or (v) in Section 201 (cc) of Act 57 of 2018.

2. Purpose of the Tax Increment Financing Plan

The Negaunee Downtown Development Authority District was established pursuant to ordinance to be the organization responsible for preventing deterioration in the Downtown District while preserving its historical character and promoting economic growth. 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.

The purpose of the tax increment financing plan is to produce revenues sufficient to pay the principal, interest, paying agent fees and accounting costs for the bond issue which is proposed to finance the Development Plan and have funds available to pay for projects that do not require bond financing; typically referred to “pay-as-you-go” projects.

The Act 57 authorizes the DDA 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 DDA. The benefit of using tax increment financing as a method to finance district improvements is that all local units of government levying taxes within the City of Negaunee contribute to the revitalization of the business district. Prior to legislative authorization of tax increment financing only the municipality provided tax revenues for revitalization activities while the other taxing authorities shared in the benefits of the revitalization efforts. The City of Negaunee deems it to be in the best interest of the City and the Downtown Development District to amend and restate the adopted 1978 Development and Tax Increment Financing Plan, as amended, 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. These programs must be identified in a tax increment financing plan, which has been approved by the governing body of a municipality. Tax increment financing permits the Authority to capture incremental tax revenues attributable to increases in value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alterations, additions or any other factors that cause growth in value.
- b. At the time the resolution or ordinance establishing a tax increment financing plan is adopted, the sum of the most recently taxable values, as equalized, of those taxable properties located within the development area is established as the "Initial Taxable Value" (the "ITV"). Property exempt from taxation at the time of determination of the Initial Taxable value is included as zero. In each subsequent year, the total real and personal property within the district, including abated property on separate rolls, is established as the "Current Taxable value."
- c. The amount by which the total taxable value exceeds the ITV is the Captured Taxable Value (the "CTV"). During the period in which a tax increment financing plan is in effect, local taxing jurisdictions continue to receive ad valorem taxes based on the ITV. Property taxes paid on a predetermined portion of the CTV in years subsequent to the adoption of tax increment financing plan, however, are payable to an authority for the purposes established in the tax increment financing plan.

4. Taxing Jurisdiction Agreements.

Tax increment revenues for the 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. The County of Marquette and City of Negaunee have entered into a Tax Sharing Agreement for TIF District #2. A copy of the agreement is included as an Exhibit. Table 4-B and Table 5-B reflect the tax sharing agreement between the County and City.

In addition to the Tax Sharing Agreement with the County, the Negaunee DDA will not capture taxable valuations associated with the Teal Lake BRA Plan which is also reflected in Table 4-B and Table 5-B until approximately 2041, or when the BRA obligations are paid.

5. Property Valuations and Captured Revenue.

The property valuation on which tax increment revenues will be captured is the difference between the Initial Assessed Valuation and the Current Assessed Valuation. The purpose of this section is to set forth the Initial Assessed Valuation, the projected Captured Assessed Valuation and the anticipated increment revenues to be received by the Authority from the local taxing jurisdictions including the City of Negaunee, Marquette County and any other authorities or special tax districts that may be eligible to levy property taxes within the boundaries of the DDA, herein collectively referred to as the "Local Taxing Jurisdictions."

- a. The Initial Assessed Valuation for the 2019 tax increment financing district ("TIF #1") was established based on the 2019 state taxable valuations on real property and on all non-exempt parcels within that portion of the Development Area as of December 31, 1918. The Initial Assessed Valuation of the

City of	Intial	2019 Taxable	Captured
Negaunee DDA	Valuation	Valuations	Valuation
	(12/31/2017)	(12/31/2018)	
TIF 1	\$ 3,315,118	\$ 3,387,489	\$ 72,371
TIF 2	\$ 6,305,551	\$ 6,305,551	\$ -

- b. The anticipated Captured Taxable Value (CTV) is equivalent to the annual total taxable value within the Development Area boundaries less the Initial Taxable value as described above. The tax increment revenues are then the product of all millages levied by all taxing units in the Development Area on the CTV. The CTV is projected based on a number of factors including historical growth patterns, construction trends, economic indicators and the impact of certain development projects anticipated to be undertaken by the DDA. Due to the lack major reinvestment in the DDA district the annual valuation increases are very conservative forecasted at $\frac{1}{4}$ of 1% per year. In the future, when buildings are sold the taxable valuation is uncapped which will increase the property valuations leading to higher CAV for the district. For projection purposes, the annual growth rate is forecasted at:

Fiscal	Year	<i>growth rates</i>
2019	- 2024	0.25%
2024	- 2050	0.50%

- c. A more detailed depiction of the Captured Taxable Valuations can be found in Table 4 and Table 5.
- d. The DDA 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, if any.
- e. The City of Negaunee and County of Marquette have entered into a Tax Sharing Agreement for DDA District #2 and TIF District #2. Under the agreement the County declared its intention to "opt-out" of DDA District #2. Further, they agreed to a fifteen (15) year tax sharing agreement where the DDA can capture 100% of taxable valuation increase for the first ten (10) years, and then 50% of taxable valuation increases for the remaining five (5) years. After year fifteen (15) the DDA

will no longer capture any County taxes. In addition, to the County tax sharing agreement the DDA will forego taxable valuation increases associated with the Teal Lake BRA. This BRA Plan is set to expire in 20141. A copy of the County of Marquette Tax Sharing Agreement is attached as an exhibit.

Table 4-A
Anticipated Captured Taxable Valuation – TIF District #1 (Original District 1983)

Fiscal Year Jan-Dec	Tax Roll Assessment Date	TIF District				
		Annual Valuation	Annual Taxable Growth (+ / -)	Total Valuation	Taxable Valuation Annual Growth	Captured Valuation
2018 - 19	12-31-18	\$ 3,315,118				
1 2019 - 20	12-31-19	\$ 3,387,489	0.00%	\$ 3,387,489	\$ -	\$ 72,371
2 2020 - 21	12-31-20	\$ 3,387,489	0.25%	\$ 3,395,958	\$ 8,469	\$ 80,840
3 2021 - 22	12-31-21	\$ 3,395,958	0.25%	\$ 3,404,448	\$ 8,490	\$ 89,330
4 2022 - 23	12-31-22	\$ 3,404,448	0.25%	\$ 3,412,959	\$ 8,511	\$ 97,841
5 2023 - 24	12-31-23	\$ 3,412,959	0.25%	\$ 3,421,491	\$ 8,532	\$ 106,373
6 2024 - 25	12-31-24	\$ 3,421,491	0.50%	\$ 3,438,599	\$ 17,107	\$ 123,481
7 2025 - 26	12-31-25	\$ 3,438,599	0.50%	\$ 3,455,792	\$ 17,193	\$ 140,674
8 2026 - 27	12-31-26	\$ 3,455,792	0.50%	\$ 3,473,071	\$ 17,279	\$ 157,953
9 2027 - 28	12-31-27	\$ 3,473,071	0.50%	\$ 3,490,436	\$ 17,365	\$ 175,318
10 2028 - 29	12-31-28	\$ 3,490,436	0.50%	\$ 3,507,888	\$ 17,452	\$ 192,770
11 2029 - 30	12-31-29	\$ 3,507,888	0.50%	\$ 3,525,428	\$ 17,539	\$ 210,310
12 2030 - 31	12-31-30	\$ 3,525,428	0.50%	\$ 3,543,055	\$ 17,627	\$ 227,937
13 2031 - 32	12-31-31	\$ 3,543,055	0.50%	\$ 3,560,770	\$ 17,715	\$ 245,652
14 2032 - 33	12-31-32	\$ 3,560,770	0.50%	\$ 3,578,574	\$ 17,804	\$ 263,456
15 2033 - 34	12-31-33	\$ 3,578,574	0.50%	\$ 3,596,467	\$ 17,893	\$ 281,349
16 2034 - 35	12-31-34	\$ 3,596,467	0.50%	\$ 3,614,449	\$ 17,982	\$ 299,331
17 2035 - 36	12-31-35	\$ 3,614,449	0.50%	\$ 3,632,521	\$ 18,072	\$ 317,403
18 2036 - 37	12-31-36	\$ 3,632,521	0.50%	\$ 3,650,684	\$ 18,163	\$ 335,566
19 2037 - 38	12-31-37	\$ 3,650,684	0.50%	\$ 3,668,937	\$ 18,253	\$ 353,819
20 2038 - 39	12-31-38	\$ 3,668,937	0.50%	\$ 3,687,282	\$ 18,345	\$ 372,164
21 2039 - 40	12-31-39	\$ 3,687,282	0.50%	\$ 3,705,718	\$ 18,436	\$ 390,600
22 2040 - 41	12-31-40	\$ 3,705,718	0.50%	\$ 3,724,247	\$ 18,529	\$ 409,129
23 2041 - 42	12-31-41	\$ 3,724,247	0.50%	\$ 3,742,868	\$ 18,621	\$ 427,750
24 2042 - 43	12-31-42	\$ 3,742,868	0.50%	\$ 3,761,583	\$ 18,714	\$ 446,465
25 2043 - 44	12-31-43	\$ 3,761,583	0.50%	\$ 3,780,390	\$ 18,808	\$ 465,272
26 2044 - 45	12-31-44	\$ 3,780,390	0.50%	\$ 3,799,292	\$ 18,902	\$ 484,174
27 2045 46	12-31-45	\$ 3,799,292	0.50%	\$ 3,818,289	\$ 18,996	\$ 503,171
28 2046 47	12-31-46	\$ 3,818,289	0.50%	\$ 3,837,380	\$ 19,091	\$ 522,262
29 2047 48	12-31-47	\$ 3,837,380	0.50%	\$ 3,856,567	\$ 19,187	\$ 541,449
30 2048 49	12-31-48	\$ 3,856,567	0.50%	\$ 3,875,850	\$ 19,283	\$ 560,732

Table 4-B**Anticipated Captured Taxable Valuation – TIF District #2 (Expanded District 2020)**

	Fiscal Year Jan-Dec	Tax Roll Assessment Date	TIF District #2				
			TIF#2 Valuation <i>Annual Increase 2.04%</i>	Teal Lake BRA Valuation	TIF#2 Captured Valuation	Teal Lake BRA Captured Valuation	Net Captured Valuation
	2019 - 20	12-31-18	\$ 6,305,551	\$ 2,222,800			
1	2020 - 21	12-31-19	\$ 6,434,184	\$ 2,268,145	\$ 128,633	\$ 45,345	\$ 83,288
2	2021 - 22	12-31-20	\$ 6,565,442	\$ 2,314,415	\$ 259,891	\$ 91,615	\$ 168,275
3	2022 - 23	12-31-21	\$ 8,449,377	\$ 2,361,629	\$ 2,143,826	\$ 138,829	\$ 2,004,996
4	2023 - 24	12-31-22	\$ 8,621,744	\$ 2,409,807	\$ 2,316,193	\$ 187,007	\$ 2,129,186
5	2024 - 25	12-31-23	\$ 8,797,627	\$ 2,458,967	\$ 2,492,076	\$ 236,167	\$ 2,255,910
6	2025 - 26	12-31-24	\$ 8,977,099	\$ 2,509,130	\$ 2,671,548	\$ 286,330	\$ 2,385,219
7	2026 - 27	12-31-25	\$ 9,160,232	\$ 2,560,316	\$ 2,854,681	\$ 337,516	\$ 2,517,165
8	2027 - 28	12-31-26	\$ 9,347,101	\$ 2,612,546	\$ 3,041,550	\$ 389,746	\$ 2,651,803
9	2028 - 29	12-31-27	\$ 9,537,781	\$ 2,665,842	\$ 3,232,230	\$ 443,042	\$ 2,789,188
10	2029 - 30	12-31-28	\$ 9,732,352	\$ 2,720,225	\$ 3,426,801	\$ 497,425	\$ 2,929,376
11	2030 - 31	12-31-29	\$ 9,930,892	\$ 2,775,718	\$ 3,625,341	\$ 552,918	\$ 3,072,423
12	2031 - 32	12-31-30	\$ 10,133,482	\$ 2,832,343	\$ 3,827,931	\$ 609,543	\$ 3,218,389
13	2032 - 33	12-31-31	\$ 10,340,205	\$ 2,890,122	\$ 4,034,654	\$ 667,322	\$ 3,367,332
14	2033 - 34	12-31-32	\$ 10,551,146	\$ 2,949,081	\$ 4,245,595	\$ 726,281	\$ 3,519,314
15	2034 - 35	12-31-33	\$ 10,766,389	\$ 3,009,242	\$ 4,460,838	\$ 786,442	\$ 3,674,396
16	2035 - 36	12-31-34	\$ 10,986,023	\$ 3,070,631	\$ 4,680,472	\$ 847,831	\$ 3,832,642
17	2036 - 37	12-31-35	\$ 11,210,138	\$ 3,133,272	\$ 4,904,587	\$ 910,472	\$ 3,994,116
18	2037 - 38	12-31-36	\$ 11,438,825	\$ 3,197,190	\$ 5,133,274	\$ 974,390	\$ 4,158,884
19	2038 - 39	12-31-37	\$ 11,672,177	\$ 3,262,413	\$ 5,366,626	\$ 1,039,613	\$ 4,327,013
20	2039 - 40	12-31-38	\$ 11,910,289	\$ 3,328,966	\$ 5,604,738	\$ 1,106,166	\$ 4,498,572
21	2040 - 41	12-31-39	\$ 12,153,259	\$ 3,396,877	\$ 5,847,708	\$ 1,174,077	\$ 4,673,631
22	2041 - 42	12-31-40	\$ 12,401,186	\$ 3,466,173	\$ 6,095,635	\$ -	\$ 6,095,635
23	2042 - 43	12-31-41	\$ 12,654,170	\$ 3,536,883	\$ 6,348,619	\$ -	\$ 6,348,619
24	2043 - 44	12-31-42	\$ 12,912,315	\$ 3,609,036	\$ 6,606,764	\$ -	\$ 6,606,764
25	2044 - 45	12-31-43	\$ 13,175,726	\$ 3,682,660	\$ 6,870,175	\$ -	\$ 6,870,175
26	2045 - 46	12-31-44	\$ 13,444,511	\$ 3,757,786	\$ 7,138,960	\$ -	\$ 7,138,960
27	2046 - 47	12-31-45	\$ 13,718,779	\$ 3,834,445	\$ 7,413,228	\$ -	\$ 7,413,228
28	2047 - 48	12-31-46	\$ 13,998,642	\$ 3,912,668	\$ 7,693,091	\$ -	\$ 7,693,091
29	2048 - 49	12-31-47	\$ 14,284,215	\$ 3,992,486	\$ 7,978,664	\$ -	\$ 7,978,664
30	2049 - 50	12-31-48	\$ 14,575,613	\$ 4,073,933	\$ 8,270,062	\$ -	\$ 8,270,062

Table 5-A
Anticipated Captured Revenue – TIF District #1

Fiscal Year Jan-Dec	Captured Valuation	City of Negaunee	County of Marquette	Captured Revenues
		22.1858	7.6207	
2019 - 20	\$ 72,371	\$ 1,606	\$ 552	\$ 2,157
2020 - 21	\$ 80,840	\$ 1,793	\$ 616	\$ 2,410
2021 - 22	\$ 89,330	\$ 1,982	\$ 681	\$ 2,663
2022 - 23	\$ 97,841	\$ 2,171	\$ 746	\$ 2,916
2023 - 24	\$ 106,373	\$ 2,360	\$ 811	\$ 3,171
2024 - 25	\$ 123,481	\$ 2,740	\$ 941	\$ 3,681
2025 - 26	\$ 140,674	\$ 3,121	\$ 1,072	\$ 4,193
2026 - 27	\$ 157,953	\$ 3,504	\$ 1,204	\$ 4,708
2027 - 28	\$ 175,318	\$ 3,890	\$ 1,336	\$ 5,226
2028 - 29	\$ 192,770	\$ 4,277	\$ 1,469	\$ 5,746
2029 - 30	\$ 210,310	\$ 4,666	\$ 1,603	\$ 6,269
2030 - 31	\$ 227,937	\$ 5,057	\$ 1,737	\$ 6,794
2031 - 32	\$ 245,652	\$ 5,450	\$ 1,872	\$ 7,322
2032 - 33	\$ 263,456	\$ 5,845	\$ 2,008	\$ 7,853
2033 - 34	\$ 281,349	\$ 6,242	\$ 2,144	\$ 8,386
2034 - 35	\$ 299,331	\$ 6,641	\$ 2,281	\$ 8,922
2035 - 36	\$ 317,403	\$ 7,042	\$ 2,419	\$ 9,461
2036 - 37	\$ 335,566	\$ 7,445	\$ 2,557	\$ 10,002
2037 - 38	\$ 353,819	\$ 7,850	\$ 2,696	\$ 10,546
2038 - 39	\$ 372,164	\$ 8,257	\$ 2,836	\$ 11,093
2039 - 40	\$ 390,600	\$ 8,666	\$ 2,977	\$ 11,642
2040 - 41	\$ 409,129	\$ 9,077	\$ 3,118	\$ 12,195
2041 - 42	\$ 427,750	\$ 9,490	\$ 3,260	\$ 12,750
2042 - 43	\$ 446,465	\$ 9,905	\$ 3,402	\$ 13,308
2043 - 44	\$ 465,272	\$ 10,322	\$ 3,546	\$ 13,868
2044 - 45	\$ 484,174	\$ 10,742	\$ 3,690	\$ 14,432
2045 - 46	\$ 503,171	\$ 11,163	\$ 3,835	\$ 14,998
2046 - 47	\$ 522,262	\$ 11,587	\$ 3,980	\$ 15,567
2047 - 48	\$ 541,449	\$ 12,012	\$ 4,126	\$ 16,139
2048 - 49	\$ 560,732	\$ 12,440	\$ 4,273	\$ 16,713
		\$ 197,341 74.43%	\$ 67,786 25.57%	\$ 265,127

Table 5-B
Anticipated Captured Revenue – TIF District #2

Fiscal Year Jan-Dec	TIF#2 Captured Valuation	Teal Lake BRA Captured Valuation	City of Negaunee 22.1858	County of Marquette 7.6207	Total Captured Revenues	Teal Lake BRA Captured Revenue	TIF#2 Net Captured Revenue
2020 - 21	\$ 128,633	\$ 45,345	\$ 2,854	\$ 980	\$ 3,834	\$ 1,352	\$ 2,483
2021 - 22	\$ 259,891	\$ 91,615	\$ 5,766	\$ 1,981	\$ 7,746	\$ 2,731	\$ 5,016
2022 - 23	\$ 2,143,826	\$ 138,829	\$ 47,562	\$ 16,337	\$ 63,900	\$ 4,138	\$ 59,762
2023 - 24	\$ 2,316,193	\$ 187,007	\$ 51,387	\$ 17,651	\$ 69,038	\$ 5,574	\$ 63,464
2024 - 25	\$ 2,492,076	\$ 236,167	\$ 55,289	\$ 18,991	\$ 74,280	\$ 7,039	\$ 67,241
2025 - 26	\$ 2,671,548	\$ 286,330	\$ 59,270	\$ 20,359	\$ 79,629	\$ 8,534	\$ 71,095
2026 - 27	\$ 2,854,681	\$ 337,516	\$ 63,333	\$ 21,755	\$ 85,088	\$ 10,060	\$ 75,028
2027 - 28	\$ 3,041,550	\$ 389,746	\$ 67,479	\$ 23,179	\$ 90,658	\$ 11,617	\$ 79,041
2028 - 29	\$ 3,232,230	\$ 443,042	\$ 71,710	\$ 24,632	\$ 96,341	\$ 13,206	\$ 83,136
2029 - 30	\$ 3,426,801	\$ 497,425	\$ 76,026	\$ 26,115	\$ 102,141	\$ 14,827	\$ 87,314
2030 - 31	\$ 3,625,341	\$ 552,918	\$ 80,431	\$ 13,814	\$ 94,245	\$ 16,481	\$ 77,764
2031 - 32	\$ 3,827,931	\$ 609,543	\$ 84,926	\$ 14,586	\$ 99,511	\$ 18,168	\$ 81,343
2032 - 33	\$ 4,034,654	\$ 667,322	\$ 89,512	\$ 15,373	\$ 104,885	\$ 19,891	\$ 84,995
2033 - 34	\$ 4,245,595	\$ 726,281	\$ 94,192	\$ 16,177	\$ 110,369	\$ 21,648	\$ 88,721
2034 - 35	\$ 4,460,838	\$ 786,442	\$ 98,967	\$ 16,997	\$ 115,965	\$ 23,441	\$ 92,524
2035 - 36	\$ 4,680,472	\$ 847,831	\$ 103,840	\$ -	\$ 103,840	\$ 25,271	\$ 78,569
2036 - 37	\$ 4,904,587	\$ 910,472	\$ 108,812	\$ -	\$ 108,812	\$ 27,138	\$ 81,674
2037 - 38	\$ 5,133,274	\$ 974,390	\$ 113,886	\$ -	\$ 113,886	\$ 29,043	\$ 84,843
2038 - 39	\$ 5,366,626	\$ 1,039,613	\$ 119,063	\$ -	\$ 119,063	\$ 30,987	\$ 88,076
2039 - 40	\$ 5,604,738	\$ 1,106,166	\$ 124,346	\$ -	\$ 124,346	\$ 32,971	\$ 91,375
2040 - 41	\$ 5,847,708	\$ 1,174,077	\$ 129,736	\$ -	\$ 129,736	\$ 34,995	\$ 94,741
2041 - 42	\$ 6,095,635		\$ 135,237	\$ -	\$ 135,237	\$ -	\$ 135,237
2042 - 43	\$ 6,348,619		\$ 140,849	\$ -	\$ 140,849	\$ -	\$ 140,849
2043 - 44	\$ 6,606,764		\$ 146,576	\$ -	\$ 146,576	\$ -	\$ 146,576
2044 - 45	\$ 6,870,175		\$ 152,420	\$ -	\$ 152,420	\$ -	\$ 152,420
2045 - 46	\$ 7,138,960		\$ 158,384	\$ -	\$ 158,384	\$ -	\$ 158,384
2046 - 47	\$ 7,413,228		\$ 164,468	\$ -	\$ 164,468	\$ -	\$ 164,468
2047 - 48	\$ 7,693,091		\$ 170,677	\$ -	\$ 170,677	\$ -	\$ 170,677
2048 - 49	\$ 7,978,664		\$ 177,013	\$ -	\$ 177,013	\$ -	\$ 177,013
2049 - 50	\$ 8,270,062		\$ 183,478	\$ -	\$ 183,478	\$ -	\$ 183,478
			\$ 3,077,490 92.52%	\$ 248,927 7.48%	\$ 3,326,417	\$ 359,111	\$ 2,967,306

6. Maximum Indebtedness.

The maximum amount of indebtedness to be incurred by the DDA under this 2019 Development and Tax Increment Financing Plan will be limited to only those projects and programs identified in the Development Plan and will be limited by the annual revenues available to DDA for bond interest and principal payments. The exact amount of a bond is determined by the availability of revenues and approval by the Negaunee City Council. Currently, revenues captured will be used to accomplish projects in the Development Area outlined in Table 1 on a “pay-as-you-go” basis.

7. Use of Captured Revenues

Revenues captured through this Tax Increment Plan will be used to finance those improvements and projects outlined in Table 2 of the Development Plan in accordance with procedures specified in this Plan. Further, captured revenues can be used to finance current financial obligations of DDA, to pay for costs incurred by the City/DDA in implementing both the Development Plan and the Tax Increment Financing Plan, marketing and promotions costs, to 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.

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 \$29,806.

Table 6

Anticipated Millage to be Captured

Local Unit of Government		Percentage	Proration
City of Negaunee			74.43%
City Operating	17.5428	58.86%	
Parks and Recreation	0.9939	3.33%	
Equipment	1.4908	5.00%	
Street Improvement & Rehabilitation	1.9583	6.57%	
Heritage Trail	0.2000	0.67%	
City Subtotal	22.1858		
Marquette County			25.57%
County Operating	5.2938	17.76%	
County Transit	0.6000	2.01%	
County M.O.E.	0.5500	1.85%	
County Dispatch	0.4970	1.67%	
County Aging	0.4474	1.50%	
County Rescue	0.1525	0.51%	
County Veterans Affairs	0.0800	0.27%	
County Subtotal	7.6207		
Total Millage Subject to Capture	29.8065	100.00%	100.00%

8. Duration of the Program

The 2019 Development 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 not beyond December 31, 2050. This Development and Tax Increment Financing Plan shall not be abolished before the principal of and interest on any bonds which are outstanding have been paid in full, or funds enough for such payoff have been segregated.

9. Plan Impact on Local Taxing Jurisdictions

The Authority recognizes that future development and continued enhancements in the DDA business area will not be likely in the absence of tax increment financing. The Authority also recognizes that enhancement of the value of nearby property will indirectly benefit all local governmental units included in this plan. It is expected that the effected local taxing jurisdictions will experience a gain in property tax revenues from improvement made in the Development Area during the duration of the plan and should realize increased property tax revenues thereafter as a result of activities financed by the plan. Such future benefits cannot be accurately quantified at this time. However based on the tax increment revenue forecast the City of Negaunee and other taxing authorities would contribute the following percentage of revenues

Table 7

Forecasted Revenue by Source for TIF District #1 and TIF District #2

	Revenue by TIF District			Contribution	Percentage
	TIF #1	TIF #2	Total Revenue		
City of Negaunee					85.69%
City Operating	\$ 156,042	\$ 2,433,439	\$ 2,589,481	67.75%	
Parks and Recreation	\$ 8,841	\$ 137,868	\$ 146,709	3.84%	
Equipment	\$ 13,261	\$ 206,795	\$ 220,056	5.76%	
Street Improvement & Rehabilitation	\$ 17,419	\$ 271,644	\$ 289,063	7.56%	
Heritage Trail	\$ 1,779	\$ 27,743	\$ 29,522	0.77%	
City Subtotal	\$ 197,342	\$ 3,077,490	\$ 3,274,832		
Marquette County					6.93%
County Operating	\$ 47,088	\$ 172,920	\$ 220,008	4.81%	
County Transit	\$ 5,337	\$ 19,599	\$ 24,936	0.55%	
County M.O.E.	\$ 4,892	\$ 17,966	\$ 22,858	0.50%	
County Dispatch	\$ 4,421	\$ 16,234	\$ 20,655	0.45%	
County Aging	\$ 3,980	\$ 14,614	\$ 18,594	0.41%	
County Rescue	\$ 1,356	\$ 4,981	\$ 6,337	0.14%	
County Veterans Affairs	\$ 712	\$ 2,613	\$ 3,325	0.07%	
County Subtotal	\$ 67,786	\$ 248,927	\$ 316,713		
Total Accumulated Revenue	\$ 265,128	\$ 3,326,417	\$ 3,591,545	100.00%	92.62%

10. Release of Captured Revenues After Completion of Plan

When the Development and Tax Increment Financing Plans have been accomplished, the captured revenue proportionately to the respective taxing jurisdictions 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:

- A. Real property is based on an annual growth rate of 0.25% for year 2019 through 2024, and then increasing to 0.50% thereafter.
- B. Personal property valuations are not factored into the forecast due to the Personal Property Tax reform (Proposal 14-1), and the \$80,000 per business exemption.
- C. Costs provided for the various development projects enumerated in Table 1 are estimated costs in 2019 dollars. Final costs are determined after the Authority authorizes the final designs and will vary depending on the year authorized.
- D. TIF District #2 reflects the Tax Sharing agreement between the County of Marquette and City of Negaunee.
- E. The TIF Forecast accounts for the Teal Lake BRA Plan that is planned to expire in 2041.

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

The DDA 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. Both the annual budget and use of loans and bonds are subject to City Council approval.

Nothing in this Development Plan shall prevent the DDA and the City of Negaunee to enter into agreements for cost sharing of administrative and maintenance services, such as audit review and preparation, staffing, and maintenance over and above that normally provided by the City in the Development Area.

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

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

14. Relationship to Community Master Plan

The Development Plan indicates the need to revitalize the business areas of the community, which is an integral component of the community's redevelopment program and master plan.

If it is determined that any portions of the Development Plan conflict with the provisions of the Community Master Plan, then the Development Plan shall be adopted as a component of the Master Plan pursuant to Section 8 of Act 285 of 1931; the Municipal Planning Act.

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

Annually the DDA shall submit to the City of Negaunee and the State Tax Commission a report on the status of the tax increment financing account. The report shall include those items enumerated in Part 9 of PA 57 of 2018. Further, the report shall be published in a newspaper of general circulation.

EXHIBITS

- A - City of Negaunee Downtown Development Ordinance
- B - Interlocal Agreement between the City of Negaunee and County of Marquette

First Reading: November 14, 2019
Second Reading: December 12, 2019
Publication: December 20th & 21st, 2019
Effective Date: December 23, 2019

CITY OF NEGAUNEE DOWNTOWN
DEVELOPMENT AUTHORITY ORDINANCE

An ordinance to amend and restate Chapter 290, Negaunee Downtown Development Authority, originally established under Act 197 of the Public Acts of 1975, to bring the Downtown Development Authority in the City of Negaunee into compliance with Act No. 57 of the Public Acts of Michigan of 2018 (the Recodified Tax Increment Financing Act).

The City of Negaunee ORDAINS:

AMENDMENT

Chapter 290, as amended, of the Codified Ordinances of Negaunee, Michigan, shall be and hereby is, restated and amended to read as follows:

SECTION 1

TITLE

This Ordinance shall be known and cited as the City of Negaunee Downtown Development Authority Ordinance.

SECTION 2

DEFINITIONS

The terms used in this Ordinance shall have the same meaning as given to them in Act 57 or as hereinafter provided in this section, unless the context clearly indicates to the contrary. As used in this Ordinance:

Act 57 means Act No. 57 of the Public Acts of Michigan of 2018, as now in effect or hereinafter amended.

Authority means the City of Negaunee City Downtown Development Authority created by this Ordinance.

Board or Board of Directors means the Board of Directors of the Authority, the governing body of the Authority.

City means the City of Negaunee, Marquette County, Michigan.

City Council means the Negaunee City Council.

SECTION 3

DETERMINATION OF NECESSITY

The City Council hereby determines that it is necessary for the best interests of the public and the City to halt property value deterioration and increase property tax valuation where possible in the downtown business district of the City, to eliminate the causes of deterioration and to promote economic growth by establishing a downtown development authority pursuant to Act 57.

SECTION 4

THE DOWNTOWN DEVELOPMENT AUTHORITY

The Downtown Development Authority, originally created pursuant to Act 197 of the Public Acts of 1975, shall hereby be operated under and pursuant to Act No. 57. The Authority remains a public body corporate and shall be known as and exercise its powers under the title of "The City of Negaunee Downtown Development Authority". The Authority remains able to adopt a seal, may sue and be sued in any court of this State and shall possess all of the powers necessary to carry out the purpose of its incorporation as provided by this Ordinance and Act No. 57 of the Public Acts of Michigan of 2018. The enumeration of a power in this Ordinance or in Act 57 shall not be construed as a limitation upon the general powers of the Authority.

SECTION 5

DESCRIPTION OF THE DOWNTOWN DISTRICTS

Sec. 5.01. Downtown District A in which the Authority shall exercise its powers as provided by Act 57 shall consist of the described territory in the City, subject to this Ordinance and Act 57, as set forth in the map attached hereto as Exhibit A, and available at www.cityofnegaunee.com, and made a part hereof.

Sec. 5.02. Downtown District B in which the Authority shall exercise its powers as provided by Act 57 shall consist of the described territory in the City, subject to this Ordinance and Act 57, as set forth in the map attached hereto as Exhibit B, and available at www.cityofnegaunee.com, and made a part hereof.

SECTION 6

BOARD OF DIRECTORS

The Authority shall be under the supervision and control of the Board of Directors consisting of the City Manager and not less than eight (8) or more than twelve (12) members as determined by the City Council. The members shall be appointed by the City Manager, subject to the approval by the City Council. Not less than a majority of the members shall be persons having interest in property located in the Downtown District. Not less than one (1) of the members shall be a resident of the Downtown District, if the Downtown District has 100 or more persons residing within it. Of the

members first appointed, an equal number, as near as is practical, shall be appointed for one (1) year, two (2) years, and three (3) years. Members shall hold office until the members' successor is appointed. Thereafter, each member shall serve for a term of three (3) years. An appointment to fill a vacancy shall be made by the City Manager of the City for the unexpired term only subject to approval of the council. Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses.

SECTION 7

POWERS OF THE AUTHORITY

The Authority shall have all powers enumerated or implied by law in Act 57.

SECTION 8

FISCAL YEAR; ADOPTION OF BUDGET

Sec. 8.01. The fiscal year of the Authority shall begin on January 1st of each year and end on December 31st of the same year, or such other fiscal year as may hereafter be adopted by the City.

Sec. 8.02. The Board shall annually prepare a budget and shall submit it to the City Council on the same date that the proposed budget for the City is required by law to be submitted to the City Council. The Board shall not finally adopt a budget for any fiscal year until the budget has been approved by the City Council. The Board may, however, temporarily adopt a budget in connection with the operation of any improvements which have been financed by revenue bonds where required to do so by the Ordinance authorizing the revenue bonds.

Sec. 8.03. The Authority shall be audited annually by the same independent auditors auditing the City. Copies of the audit report shall be filed with the City Council.

SECTION 9

DISSOLUTION

Upon completion of its purpose, the Authority may be dissolved by an ordinance duly adopted by the City Council. The property and assets of the Authority, after dissolution and satisfaction of its obligations, shall revert to the City.

SECTION 10

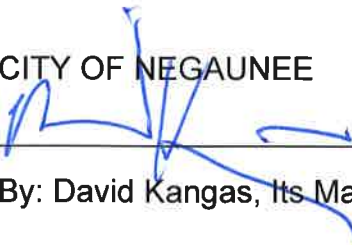
SECTION HEADINGS; SEVERABILITY; REPEALER

Section headings in this Ordinance are furnished for convenience only and shall not be considered to be part of this Ordinance. All other Ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, and each section of the Ordinance and each subdivision of any section thereof 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.


This Amendment shall be published as required by law, and shall be effective on the 23rd day of December 2019.

CITY OF NEGAUNEE



By: David Kangas, Its Mayor

Attest:



By: Judy Iwanski, Its Clerk



CITY OF NEGAUNEE

DDA Boundary

Data Source: State of Michigan Geographic Data Library, City of Negaunee, Marquette County GIS

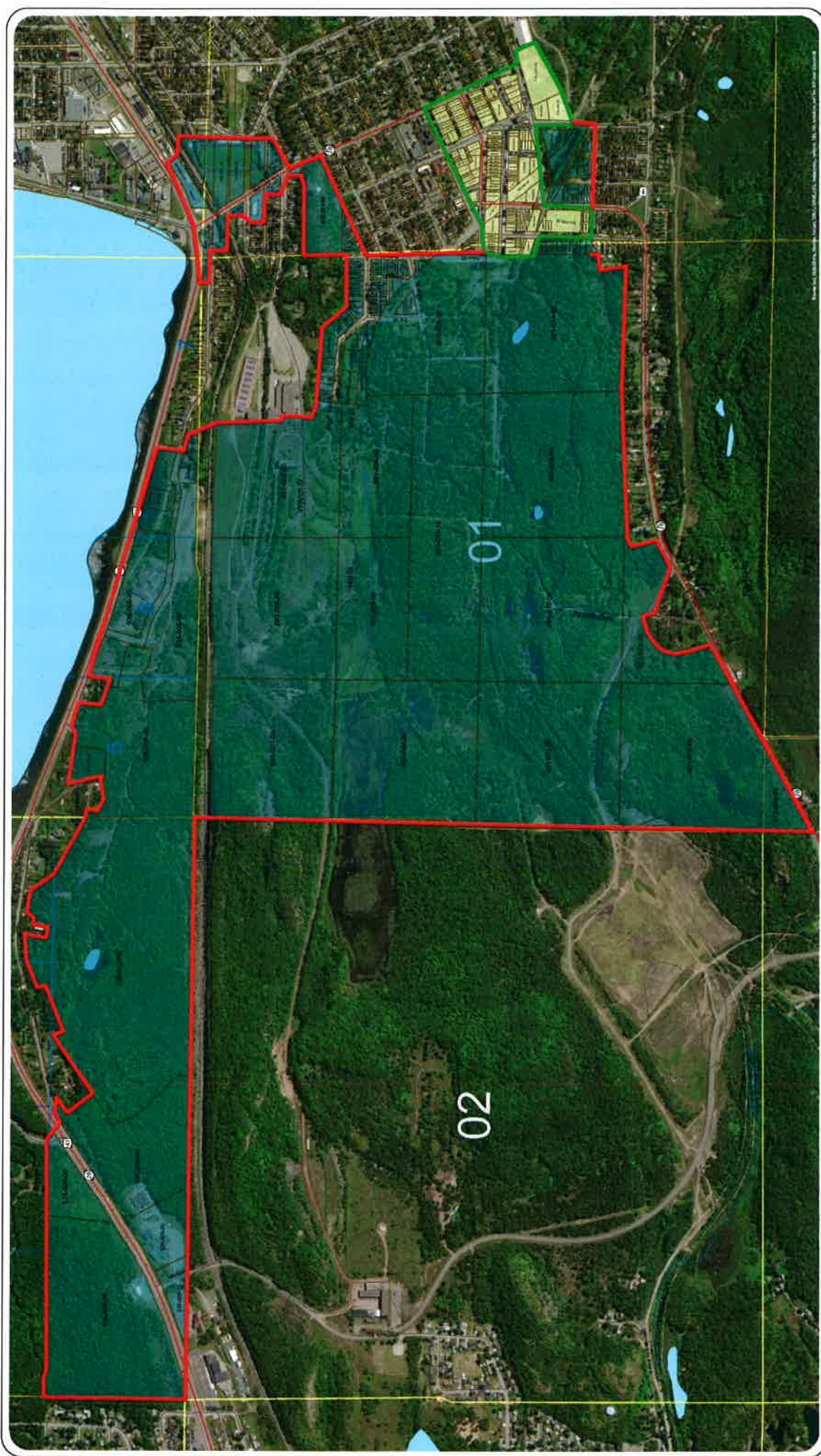
- Parcels
- State Roads
- All Roads
- Railroads
- Downtown Development Authority District

District A

City of

T47N R27W

Negaunee



© 2015 Marquette County Evaluation Department
All City of Negaunee Tax ID Numbers have a prefix of "75251"
Not intended for legal use
Not responsible for any errors or omissions



District B Red Area

INTERLOCAL AGREEMENT

This Interlocal Agreement is made by and between the County of Marquette (hereinafter "County") and the City of Negaunee (hereinafter "City").

Recitals

Whereas, the County and the City are local government units as defined in Section 2 of 1967 P.A. 7, Extra Session, known as the Urban Cooperation Act of 1967, MCL 124.501 *et seq.* (hereinafter "Act"); and

Whereas, pursuant to Section 5a of the Act, the County and the City may enter into an interlocal agreement for the sharing of all or a portion of revenue derived by and for the benefit of a local governmental unit entering into that agreement, which revenue results from the levy of general ad valorem property taxes or specific taxes levied in lieu of general ad valorem property taxes upon any property; and

Whereas, on May 14, 2020, the City adopted an expanded Development Plan and Tax Increment Financing Plan (the "Plan"). The Plan permits the Negaunee DDA to capture incremental tax revenues attributable to increases in values of the real and personal property located within the approved development district. A map of the approved development district is attached as Exhibit A; and

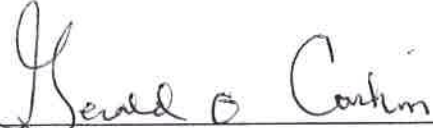
Whereas, it is anticipated that the enhancement of values in the district, and the values of nearby properties, will indirectly benefit all local governmental units, including the County, both during and after the completion of the Plan, and

Whereas, the County "opted out" of the Plan, but agrees to participate as detailed herein, as authorized by Section 5a of the Act.

Terms


- 1) The Plan shall remain active for fifteen (15) years, beginning in 2020 and ending on December 31, 2034.
- 2) During the period of the Plan, the County shall continue to receive ad valorem taxes based on 2020 taxable values of the properties located within the Plan's development district.
- 3) The City shall capture 100% of any tax increases within the Plan development district for the first ten (10) years, and 50% of any tax increases for the remaining five (5) years.
- 4) Beginning in 2035, this Agreement shall expire and the County will collect 100% of all ad valorem taxable values in the district.

5) This Agreement may be terminated or rescinded by a referendum of the residents of either the County or the City not more than 45 days after the approval of the agreement by the governing body.



Gerald O. Corkin
Chairperson, Marquette County Board of Commissioners

July 21, 2020



Nathan Heffron
City Manager for the City of Negaunee

July 23, 2020