

*Introduced*  
6-27-93  
*Adopted*  
6-29-93  
**G.2.**

AN ORDINANCE TO AMEND THE TAX INCREMENT  
FINANCING AND DEVELOPMENT PLAN OF THE BATTLE  
CREEK DOWNTOWN DEVELOPMENT AUTHORITY

ORDINANCE NUMBER 10-93

THE CITY OF BATTLE CREEK ORDAINS:

Section 1. The Tax Increment Financing and Development Plan of the Battle Creek Downtown Development Authority is hereby amended pursuant to Michigan Compiled Laws Section 125.1669, by amendments entitled: 1993 AMENDMENT TO THE TAX INCREMENTAL FINANCING AND DEVELOPMENT PLAN OF THE BATTLE CREEK DOWNTOWN DEVELOPMENT AUTHORITY, with City Modifications, and does specifically find that said Plan as amended constitutes a public purpose, and approves said Plan amendments on the considerations found in Section 19(1)(a-h).

Section 2. Should any section, clause or phrase of this Ordinance be declared to be invalid, the same shall not affect the validity of the Ordinance as a whole, or any part thereof other than the part so declared to be invalid.

Section 3. All ordinances or parts of ordinances, in conflict with any of the provisions of this Ordinance, are hereby repealed.

Section 4. This Ordinance shall take effect ten (10) days from the date of its adoption, in accordance with the provisions of Section 4.3(B) of Chapter 4 of the City Charter. Said amendments are on file in their entirety in the Office of the City Clerk.

**1993 AMENDMENT TO THE TAX INCREMENTAL FINANCING  
AND DEVELOPMENT PLAN  
OF THE  
BATTLE CREEK DOWNTOWN DEVELOPMENT AUTHORITY  
(WITH CITY MODIFICATIONS)**

## INTRODUCTION

### I. INTRODUCTION

The proposed 1993 amendments to the Battle Creek Downtown Development Authority ("BCDDA") Tax Increment Financing and Development Plans (collectively the "Plan") are to provide for more and varied uses of tax incremental financing, pursuant to the Downtown Development Authority Act, PA 197 of 1975 (the "Act"). The boundaries of the Downtown District (as defined below) are changed in these amendments, as described below. A public hearing is necessary to adopt an ordinance approving the amendments to a proposed development plan, and to Downtown District boundaries.

The Development Plan and Tax Increment Plan are amended as follows. All attachments are incorporated by reference. The original Plan, as amended, remains in full force where consistent with these 1993 Amendments which otherwise control.

The introductions contained in the 1979 Development Plan and 1987 and 1992 amendments thereto remain unchanged. This amendment to the Plan represents the continued rehabilitation and revitalization of the entire downtown development district ("Downtown District") created by the original ordinance and the amendments thereto.

#### A. Purpose of the Downtown Development Authority

The purpose of the Downtown Development Authority remains unchanged.

#### B. Creation of the Battle Creek Downtown Development Authority and Battle Creek Downtown District

BCDDA proposes to amend the Downtown District to include the areas described on Attachment 1. The current boundaries also are shown on Attachment 1. In the event the boundary changes are not approved and adopted by the Battle Creek City (the "City") Commission (the "Commission"), the Plan changes proposed below may still be approved and adopted by the Commission, and carried out by the BCDDA.

#### C. Activities of the Battle Creek Downtown Development Authority

The activities of the BCDDA continue to expand the renovation and revitalization of the City, and are more fully outlined in the description of BCDDA projects, set out hereafter in Section IV D, on pages 7 through 10, and summarized on Attachment 7.

#### D. Purpose of this Tax Incremental Financing Plan for Battle Creek Downtown Development Area

The purpose of the Plan remains unchanged.

### II. DEVELOPMENT AREA

The Development Area encompasses the entire Downtown District, and is changed as described above. A map of the Downtown District is contained in Attachment Number 1, and a legal description of the Downtown District and Development Area is contained in Attachment 2.

### III. DEVELOPMENT PLAN

Section 17 of the Act reproduced in Attachment Number 6 requires that when tax increment financing is used to finance a development, a development plan must be prepared containing all of the information required by Section 17(2). Therefore, this Plan will closely follow the requirement mandated by Section 17 and each lettered paragraph will seek to supply the information required in the corresponding lettered paragraph of Section 17(2).

#### A. Designation of Boundaries of the Development Area in Relation to Highways, Streets and Streams.

Attachment 1 contains a map of the Downtown District/Development Area including proposed boundary changes, and shows the relationship of the Development Area to highways, streets and streams. Attachment No. 2 is the legal description of the Downtown District/Development Area.

#### B. Location and Extent of Existing Streets, Public Facilities, and Present and Future Categories of Public and Private Lane Use.

Attachment 1 fully shows the location and extent of existing streets in the existing and proposed Development Area. (Hereafter, references to the Development Area shall include proposed boundary changes unless otherwise noted.) The Development Area is primarily zoned for commercial and industrial use. Attachment 3 is a map of the Development Area showing the zoning. Attachments 4 and 5 are maps showing the location of public facilities and land use within the Development Area. The Development Area also includes the necessary public utilities to service commercial and industrial uses. This Development Plan envisions no zoning changes. The Development Plan envisions the construction, maintenance, preservation, rehabilitation and/or demolition of facilities which are fully described hereinafter to be used for industrial, commercial, recreational, residential and public purposes.

#### C. A Description of Existing Improvements in the Development Area to be Demolished, Repaired, or Altered and Time for Completion.

All of the proposed projects in the Development Area which have not been described in other parts of the original development plan or amendments thereto, or which have not been previously approved by the City Commissions' approval of budget amendments to the BCDDA budget, are listed in Section IV, D, and summarized in Attachment 7.

Capital Improvements will be completed according to a schedule outlined in the City's Capital Improvement Program.

#### D. The Location, Extent, Character, Estimated Cost and Time for Completion of Improvements.

The location of proposed projects are generally identified in Attachment 8. The character and estimated costs are described in Section IV, D. The capital projects will be completed according to a schedule outlined in the City's Capital Improvement Program. All other projects will be completed as set forth on Attachment 7.

E. Construction Stages and Completion Time.

It is anticipated that the projects and activities outlined herein will be a continuation of projects previously approved by the BCDDA, and the establishment of new projects described herein. The completion time for projects will depend upon the availability of funding in the year in which the project is commenced. This will be established by the BCDDA Board, after review of projects and available funding, in its annual budget setting process. Estimates of completion dates are set forth in Attachment 7.

F. Use of Open Spaces.

There is no change in this element of the Plan.

G. Lease of Portion of Development Areas.

The BCDDA may contract with the City and/or private property owners to lease property in the Downtown District.

H. Zoning, Street and Utility Changes.

There are no zoning changes contemplated for the Development Area. Streets and utilities will be changed as necessitated by the needs of the projects hereinafter set out. Generally, streets will be constructed, reconstructed, improved, realigned or closed to improve circulation around or access to projects as set out in Section IV, D, and summarized in Attachment 7.

I. Costs and Proposed Financing.

Projects and activities outlined in this Plan are proposed to be funded through tax increment revenues generated from within the BCDDA boundaries, through the use of BCDDA bonds, other municipal bonds, or other borrowing, to be repaid with tax increment revenues. The estimated costs of the proposed projects are set out with the project descriptions in Section IV D, and summarized in Attachment 7.

J. Portion of Development to be Conveyed.

The BCDDA may participate in projects that will entail acquisition of title and/or transfer to parties as yet unknown. The BCDDA may also lease the premises as part of the projects hereinafter set out.

K. Procedures for Bidding.

There is no change in this element of the Plan.

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

The number of persons residing in the Development Area is estimated to be 2,501. Of this number, 1,751 are estimated to be individuals over the age of 18 years of age. No occupied residences are designated for acquisition or clearance by the Authority. In 1987, the City adopted Ordinance #27-87 pursuant to Section 27 of the Act, making it unnecessary to have a development area citizen's council.

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

There is no plan to displace any persons by the Authority. The City may do so, using tax increment revenue. If so, the City will adhere to applicable statutes, ordinances, and regulations, including Act No. 227 of the Public Acts of 1972. The City will pay fair value for any acquired property.

**N. Provisions for Costs for Relocating Displaced Persons.**

There is no plan to displace any persons by the Authority. See Sec. III M above.

**O. Plan for Compliance with Act No. 227 of the Public Acts of 1972.**

There is no plan to displace any persons by the Authority. See Sec. III M above.

**P. Other material.**

There is no change in this element of the Development Plan.

**IV. TAX INCREMENT FINANCING PLAN FOR BATTLE CREEK DOWNTOWN DEVELOPMENT AUTHORITY.**

**A. Introduction.**

This Plan is established to make possible the financing, operation, and maintenance of the public improvements necessary or desirable for the development of the Downtown Development Area in accordance with the Development Plan for that area.

**B. Tax Increment Financing Procedure.**

The tax increment financing procedure as outlined in the Act requires the adoption by the City, by Ordinance, of a development and a tax increment financing plan. Following the adoption of that Ordinance, the municipal and county treasurers are required by law to transmit to the Downtown Development Authority that portion of the tax levy of all taxing bodies paid each year on the "Captured Assessed Value of all real and personal property located in the Development Area." The amounts so transmitted are hereinafter referred to as "Tax Increment Revenue." The "Captured Assessed Value" is defined as the amount in any year by which the current assessed value of all real and personal property in the development area (including the assessed value that appears on the tax roles under Act 198 of the Public Acts of 1974 or Act 255 of the Public Acts of 1978) exceeds the assessed value of all the real and personal property in the development areas as determined on the assessment roles of the City then in effect on the date of the approval of the Ordinance, i.e., December 31, 1978, or on December 31 immediately preceding the date of the approval of the change in the district boundaries. (Attached hereto as Attachment 9 is: a schedule of the current assessed value of all real and personal property in the development area; an estimate of the increase in the assessed value of existing real and personal property based upon the experience of the City Assessor, and; an estimate of the captured assessed value in the development area. The total captured assessed value in the entire development area is currently \$249,037,115.00.

The tax levy of all taxing jurisdictions is currently 71.0647 or 72.4947 mills; the Downtown District includes portion of two public (K-12) school districts with different millage rates. Consequently, under this Plan the estimated annual tax increment revenue to be paid by the City Treasurer to the BCDDA will be the sums estimated in Attachment 11, which reflects amounts "passed through" to some

of the taxing units. Under this Plan, the tax increment revenue generated from captured assessed value is to be utilized by the BCDDA in the amounts, for the purposes, and for the period as set forth in this Plan.

C. Bonded Indebtedness to be Incurred.

The maximum amount of bonded indebtedness to be incurred pursuant to this amendment to the Plan is \$40,000,000.00.

D. Expenditure of Tax Increment Revenue.

The tax increment revenues paid to the BCDDA by the municipal and county treasurers are to be disbursed by the BCDDA from time to time in such manner as it may deem necessary and appropriate in order to carry out the purposes of the Plan to pay for projects designated in the previous plan and amendments thereto, as well as projects established and approved between Plans, and for the projects set forth in this amendment to the Plan.

The BCDDA proposes to finance projects through the Plan, and other available sources of funds authorized by law, included but not limited to, any available federal, state or local grants or funds, bonds, and other borrowing. These projects will stimulate the Development Area's economy by removing substantial obstacles to development and encourage new private capital investment, thus increasing the tax base and creating additional jobs. The proposed expenditures and improvements are described in Section IV D, and summarized in Attachment 7.

The following modifies the list of expenditures set forth in the 1987 and 1992 amendments. The first subsection describes projects and estimated expenditures that will occur within the current boundaries. The second subsection describes those projects and estimated expenditures that will occur in the proposed new boundaries.

Current District

- (1) The principal and interest payments on debt incurred by the BCDDA, including without limitation bonds sold by the City for which the BCDDA pledged its tax increment revenue as payment.
- (2) The payment of costs incurred by the City or its agents or both for acquiring, managing, and improving property, and for marketing and promoting events in the Central Business District (CBD), including without limitation through the offices of the Cereal City Development Corporation. The entire CBD boundary is encompassed within the Development Area. The estimated cost is \$750,000 per year.
- (3) The payment of costs for maintaining the CBD as leased from the City to the BCDDA. Such maintenance of BCDDA leased property will be provided for the BCDDA by the City pursuant to the lease, at an estimated annual cost of \$250,000. Costs would include the normal annual maintenance requirements associated with the CBD, and the CBD parking facilities, as well as an estimated \$250,000 in landscape and signage improvements.
- (4) The payment of costs for installing and maintaining street lighting and decorative lighting in the Development Area estimated at \$200,000.
- (5) The payment of costs for construction, reconstruction, closing, realignment and improvement of streets in the development area, of approximately \$4,000,000. Related costs would include public utilities and municipal improvements with an estimated cost of \$500,000.

(6) The payment of costs for constructing, repairing and/or replacing sidewalks in the course of major and local street reconstruction, at an estimated amount of \$250,000.

(7) "The Storm Drainage Study - 1986", prepared by the City Engineering Department, has identified drainage improvements necessary and appropriate to be accomplished in conjunction with major and local street reconstruction. The primary storm drainage project would involve the reconstruction of the Capital Avenue SW system from Dickman Road to Columbia Avenue.

Additional drainage projects are also being undertaken, including the LaVista Outfall and the Austin Brook project. These projects are estimated to cost \$800,000.

(8) The payment of costs for constructing storm and sanitary sewers, and water mains. These improvements would also occur in conjunction with the major and local street reconstruction, at an estimated cost of \$1,000,000.

(9) The payment of costs for street bridge repairs and improvements at an estimated cost of \$1,750,000 and the construction of a pedestrian bridge across the Battle Creek River at an estimated cost of \$350,000, and a pedestrian bridge linking the aquatic center and McCamly parking ramp at an estimated amount of \$250,000.

(10) The payment of the City's share of construction of the I-94 Business Loop extension estimated to be \$600,000.

(11) The payment of costs for public improvements to encourage the continued redevelopment of Goguac Lake area property, at an estimated amount of \$1,000,000.

(12) The payment of costs for constructing parking structures and lots. These parking facilities would not only be located in the CBD, but also at strategic locations within commercial areas such as Capital Ave., S.W., (Lakeview Business District) and E. Michigan Avenue. The estimated cost for the structures is \$5,250,000.

(13) The payment of costs to develop, acquire, construct, renovate and/or preserve recreational facilities, including without limitation an aquatic center/swimming pool and the construction and/or renovation of a recreational facility to replace the Youth Building, at an estimated cost of \$12,000,000.

(14) The payment of costs for improving the Battle Creek River and adjacent public lands, and the Linear Park. The Development Area includes large segments of the Battle Creek River and Linear Park. Proposed improvements have been identified to continue the riverfront utilization efforts that add to the quality of life and encourage development of this resource. The estimated costs are \$1,750,000. Such improvements include without limitation the lands adjacent to the Battle Creek River at W. Michigan Ave and State Street, at Capital Ave NE, and that River itself, and other selected locations.

(15) The payment of costs for economic development and revitalization of the "West End," defined generally as that part of the Downtown District west of Washington Avenue, at an estimated amount of \$500,000.

The West End Redevelopment Association, a non-profit business association, is currently working to organize businesses and property owners in the West End to revitalize the area. Public cooperation in this effort in the form of public infrastructure improvements, land assembly and demolition of deteriorated structures would be utilized.

(16) Payment for the acquisition, conveyance, leasing, preservation, demolition, environmental assessment and/or cleanup, and/or redevelopment of property for economic development, as well as acquisition of additional rights of way, as may be necessary for public purposes. Such projects include without limitation: a) acquisition and demolition of the Bellman and Waiter's Club; b) acquisition and demolition of the Heffley Building; c) acquisition and rehabilitation and/or demolition of the Leiderman (Mitchell Star) Building; d) rehabilitation of existing space for a cereal/history museum; e) the blocks including Parson's, VFW, Star Appliance, Behnke's, Ferrari's, Snyder's, and the bus garage; f) new Michigan National Bank project; g) any other similar project determined by the BCDDA and the City to be in the best interest of both. These payments are estimated to be \$7,000,000.

(17) The payment of costs for the construction of an overpass on Emmett Street over existing railroad tracks, including engineering, estimated to cost \$15,000,000.

(18) The payment of costs for constructing, acquiring, conveying, leasing, preserving, demolishing, environmental assessment and/or cleanup, and/or improving public buildings, including without limitation: a) City Hall; b) Public Services Building and adjoining property; c) Hall of Justice; d) Galloup Pipe Building; e) Youth Building; f) vacant land east of Division St. These costs are estimated to be \$5,000,000.

This activity would also include without limitation the potential improvement to public facilities located within the Development Area, such as the No. 1 Fire Station or the Public Safety Building adjacent to City Hall, a teen center, senior citizen center, a four year college, management and acquisition of The Rink, Willard Library, the maintenance and operating subsidy of recreational facilities including without limitation Kellogg Arena, and any other similar project determined by the BCDDA and the City to be in the best interest of both.

(19) Prepare an analysis of economic changes taking place in, and study and analyze the impact of metropolitan growth upon, the Downtown District, including without limitation the relocation or retention of significant employers and facilities such as the Federal Center.

(20) Payments to include the cost of preserving public and private buildings and facilities, including without limitation police and fire services.

(21) Plan and implement all actions necessary to carry out any and all powers of the BCDDA under the Act.

(22) Payments to cover the cost of all projects financed by the City on behalf of the BCDDA.

#### Amended District

(1) The principal and interest payments on debt incurred by the BCDDA, including without limitation bonds sold by the City for which the BCDDA pledged its tax increment revenue as payment.

(2) The payment of costs for construction, reconstruction, closing, realignment and improvement of streets in the development area represented by the amended boundaries, of approximately \$1,000,000. Related costs would include public utilities and municipal improvements with an estimated cost of \$200,000.

(3) The payment of costs for constructing, repairing and/or replacing sidewalks and street lights in the course of major and local street reconstruction.

(4) The payment of costs for constructing storm sewers, sanitary sewers and water mains. These improvements would also occur in conjunction with the major and local street reconstruction.

(5) The payment of costs for constructing, acquiring, preserving, demolishing, or improving public or private buildings, including without limitation the Federal Center, Fire Station No. 2, Battle Creek Health System property, Army Reserve Center, Y Center, Cello-Foil, Zinn and United Steel & Wire properties on Kendall St., Verona Dam, and residential property in the area of the Federal Center, Adventist Hospital and Cello-Foil.

(6) Payments to include the cost of preserving public and private buildings and facilities, including without limitation police and fire services.

(7) Plan and implement all actions necessary to carry out any and all powers of the BCDDA under the Act.

The Downtown Development Authority may modify its priority of payments at any time if within its discretion. Such modification is necessary to facilitate the Development Plan then existing.

E. Annual Surplus of Tax Increment Revenues

To the extent that the tax increment revenues of the Authority in any year exceeds the sum necessary for the BCDDA to meet the commitments and payments as set forth above, said surplus funds shall revert proportionately to the respective taxing bodies as provided in Section 15(2) of the Act.

F. Duration of the Plan.

The Plan shall last thirty (30) years from the date of the adoption of this amendment, except as the same may be modified from time to time by the Commission of the City upon notice and upon public hearing and agreements as required by the Act.

G. Impact on Assessed Values.

The overall impact of the Development Area is anticipated to generate increased economic activity in the Development Area and throughout the County, causing an increase in assessed values of all taxing jurisdictions in the Development Area and throughout the County. The actual projected impact is set forth in Attachment 10.

H. Use of the Captured Assessed Values.

The Plan provides for the use of tax increment revenues by the BCDDA for the purpose set forth herein. Beginning with fiscal year 1992-1993, tax increment revenues will be the total net captured assessed values, multiplied by the operating millage of the City of Battle Creek, Battle Creek School District and Lakeview School District. Operating millage will be as defined by the State of Michigan, and include special millage to fund retirement systems.

I. Reports.

The BCDDA shall submit annually to the Commission a report of the status of the tax increment financing account. Such report shall comply with the requirements of Section 15(3) of the Act, as set forth in Attachment 6.