

VANDERVOORT, COOKE, MCFEE, CHRIST, CARPENTER & FISHER, P.C.

Lawyers

OLD KENT BANK BUILDING, SUITE 312  
20 S. MCCAMLY STREET  
BATTLE CREEK, MICHIGAN 49017-3520

TELEPHONE: (616) 965-1291

FAX: (616) 965-0646

CHRIS T. CHRIST  
SAMUEL D. CARPENTER  
JAMES A. FISHER  
NELSON KARRE  
ROBERT J. SHARKEY  
JAMES E. REED  
DAVID P. LUCAS  
GEORGE T. PERRETT  
BRENDA M. KOPPE

OF COUNSEL:  
ANDREW COOKE  
ROBERT D. MCFEE

July 24, 1992

MILLARD VANDERVOORT  
(1906-1981)

A. LEE MALLISON  
(1917-1990)

Mr. Ken Tsuchiyama  
City Engineer  
City of Battle Creek  
City Hall, Room 311  
Battle Creek, MI 49017

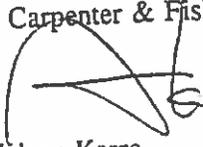
Re: LDDA Development Plan

Dear Ken:

Pursuant to a telephone call from Connie of your office, enclosed please find a copy of the LDDA Development Plan. If I can be of further assistance, please give me a call.

Very truly yours,

Vandervoort, Cooke, McFee, Christ  
Carpenter & Fisher, P.C.

  
Nelson Karre

NK/teb  
Enclosure

THE DEVELOPMENT AND TAX INCREMENT FINANCING PLANS  
for the  
LAKEVIEW DOWNTOWN DISTRICT AND DEVELOPMENT AREA

Lakeview Downtown Development Authority  
359 West Territorial Road  
Battle Creek Township, Michigan 49015

January 18, 1982

Unanimously Approved With Revisions By The Lakeview  
Downtown Development Authority Board On January 21,  
1982. (Revisions appear at pp 8 and 49 in boldface.  
Deletions from pp 8 and 49 have been bracketed. Maps 1  
through 5 (pages 11, 16, 21, 23 and 32) have also been  
revised in minor respects.)

As Adopted By  
BCT Board 2/23/82

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## I. INTRODUCTION

Commercial land use in Battle Creek Township has evolved over many years. The pattern of commercial development may be characterized as scattered, lying in strips along primary roadways within the Township. This development pattern has matured and has become somewhat inefficient. Specific characteristics include numerous driveway points closely spaced, inadequate auto parking and public facilities, excessive signage, and a lack of amenities and attractiveness.

As the commercial land uses spread throughout the Township during the 1960-1975 era, Township officials, business groups, and citizens became concerned with changing conditions and many of the development characteristics mentioned above. Moreover, increasing amounts of vacant commercial and office floor space throughout commercial areas caused further concern.\* In addition, factors such as lack of public parking, excessive driveways causing traffic conflicts, and long strips of commercial advertising signs have led to depression of floor area rentals when compared to the Battle Creek area market at large.

Based on these factors and concerns, Battle Creek Township initiated a program to update its Comprehensive Plan. This led to the adoption of an updated Future Land Use Plan during 1981. The Township Board of Trustees then sought to implement the adopted plan. A redevelopment study

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\*Vacant or underutilized commercial buildings within the Township include Taco Viva, Burger Chef, the former Speed's Commissary, Boron Oil, Kipp TV, Clark Oil Station, Tire Repair Store, Diekema Gas Station and Texaco Gas Station.

was completed. Currently, evaluation of the Township's Zoning Ordinance and development management methods is underway.

The Lakeview Downtown Development Authority ("LDDA") is a key factor in the implementation of the Township's Comprehensive Plan and the resurgence of the Township's commercial businesses. During the summer of 1981, the Lakeview Business Association ("LBA") focused on means to revitalize and improve the Township's commercial areas. Long active in encouraging an improved business climate and close cooperation between public and private sectors, the LBA recommended that the Township Board of Trustees form a citizen's committee to study the creation of a downtown development authority in the Township as authorized by the Downtown Development Authority Act, 1975 PA 197, as amended; MCLA 125.1651 et seq (the "DDA Act").

The Township Board of Trustees appointed a citizen's committee in accordance with the LBA's recommendation. That committee recommended to the Township Board of Trustees that a downtown development authority be created. On October 26, 1981, the Township Board of Trustees adopted Ordinance No. 280, effective October 27, 1981, creating the LDDA and establishing the boundaries of the Downtown District within which the LDDA may exercise its powers. (A copy of Ordinance No. 280 is included as Appendix A at pp 53-55.)

The LDDA is charged with planning a strategy which capitalizes on opportunities for public and private enterprise cooperation, thus producing a positive climate for economic expansion in the Downtown District, and with

encouraging economic development and revitalization within the Downtown District. These Development and Tax Increment Financing Plans are the first step in the LDDA's effort to encourage and enhance economic development and revitalization in the Downtown District.

Development and tax increment financing plans under the DDA Act are required whenever an authority decides to finance a project through the use of revenue bonds or tax increment financing in order to halt property value deterioration, increase property tax valuations, eliminate causes of deterioration, and to promote economic growth in a downtown district. To accomplish those goals, these Development and Tax Increment Financing Plans have been prepared.

## II. THE DEVELOPMENT PLAN

### GOALS AND POLICIES

To facilitate development within the Downtown District, certain goals and policies have been identified. This Development Plan's goals and policies are intended to facilitate day-to-day decision-making with respect to implementation of the Development Plan within the Development Area, which is co-extensive with the Downtown District. These goals and policies act as a guide to LDDA members, Township officials and landowners interested in the revitalization of the Development Area.

The General Goals provide "broad brush" guidance for investment, both public and private. The Functional Goals and Policies are directed toward more specific developmental issues within the Development Area. The Development Policies offer insight on the means of effectuating the Functional Goals.

#### Development Area General Goals:

- A. Opportunities for employment must be preserved and enhanced.
- B. In order to support public facilities and services within the Development Area and within the Township as a whole, the tax and economic bases within the Development Area should be enhanced by

promoting opportunities for development within the Development Area.

- C. Facilities for the movement of people and goods within the Development Area and between surrounding portions of the Township should be improved.
- D. A high level of visual amenity within the Development Area should be maintained.
- E. Natural resources within the Development Area should be preserved and, where feasible, enhanced.

Development Area Functional Goals And Development Policies:

- A. Encourage aesthetically pleasing commercial service and office areas.

DEVELOPMENT POLICIES:

1. New land use development or redevelopment should be designed to include landscaping, pedestrian facilities and amenities which create a pleasing and attractive environment.

2. Sign regulation should be implemented within the Development Area.

B. Redevelopment of obsolete commercial land use should be fostered.

DEVELOPMENT POLICIES:

1. Funding of public facility improvements should complement private efforts.
2. Excessive traffic flow and access points, vacant or obsolete buildings, over-abundant signage and billboards, under-developed public facilities, lack of adequate storm drainage, and similar problems should be corrected by cooperative public/private efforts.
3. Improvements to site design and site plan review procedures should be encouraged via coordination of actions on the part of Battle Creek Township officials, the LDDA and private landowners.

C. A compatible relationship between commercial and office land uses and other uses of land should be attained.

DEVELOPMENT POLICIES:

1. Incompatible noncommercial uses should be eliminated from the Development Area.
  2. When commercial developments adjoin noncommercial uses, provision for screening and landscape separations should be made.
  3. Traffic generated from commercial uses should not flow directly into noncommercial areas.
  4. Opportunities for medium and high-density housing close to jobs resulting from commercial developments within the Development Area should be encouraged.
- D. Provide fire safety and police protection services to maintain safety for businesses and residents within the Development Area.

DEVELOPMENT POLICIES:

1. Sites for Township public safety facilities should be acquired well in advance of development within the intended service area.

2. Fire and police facilities should be located to allow [development] DEPLOYMENT of equipment and manpower with a safe minimum response time.
- E. Provide water, sanitary sewer and storm drainage facilities to serve the needs of existing and future developments.

DEVELOPMENT POLICIES:

1. Water supply, sanitary sewer and storm drainage facilities should be staged to coincide with immediate and long-range needs.
2. Water supply storage capacity should be increased to meet current and future fire-fighting and consumption demands in the Development Area.

PLANNED DEVELOPMENT WITHIN THE DEVELOPMENT AREA

Consistent with the Township's Comprehensive Plan, a major, regional shopping mall has been planned for the approximately 56 acre parcel of land lying north of Beckley Road, east of Riverside Drive, south of I-94 and west of M-66. This mall, known as Lakeview Square shopping mall, is proposed to be developed by Lakeview Square Associates, a Michigan partnership in which Forbes/Cohen Properties and Interstate Properties are principal participants. The mall will contain three anchor department stores (Hudson's, Sears, and J.C. Penney) and approximately 90-100 smaller retail shops. The mall will

occupy approximately 638,896 square feet. Approximately 80,000 square feet will be public area and approximately 260,000 square feet will be devoted to smaller retail shops. The Sears store will contain approximately 99,699 square feet; Hudson's store will contain approximately 103,000 square feet; and J.C. Penney's store will contain approximately 86,197 square feet. Development of the mall is expected to result in the creation of 800-1,000 temporary construction jobs, 1,200-1,500 permanent jobs and an increase in property valuation in the Development Area in excess of \$25,000,000 by the end of 1984. This does not include the economic, employment and tax benefits which may result from spin-off developments within the Development Area resulting from the mall.

Unfortunately, inadequate roads and public facilities and utilities have hindered development of the mall and have deterred other private capital investments within the Development Area. The primary aim of this Development Plan is to identify needed improvements to the road system and public facilities and utilities in the Development Area. Financing for these improvements is provided for in the Tax Increment Financing Plan. These improvements will remove the substantial obstacles to future development within the Development Area which have prevented the Township, other taxing jurisdictions and the public from enjoying the benefits of commercial growth planned for in the Township's Comprehensive Plan.

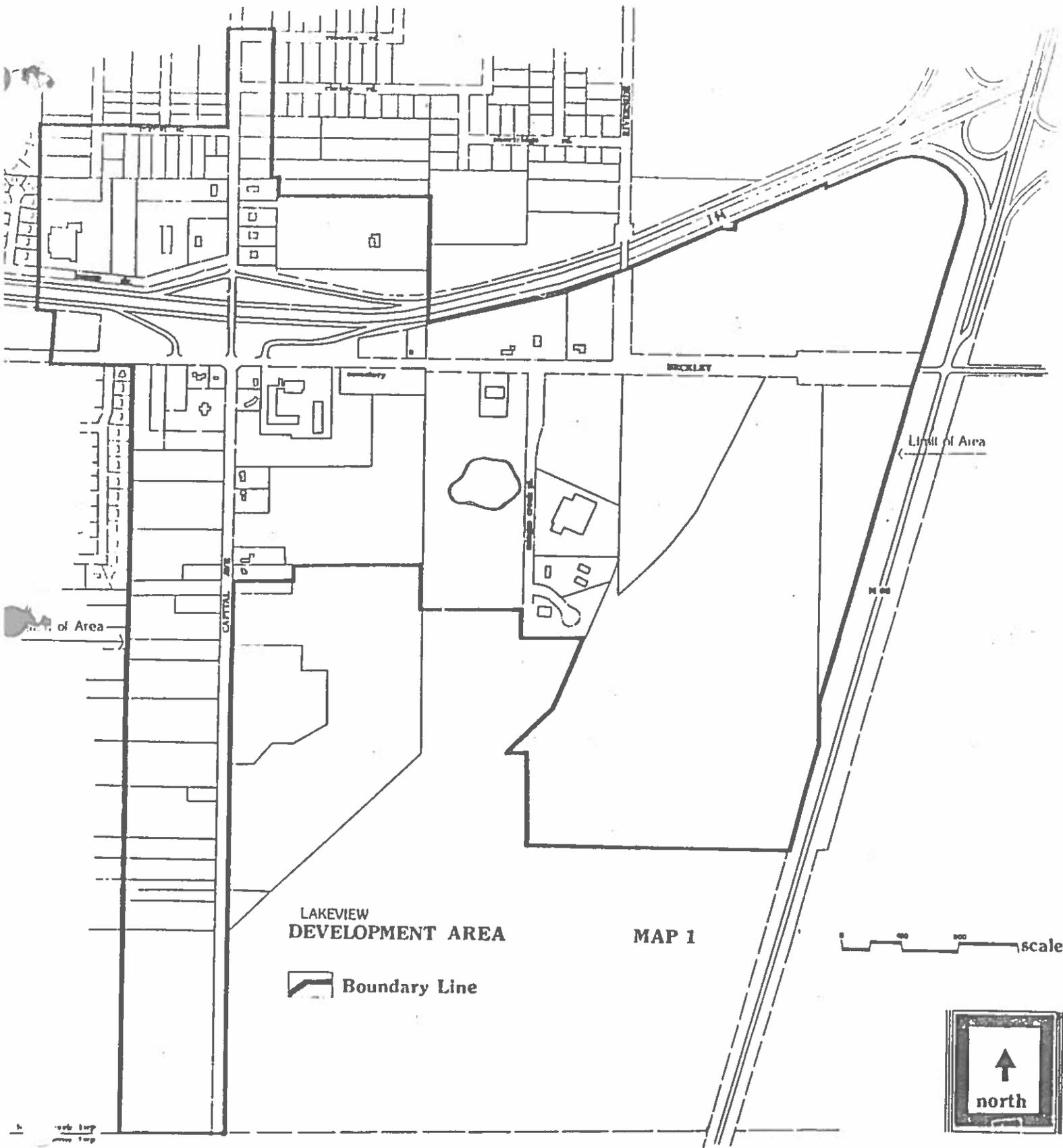
## DEVELOPMENT PLAN ELEMENTS

The DDA Act requires that a development plan must contain certain information specified in Section 17(2) thereof. Therefore, this Development Plan will closely follow the outline of information required by Section 17(2). Each lettered paragraph below will contain the information required by the corresponding lettered paragraph of Section 17(2) to the extent applicable.

- A. The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

The Downtown District is legally described in Section 5 of Battle Creek Township Ordinance No. 280. The Downtown District is comprised of a major commercial area within Sections 25, 26, 35, and 36 of Battle Creek Township.

The Development Area to which these Development and Tax Increment Financing Plans are applicable has the same boundaries as, and is co-extensive with, the Downtown District, and is shown on Map 1, the Development Area Map.



LAKEVIEW  
DEVELOPMENT AREA

MAP 1

 Boundary Line

 scale



11	A Plan for the <b>DEVELOPMENT AREA</b> Battle Creek Township		Lakeview Downtown Development Authority
	11		

- B. The location and extent of existing streets and other public facilities within the development area and the location, character, and extent of the categories of public and private land uses existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses.

1. Existing Land Uses.

The Development Area is principally devoted to commercial and office land uses. Map 2, Survey Of Existing Land Uses, shows existing uses of lands within the Development Area, together with the location and extent of existing streets and public facilities.

Within the Development Area, land uses are grouped within seven categories as follows:

<u>Use Category</u>	<u>Type Of Uses Within Category</u>
(i) Single-Family Residential	Lands on which detached or attached units designed to be occupied by one family are situated.
(ii) Multi-Family Residential	Lands on which buildings are situated wherein 2 or more families are intended to reside.
(iii) Office	Lands on which professional (doctors, lawyers, accountants, insurance agents, real estate brokers, etc.), corporate, financial service and general business administrative offices, and places of worship, and other kindred or accessory uses, are located.
(iv) Commercial Retail	Retail sales of food, hardgoods, and general merchandise, including allied repair and service facilities, eating and drinking establishments, and all other retail sales establishments.

- |                                  |   |
|----------------------------------|---|
| (v) Commercial Service           | Motels, hotels, personal service (laundry, dry cleaning, etc.), auto sales and service, wholesale and distribution centers, tourist service, paid recreation and similar land uses. |
| (vi) Public Lands                | All governmental owned lands and buildings, regardless of type of use.  |
| (vii) Vacant Lands and Buildings | All land, buildings and structures not in use or unoccupied.  |

As can be seen from Map 2, the existing land use within the Development Area is principally commercial. The portion of the Development Area situated in Section 25, north of I-94, is devoted to commercial retail uses, except for a large, vacant parcel of commercially zoned land east of Capital Avenue, SW, and located to the rear of frontage commercial businesses. In Section 26, the primary land uses within the Development Area are commercial retail and commercial service and include lands situated both north and south of I-94. For that portion of Section 35 within the Development Area, the land use can best be described as mixed. In the northern portion of this area, commercial retail land uses are predominant. Further south, single-family, detached, land use is most common. In Section 36, the Development Area contains major commercial service use, office use, commercial retail use, scattered single-family residential, public lands, and vacant land.

2. Existing Streets And Public Facilities.

ROADWAYS: Three major roadways provide access to the lands within the Development Area. Beckley Road, running in an east-west direction, connects Capital Avenue, SW, and M-66. Beckley Road is a 2-lane county primary road within a 66' right-of-way. M-66, a north-south state truckline,

*↑ says what*

is located on the eastern boundary of the Development Area and intersects Beckley Road. Capital Avenue, SW, runs north-south through a part of the Development Area. These three roads are of prime importance for access to businesses and other properties within the Development Area.

Another road of major importance is I-94, a limited access highway. With interchanges at M-66 and Capital Avenue, SW, I-94 provides access to the Development Area from the entire South-Central Michigan region.

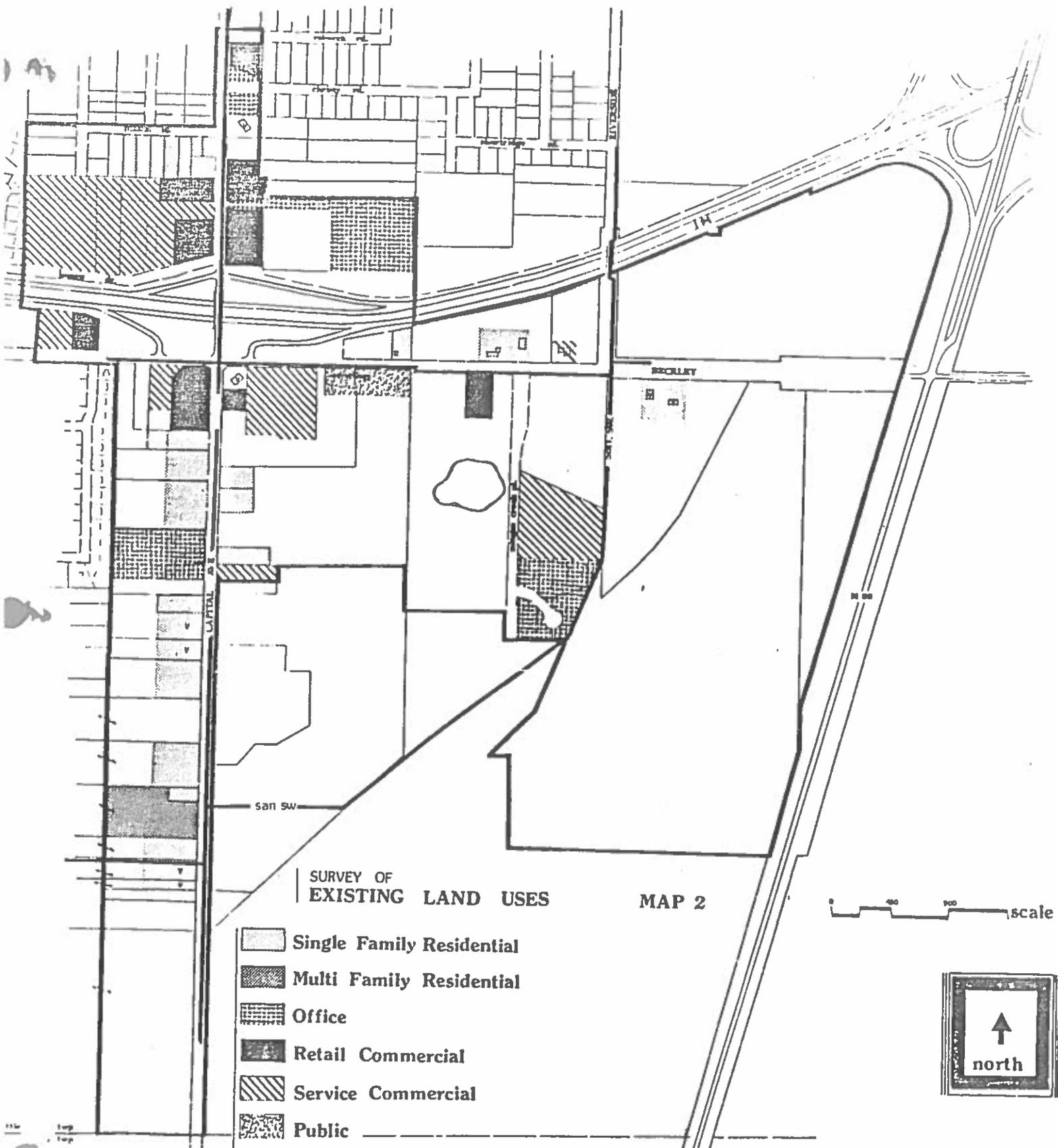
Local roads serving limited areas within the Development Area include Riverside Drive, Minges Creek Place, Knapp Road, Mason Road, Christy Road, and Rebecca Road all, with the exception of Riverside Drive, having right-of-way widths of 66'. *say who*

*P.D. Loman*  
Both Calhoun County and Battle Creek Township have had plans for the improvement of the Capital Avenue, SW, and Beckley Road intersection and the widening of Beckley Road and Riverside Drive to adequately accommodate existing and future traffic resulting from development within the Development Area. Unless these improvements are made, future development within the Development Area will be deterred.

PUBLIC UTILITIES: Public water service in the Development Area is quite limited. Currently, a 12" water main in Capital Avenue, SW, provides the only public water supply. Many existing land uses are not served with public water supply. The lack of sufficient water supply has deterred development within the Development Area. Sanitary sewers are situated in

the Capital Avenue, SW, right-of-way, along Beckley Road east and west of Riverside Drive, and across land southward from the Beckley Road/Riverside Drive intersection. Storm drainage facilities in the Development Area are very limited, consisting primarily of roadway drains serving the road surface and narrow strips of land on each side of the roads. Brickyard Creek receives untreated stormwater run-off from Beckley Road and adjoining lands which may have an adverse effect on its water quality.

PUBLIC LANDS: In addition to rights-of-way and sanitary sewer easements in Section 36 south of Beckley Road, public lands in the Development Area include the Battle Creek Township cemetery property, which abuts the south right-of-way line of Beckley Road, and the Department of Transportation property located at the southwest corner of M-66 and Beckley Road.



SURVEY OF EXISTING LAND USES MAP 2

0 400 800 scale

-  Single Family Residential
-  Multi Family Residential
-  Office
-  Retail Commercial
-  Service Commercial
-  Public
-  Vacant (v-bldg.)
-  Public R.O.W.



A Plan for the  
DEVELOPMENT AREA  
Battle Creek Township



Lakeview Downtown  
Development Authority

### 3. Proposed Land Uses Within The Development Area.

Battle Creek Township has adopted a Comprehensive Plan. The Future Land Use Element within that Plan sets forth the recommended pattern of development for the Township, including lands within the Development Area.

Reflecting existing development in the Development Area, the Future Land Use Element places emphasis on commercial and office land uses. Most of the land in the Development Area is zoned and planned for commercial or office use, and a large portion of that land has been so developed. Filling in existing commercial/office areas, as well as redevelopment of existing, incompatible single-family uses, are emphasized in the Future Land Use Element. Other types of planned-for land uses are medium-density and high-density multi-family and cluster residential, which would lend vitality to and augment the economic base of the Development Area, and open space.

A description of each planned category of land use in the Development Area, as excerpted from the Future Land Use Element, follows:

#### Commercial-Shopping Center Development

"New shopping center development is provided for along Beckley Road between M-66 and Capital Avenue in Section 25 and Section 36. . . . It appears that a 55 acre site in Section 25 on the north side of Beckley Road and south of I-94 Freeway will emerge as a regional shopping center site in the next several years [the Lakeview Square mall site]. Complimentary [sic] to this development will be the completion of a planned commercial subdivision already partially completed on a site in Section 36 directly south of Beckley Road. The

commercial subdivision is designed to accommodate a variety of commercial uses normally located in commercial strips. Uses already developed or pending include a racquet club, a furniture store, 3 office buildings, a restaurant, and 2 banks. All uses in this area should be accessed from the local commercial service drive and only limited access allowed from the more heavily travelled local arterial, Beckley Road."

#### Highway-Oriented Commercial Development

"Provision is made for highway-oriented commercial development at I-94 Freeway interchanges with Capital Avenue, Helmer Road, and Columbia Avenue. Provision is also made for highway-oriented commercial development at Beckley Road and M-66. Highway-oriented commercial facilities which can be accommodated in these locations include motels, restaurants, service stations, and other similar uses."

#### Strip Commercial Development

"Strip commercial development is to be restricted to areas where the strip commercial pattern is already established."

#### Office

"Two types of office development are provided for in the land-use plan: 1) new office park development, and 2) office development located to serve as a buffer between the viable residential areas and major thoroughfares or strip commercial areas.

"New office park development is provided for . . . in conjunction with the planned shopping center [Lakeview Square mall] and commercial park to be located on Beckley Road between Capital Avenue and M-66. . . . New office development . . . could include medical-professional office facilities which could serve Battle Creek Township and surrounding communities. Office development locations on I-94 Freeway . . . [would be] ideally suited for development of a general office plaza which could serve firms operating in a regional market and requiring a regional identity. They would also be ideal sites for major corporations such as insurance companies seeking a site with high prestige value for a regional headquarters.

"Office development located to serve as a buffer between residential areas and thoroughfares or strip commercial areas is delineated . . . adjacent to Capital Avenue SW

on both the north and south sides of the business district around I-94 and Capital Avenue interchange . . . [and is] designed to accommodate smaller scale operations which can be housed in converted residential sectors or new facilities such as professional offices compatible with adjacent residential areas."

#### Cluster Residential Development

"Cluster residential development is provided for at sites along the I-94 Freeway. . . . Cluster residential areas are to be developed at the same net density as provided for in low-density residential areas. The cluster residential development approach is recommended because of the cost efficiencies it enables and the potential for setting groups of residences 300 feet or more back from the freeway rights-of-way with a landscape buffer."

#### Medium-Density and High-Density Residential Development

"Medium-density residential development areas and high-density residential development areas are intended to accommodate a variety of residential types including townhouses, garden apartments, and medium-rise elevator apartments. Medium density residential development will have a maximum density of 10.0 units per acre, and higher density residential development areas will have a maximum density of 15.0 units per acre. The distinction is made between these two density ranges in order to provide for greater variety in housing choice in the township. . . .

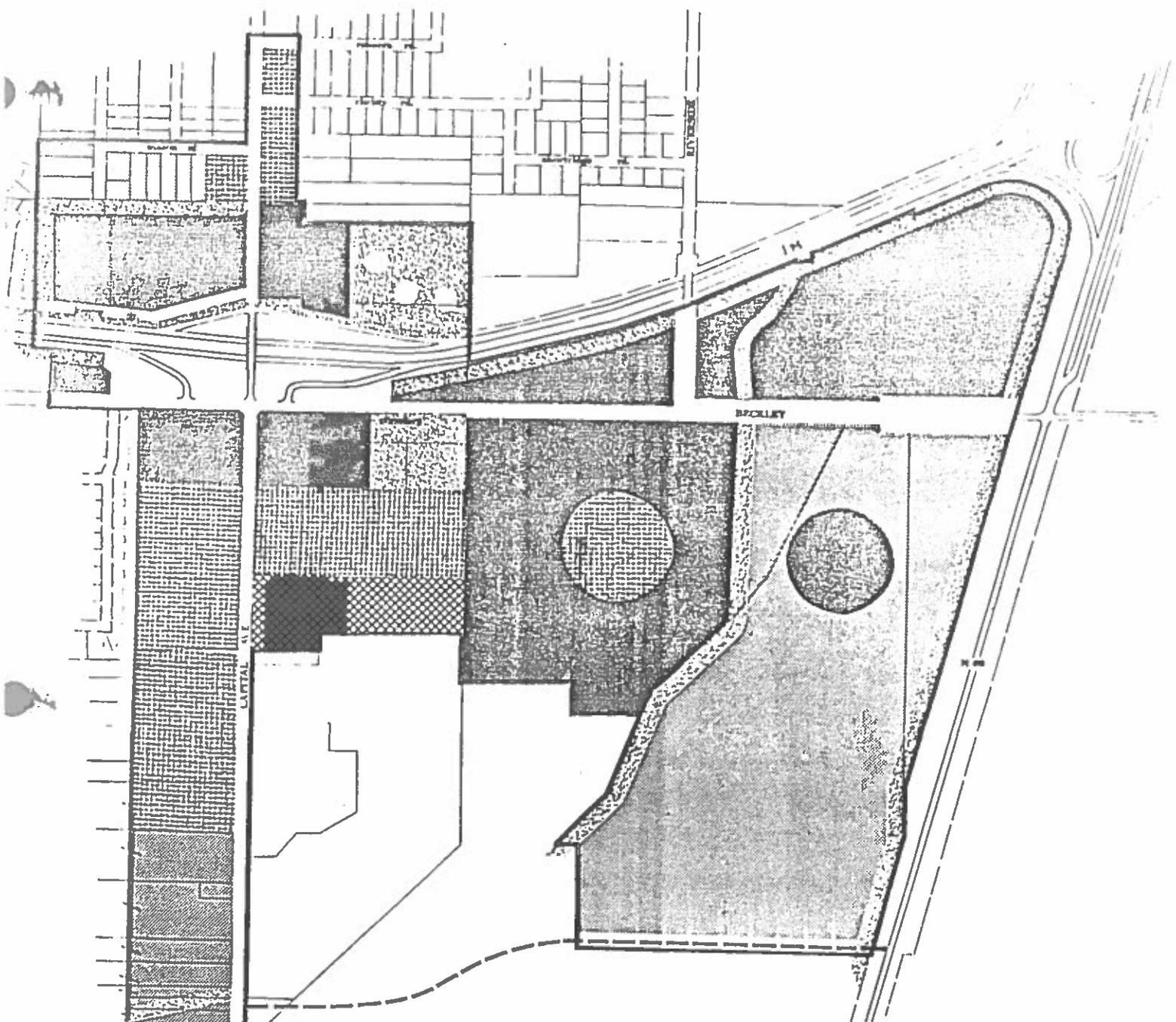
"Medium- and high-density residential development is located according to three criteria: 1) areas which are near natural amenities, 2) areas which are accessible to planned commercial facilities, and 3) areas where high-intensity land use is required in order to make redevelopment of deteriorating areas feasible. . . . Areas readily accessible to existing or planned commercial development include the area along Minges [Brickyard] Creek south of Beckley Road and east of Capital Avenue . . . Multiple-family residential development areas [are] intended to facilitate redevelopment of substandard areas. . . .

"Medium-density use areas include . . . Section 36 where medium-density residential will compliment [sic] existing multi-family and proposed commercial and office uses. Areas of medium-density multi-family in the southeastern portion of Section 35 along Capital Avenue will act as a transition into the lower density residential areas to the

west and compliment [sic] uses proposed in Section 36 directly east of Capital Avenue."

No public recreation exists or is planned within the Development Area. Open space is intended to include the Township's cemetery property south of Beckley Road. In addition, open space in the Development Area will include large setbacks and landscaped areas adjoining I-94, M-66, and the planned east-west roadway in the southern portions of Sections 35 and 36, and along watercourses in the Development Area, including Brickyard Creek.

Future land uses for the Development Area, as planned for in the Township's Future Land Use Element of the Comprehensive Plan, are shown on Map 3, the Future Land Use Plan.



FUTURE LAND USE PLAN\*

MAP 3



-  Low Density Res.
-  Cluster Res.
-  Medium Density Res.
-  High Density Res.
-  Commercial
-  Office
-  Open Space
-  Future Street



A Plan for the  
 DEVELOPMENT AREA  
 Battle Creek Township

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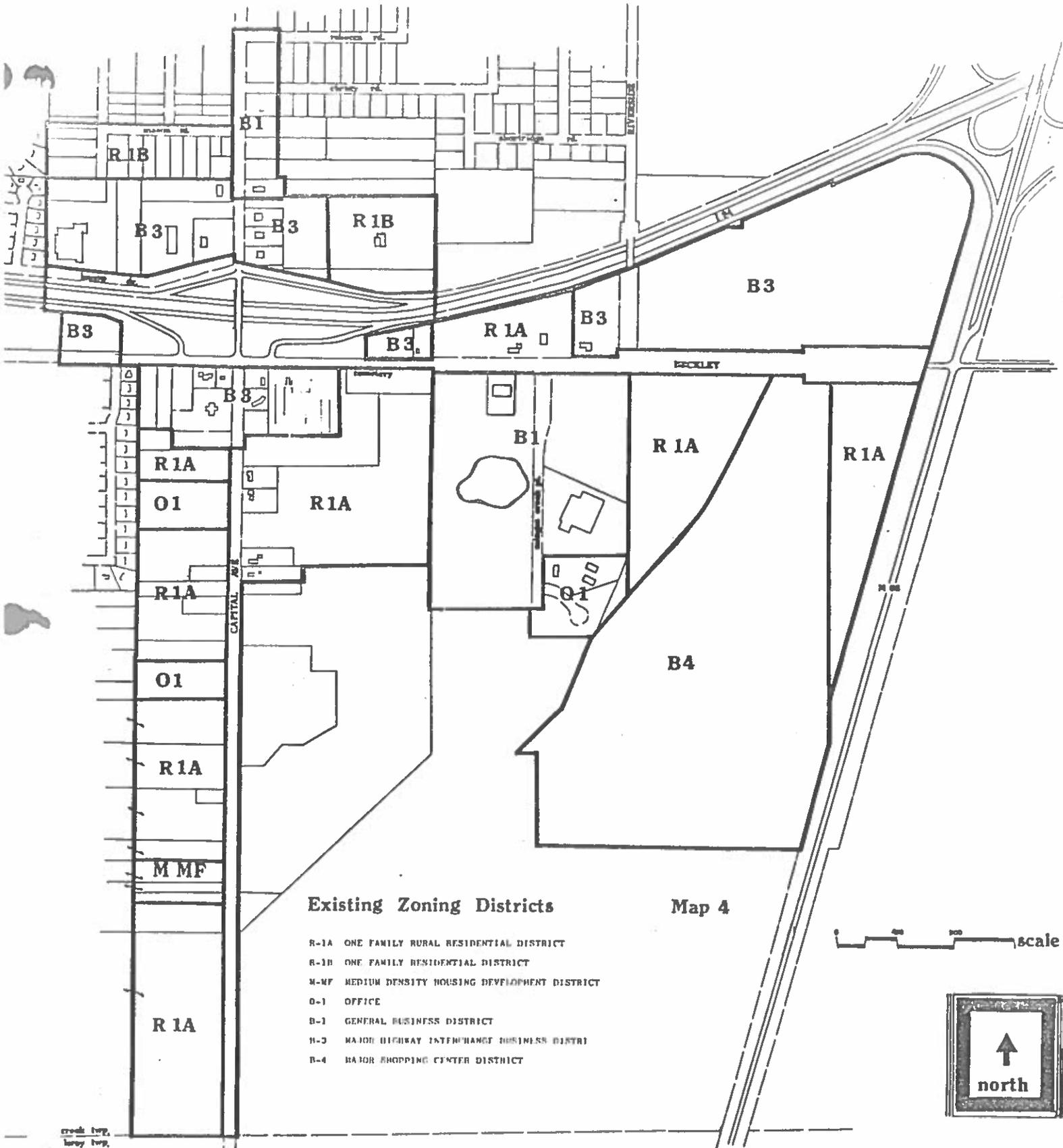
Lakeview Downtown  
 Development Authority

battle creek top  
up top

#### 4. Existing Zoning In The Development Area.

For the most part, zoning classifications within the Development Area are compatible with the goals and policies of the Development Plan and the Future Land Use Element of the Township's Comprehensive Plan. A major exception is a large tract of land zoned B-4, Major Shopping Center District, lying west of M-66 and south of Beckley Road in the east one-half of Section 36. The Future Land Use Element plans this area for Medium Density Residential, possibly as a large tract planned unit development incorporating office, recreation, and local service commercial uses. If the Lakeview Square mall is developed, a change of zoning classification for the land south of Beckley Road now zoned B-4 Major Shopping Center District to the M-MF Medium Density Residential District may be considered. In addition, consideration should be given to changing existing R-1A One-Family Rural Residential zoning in the Development Area to classifications consistent with the Future Land Use Element.

Zoning classifications in the Development Area include: (i) R-1A One-Family Rural Residential; (ii) R-1B One-Family Residential; (iii) M-MF Medium Density Multi-Family Residential; (iv) B-1 General Business; (v) B-3 Major Highway Interchange Business; (vi) B-4 Major Shopping Center; and (vii) O-1 Office. The B-1, B-3, B-4 and O1 Districts are located on approximately 70% of the lands within the Development Area. Zoning districts within the Development Area are shown on Map 4, Existing Zoning Districts.



**Existing Zoning Districts**

**Map 4**

- R-1A ONE FAMILY RURAL RESIDENTIAL DISTRICT
- R-1B ONE FAMILY RESIDENTIAL DISTRICT
- M-MF MEDIUM DENSITY HOUSING DEVELOPMENT DISTRICT
- O-1 OFFICE
- B-1 GENERAL BUSINESS DISTRICT
- B-3 MAJOR HIGHWAY INTERCHANGE BUSINESS DISTRICT
- B-4 MAJOR SHOPPING CENTER DISTRICT



credit top,  
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**A Plan for the DEVELOPMENT AREA**  
**Battle Creek Township**

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**Lakeview Downtown  
Development Authority**

- C. A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

Not applicable.

- D. The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

The LDDA proposes to construct public improvements in the Development Area, financed through the Tax Increment Financing Plan at pp 38-52 and other available sources of funds authorized by law, including, but not limited to, any available federal, state or local grants or funds, and revenue from special assessment districts. These improvements will stimulate the Development Area's economy by removing substantial obstacles to development and encourage new private capital investment within the Development Area, and thus also increase the tax base of the Development Area and create additional jobs. The proposed improvements, their estimated costs and times for completion are described below.

1. Township Water Storage Facility #4.

The 1970 Water Distribution System Analysis for Battle Creek Township recommends an additional water storage facility (Water Storage Facility #4) of 1,100,000 gallons to meet peak hour water consumption and fire demands

within the Development Area. The Township's water needs have become critical since the 1970 Analysis, especially along I-94. During hot, dry summer days, all of the Township's pumps have been on and pressures have dropped to critical lows in some portions of the water distribution system within the Development Area. A location near I-94 was recommended in the 1970 Analysis. According to the Township's consulting engineers, Jones & Henry Limited of Toledo, Ohio, a ground storage facility located in or near the Township cemetery on Beckley Road is an ideal site. That location assumes that interconnecting water mains in or along Riverside Drive and Beckley Road will be constructed.

The costs for construction of Water Storage Facility #4 have been estimated by Jones & Henry Limited as follows:

GROUND STORAGE TANK	\$370,000
PUMPHOUSE, VALVES, etc.	\$190,000
25% ENGINEERING and CONTINGENCIES	<u>\$140,000</u>
TOTAL ESTIMATED COST	<u>\$700,000</u>

It is estimated that the construction of Water Storage Facility #4 can be completed within nine months after the letting of a contract therefor.

## 2. New Water Mains.

The 1970 Water Distribution System Analysis also recommended the construction of a 20" water main along Riverside Drive between Minges Road

and Beckley Road and a 16" main along Beckley Road between Riverside Drive and Capital Avenue, SW, to improve system pressures and as a complement to Water Storage Facility #4. Local, connecting lateral mains to meet consumption and fire protection needs in the Development Area will also be necessary and include a water main loop around the proposed Lakeview Square mall for which any necessary easements will be granted to the Township.

The costs for construction of these new water mains have been estimated by Jones & Henry Limited (distribution mains) and Williams & Works, Inc. (mall loop) as follows:

DISTRIBUTION WATER MAINS	\$550,000
LATERAL MAINS	197,750
10% CONTINGENCIES	<u>74,800</u>
TOTAL ESTIMATED COSTS	<u>\$822,550</u>

It is estimated that construction of the new water mains can be completed within three months after the letting of a contract therefor.

### 3. Beckley Road/Riverside Drive Improvements.

Beckley Road is the major east/west roadway within the Development Area. It provides a connecting link between heavily-travelled Capital Avenue, SW, and M-66. Currently, Beckley Road is a two-lane roadway. The Calhoun County Road Commission is undertaking a federally funded safety improvement of the

Capital Avenue/Beckley Road intersection in order to relieve traffic congestion. The safety improvement involves the widening of the Capital Avenue/Beckley Road intersection and the relocation of the I-94 access ramp further eastward approximately 185'. In connection with this improvement, Beckley Road will be widened to five lanes to a point approximately 480' east of the centerline of Capital Avenue, SW, and then will be tapered down to four lanes from that point to a point approximately 800' east of the centerline of Capital Avenue, SW.

The Calhoun County Road Commission and the Township Board of Trustees have also recommended that Beckley Road be widened between M-66 and Capital Avenue, SW, to accommodate existing and future traffic in the Development Area and the addition of a third lane on Riverside Drive running from Beckley Road to the I-94 overpass. This third lane will be a southbound lane. The Calhoun County Road Commission has prepared plans for these proposed improvements. (Calhoun County Road Commission Project No. AP 18-O, November 26, 1980.) The improvement of Beckley Road will involve a change in grade as shown on the plans. The proposed Beckley Road widening will result in six lanes on Beckley Road from the centerline of M-66 to a point approximately 300' west; from that point Beckley Road will be tapered down to five lanes to a point approximately 525' west of the centerline of M-66; from that point Beckley Road will be five lanes to a point approximately 1337' west of the centerline of Riverside Drive; from that point Beckley Road will taper down to four lanes to a point approximately 1637' west of the centerline of Riverside Drive; from that point Beckley Road will be four lanes until it joins the terminus of the safety improvement of the

Capital Avenue/Beckley Road intersection at the point approximately 800' east of the centerline of Capital Avenue, S.W.

The costs for these improvements have been estimated by the Calhoun County Road Commission as follows:

BECKLEY ROAD (M-66 TO RIVERSIDE DRIVE) PLUS ADDITIONAL LANE ON RIVERSIDE DRIVE TO I-94	\$740,200
BECKLEY ROAD (RIVERSIDE DRIVE TO A POINT 800' EAST OF THE CENTERLINE OF CAPITAL AVENUE)	170,300
10% CONTINGENCY	<u>91,050</u>
TOTAL ESTIMATED COST	<u>\$1,001,550</u>

It is estimated that the recommended road improvements can be completed within four months after the letting of a contract therefor.

4. Storm Drainage/Brickyard Creek Relocation  
And Improvements.

In order to accommodate increased storm drainage from the Beckley Road improvements and from the proposed Lakeview Square mall and to enhance the quality of Brickyard Creek, a new storm drainage system has been proposed for the western portion of the site of the proposed Lakeview Square mall. The system has been designed to handle increased flows without surcharging

Brickyard Creek and to reduce solid loadings into Brickyard Creek. A system of three stormwater retention ponds will be constructed along with necessary storm drainage lines from Beckley Road and the Lakeview Square mall area. The drainage plan also provides for the relocation of the existing bed of Brickyard Creek through the proposed mall site. The relocated creek bed will be semi-circular in shape along the western boundary of the site. At I-94, the relocated creek bed will run parallel to I-94 to the point at which the existing creek bed flows under I-94. The plan provides for the improvement of the relocated creek bed by the addition of a gravel substrate and riffles and pools conducive to aquatic life and landscaping along the banks of the relocated creek bed so that the relocated creek bed will become a visual and environmental amenity in the Township. The drainage plan will thus result in improved conditions in Brickyard Creek over those now existing.

The developer of the mall site will convey drainage easements to the Calhoun County Road Commission for the discharge of stormwater into the retention ponds, a conservation easement to the LDDA for the relocated creek bed which will assure that the new creek bed will remain in an improved condition, and storm drain easements to the LDDA or other public entities.

The costs for the foregoing improvements have been estimated by Williams & Works, Inc. as follows:

PONDS AND RELOCATED CREEK BED	\$900,500
CREEK LANDSCAPING	300,000
CLOSED STORM DRAINS	685,600
ENGINEERING AND CONTINGENCIES	225,125
ADD-ON FOR 1982-83 CONST.	<u>211,112</u>
TOTAL ESTIMATED COST	<u>\$2,322,337</u>

It is estimated that the drainage lines, retention ponds and the creek relocation can be completed within eight months after the letting of a contract therefor.

5. Sanitary Sewer Lines.

In order to handle sanitary sewage from the proposed Lakeview Square mall, it will be necessary to install sanitary sewer lines within Township easements on the mall site which will connect to the sanitary sewer line within Beckley Road. The cost of these lines has been estimated by Williams & Works, Inc., as follows:

SANITARY LINES	\$200,250
ADD ON FOR 1982 CONSTRUCTION AT 10%	<u>20,025</u> <u>\$220,275</u>

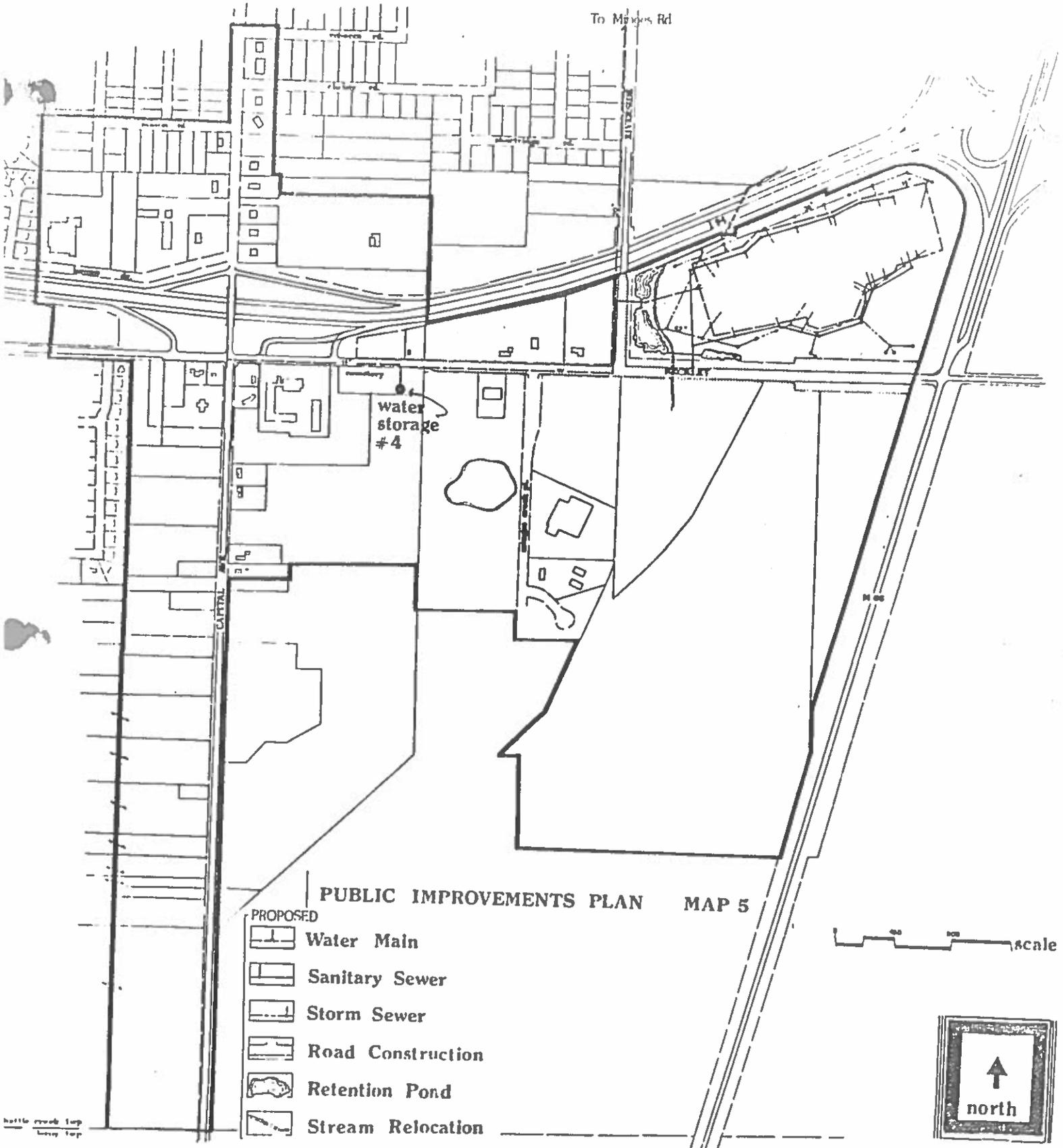
It is estimated that the sanitary lines can be constructed within one month after the letting of a contract therefor.

6. Cost Summary.

The costs of this Development Plan's five projects discussed above are summarized as follows:

WATER STORAGE FACILITY #4	\$ 700,000
WATER DISTRIBUTION MAINS	822,550
BECKLEY/RIVERSIDE CONSTRUCTION	1,001,550
STORM DRAINAGE AND BRICKYARD CREEK IMPROVEMENTS	2,322,337
SANITARY SEWER LINES	<u>220,275</u>
TOTAL ESTIMATED COST	<u>\$5,066,712</u>

The projects described above are depicted on Map 5, the Public Improvements Plan.



battle creek top  
lake view top

A Plan for the  
**DEVELOPMENT AREA**  
 Battle Creek Township

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D  
D  
A

Lakeview Downtown  
 Development Authority

E. A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

The five projects involved in this Development Plan can be broken down into the following construction stages with approximate beginning and ending dates as follows:

	<u>Begin</u>	<u>End</u>
1. Brickyard Creek Relocation and Ponds	March 1, 1982	June 30, 1982
a. Creek Landscaping	June 30, 1982	October 31, 1982
2. Road Improvements (including road drainage)	July 1, 1982	October 31, 1982
3. Beckley Road and Riverside Drive Water Mains	August 1, 1982	October 31, 1982
4. Mall Site Sanitary Sewer	August 1, 1982	August 31, 1982
5. Mall Site Storm Drains	August 1, 1982	October 31, 1982
6. Mall Site Water Loop	October 1, 1982	October 31, 1982

F. A description of any parts of the development area to be left as open space and the use contemplated for the space.

The areas to be left as open space within the Development Area include the Township cemetery property along Beckley Road, the landscaped areas along the relocated Brickyard Creek and the retention ponds on the mall site, as well as the other areas described previously at p 20. The use of the cemetery property will not change. A conservation easement will be granted to the LDDA for the relocated Brickyard Creek.

- G. A description of any portions of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

Not applicable.

- H. A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

Changes in zoning which might be considered were discussed at p 22.

Changes in streets, street levels and intersections were discussed at pp 26-28. Changes in utilities were discussed at pp 24-26 and 30-31.

- I. An estimate of the cost of the development, a statement of the proposed method of financing the development and the ability of the authority to arrange the financing.

The costs of the projects to be undertaken by the LDDA under this Development Plan were discussed at pp 24-31 and were summarized at p 31.

The LDDA proposes to finance the projects through the issuance and sale of general obligation limited tax development bonds by the Township pursuant to Section 16(1) of the DDA Act, tax increment bonds by the LDDA pursuant to Section 16(2) of the DDA Act, revenue bonds by the LFFA pursuant to Sections 13 and 13a of the DDA Act, and/or other methods of financing as further described in the Tax Increment Financing Plan at pp 38-52, and other available sources of funds authorized by law, including but not limited to, federal, state or local grants or funds, and revenues from special assessment districts.

The choice between bond financing and other methods of financing will depend upon marketing considerations and other relevant factors.

If a bond issue is deemed feasible, the choice between the two types of bonds will depend upon differences in marketability of the two types of bonds and the amount of bond proceeds available for construction under the two types of bonds. Subject to marketing considerations, the type of bonds which will provide the most funds for construction will be utilized.

Based upon financial analyses of the bond issue alternatives available to the LDDA (see Appendix B at pp 56-70), the non-revenue bond proceeds available for construction of the projects will not be sufficient to cover all the costs. It is anticipated that the projects' costs will exceed the amount of those bond proceeds available for construction by approximately \$1,350,000 to \$2,000,000, depending upon the type of bonds utilized. It is anticipated that this shortfall will be funded through other methods of financing further described in the Tax Increment Financing Plan at pp 38-52, including revenue bonds pursuant to Sections 13 and 13a of the DDA Act, and other available sources of funds authorized by law, including but not limited, federal, state or local grants or funds, and revenues from special assessment districts.

Legal and financial analyses, as well as investigation and discussions to date held with various governmental officials, indicate that the LDDA either alone or in conjunction with Battle Creek Township and/or other governmental agencies will be able to arrange the necessary financing for the proposed improvements. It is contemplated that a bond issue will be the primary means of financing with the balance of project costs financed through the other available methods of financing listed above.

- J. Designation of the 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.

No portion of the projects to be constructed under these Development and Tax Increment Financing Plans will be leased, sold, or conveyed in any manner. The projects are being undertaken to encourage and assist development within the Development Area, including the development of the Lakeview Square mall by Lakeview Square Associates, a Michigan partnership in which Forbes/Cohen Properties and Interstate Properties are principals.

- K. The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express 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 in any manner to those persons.

Not applicable.

- L. Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced.

Based upon a survey taken in October, 1981, there are fewer than 100 persons residing in the Development Area. No persons will be displaced from the Development Area as a result of the construction of the projects.

- M. A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

Not applicable.

- N. Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation 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, being Public Law 91-646, 42 U.S.C. sections 4601, et seq.

Not applicable.

- O. A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

Not applicable.

### III. THE TAX INCREMENT FINANCING PLAN

Section 14(2) of the DDA Act requires that a tax increment financing plan include a development plan and specified information and statements as set forth under the following subheadings. The Development Plan for the Development Area appears at pp 4-37.

#### A. Detailed Explanation Of The Tax Increment Procedure.

Tax increment financing under the DDA Act is a funding technique that utilizes increases in taxes on real and personal property to secure and pay bonds issued by a municipality or a downtown development authority to finance the costs of a development program, to pay an authority's costs of operation, and to finance a development program which does not involve the issuance of bonds. A detailed explanation of the procedure contemplated by this Tax Increment Financing Plan is as follows:

1. Having determined that it is necessary for the achievement of the purposes of the DDA Act, the LDDA has commenced the procedure by preparing and submitting these Development and Tax Increment Financing Plans (the "Plans") to the Township Board of Trustees.

2. Before holding a required public hearing on the Plans, the Township Board of Trustees must provide a reasonable opportunity to the members of the Calhoun County Board of Commissioners, to the

members of the school boards of Lakeview Schools and Calhoun Intermediate Schools and to the members of the Board of Trustees of Kellogg Community College to meet with the Township Board of Trustees. Also, the LDDA must fully inform the members of the boards of the fiscal and economic implications of the Development Area.

3. Notice of the time and place of the Township Board of Trustees' public hearing on the Plans must be given by publication twice in a newspaper of general circulation designated by the Township Board of Trustees, the first of which must be at least twenty days prior to the scheduled hearing date. The notice must contain all information required by Section 18(2) of the DDA Act. At least twenty days prior to the scheduled hearing date, the notice must also be posted in at least twenty conspicuous and public places in the Downtown District and mailed to all property taxpayers of record in the Downtown District.

4. At the public hearing held by the Township Board of Trustees on the Plans, the members of the Calhoun County Board of Commissioners, of the school boards of Lakeview Schools and Calhoun Intermediate Schools, and of the Board of Trustees of Kellogg Community College may present their recommendations on the Plans. At the public hearing, the Township Board of Trustees must provide an opportunity for interested persons to be heard and must receive and consider written communications with reference thereto. The Township Board of Trustees must make and preserve a record of the public hearing, including all data there presented.

5. After the public hearing on the Plans, the Township Board of Trustees will determine whether the Plans constitute a public purpose and, if so, it must then by ordinance approve, approve with modifications or reject the Plans based on the considerations set forth in Section 19(1) of the DDA Act.

6. Following adoption of the ordinance establishing the Plans, the municipal and county treasurers are required by law to transmit to the LDDA that portion of the tax levy of all taxing bodies paid each year on the "Captured Assessed Value" of 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 one year by which the current assessed value of the Development Area, including the assessed value of property for which a commercial facilities exemption certificate has been issued (pursuant to 1978 PA 255, as amended; MCLA 207.651 et seq), the assessed value of property for which an industrial facilities exemption certificate has been issued (pursuant to 1974 PA 198, as amended; MCLA 207.551 et seq), and the assessed value of property for which a commercial housing facilities exemption certificate has been issued (pursuant to 1976 PA 438, as amended; MCLA 207.601 et seq), exceeds the "Initial Assessed Value." The "Initial Assessed Value" is defined as the most recently assessed value, as finally equalized by the state board of equalization, of all taxable property within the Development Area at the time the ordinance establishing the Plans is approved. Property exempt from taxation at the time of the

determination of the Initial Assessed Value is included as zero. For the purpose of determining Initial Assessed Value, property for which a commercial facilities exemption certificate, an industrial facilities exemption certificate or a commercial housing facilities exemption certificate is in effect is not considered as property which is exempt from taxation.

Under the DDA Act, the LDDA may use all of the Captured Assessed Value for purposes of the Tax Increment Financing Plan of it may enter into agreement with the Calhoun County Board of Commissioners, the school boards of Lakeview Schools and Calhoun Intermediate Schools, the Board of Trustees of Kellogg Community College and the Township Board of Trustees to share a portion of the Captured Assessed Value. This Tax Increment Financing Plan excludes 1.2 mills of bonded indebtedness of the Lakeview School District and .75 mills for Battle Creek Township street lighting so that the total millage applicable to this Tax Increment Financing Plan is 49.307 mills of the 51.257 mills currently levied within the Development Area. The Plans contemplate that all of the taxes levied by all taxing jurisdictions (with the foregoing two exceptions) on the Captured Assessed Value will be used by the LDDA, to the extent needed from year to year, to accomplish the purposes of the Plans, including, but not limited to, early retirement of any bonds sold where feasible and appropriate and payment of the operating expenses of the LDDA. It is estimated that the annual operating expenses of the LDDA

will be \$40,000 initially, increasing at the rate of 8% per year. Any surplus Tax Increment Revenue, beyond the amount needed for the purposes of the Plans, is required to be returned by the LDDA proportionately to the respective taxing jurisdictions.

When the purposes of the Plans are accomplished, including payment in full (or provision therefor) of the bonds hereinafter described, the Township Board of Trustees may abolish the Plans, releasing the Captured Assessed Value. Thereafter, the respective taxing jurisdictions will receive all of the taxes levied by them on the real and personal property in the Development Area. Meanwhile, the taxing jurisdictions will have continued to receive their full tax levy on the Initial Assessed Value since only the increase in tax base in the Development Area over the Initial Assessed Value, i.e., the Captured Assessed Value, is used to finance the Plans.

The justification for tax increment financing is based on the principle that all or a significant portion of the Captured Assessed Value which is generated following implementation of development and tax increment financing plans would not have existed without the stimulation of the public investment involved in the plan implementation, and, consequently, that the temporary investment made by the taxing jurisdictions in foregoing part of the initial growth in tax revenues is repaid by the long-term benefit of substantially greater taxes from a significantly stronger property tax base resulting from plan implementation.

7. The Tax Increment Revenue primarily will secure and be applied for payment of bonds of one of two types, as described below, and secondarily will allow other available methods of financing.

As to the bonds, the choice of which type of bonds to be utilized to help accomplish the purposes of the Plans will depend on the considerations described at pp 34-35.

(a) Tax Increment Bonds. Pursuant to Section 16(2) of the DDA Act, the LDDA may issue and sell tax increment bonds which pledge solely the Tax Increment Revenue and other revenues which the LDDA specifically pledges in its bond authorizing resolution, if any. Such bonds do not pledge the full faith and credit of the LDDA, Battle Creek Township, Calhoun County or the State of Michigan. Such bonds are not subject to review by the Michigan Municipal Finance Commission or to the provisions of the Michigan Municipal Finance Act (1943 PA 202, as amended; MCLA 131.1 et seq.). The LDDA may use the proceeds from the sale of such bonds to pay the costs of the projects, to pay capitalized interest until full development of the Tax Increment Revenue, to pay financing costs related to the projects and the bonds, and to fund a reasonable debt service reserve. No referendum or voter approval is required for issuance of such bonds, which may be sold publicly or through a negotiated sale. There is no statutory limitation on the interest rate of such bonds.

To enhance the marketability of such bonds, it is expected that bond insurance by AMBAC or MBIA would be obtained and

maintained to provide additional security for bondholders. This insurance is expected to result in a rating of "AAA" for the bonds from Standard & Poor's Corporation, which rating should permit the bonds to be issued and sold with a net interest cost lower than would be applicable without such insurance. Moreover, without such bond insurance, it might not be possible to sell the bonds at all. To qualify for such bond insurance, the bond issue will have to be structured to meet certain requirements of the bond insurer. These include determining the size and amortization schedule of the bond issue so as: (i) to allow for a projected debt service coverage ratio (i.e., the ratio of projected annual Tax Increment Revenue available for paying principal and interest on the bonds to the annual principal and interest requirements on the bonds) of approximately 1.2 to 1.3 times or greater; (ii) to include an amount of bond proceeds to be held as a debt service reserve fund for payment of the bonds; and (iii) to include an amount of bond proceeds for payment of capitalized interest on the bonds as described earlier.

Based on certain assumptions believed to be reasonable and appropriate, the financial consulting firm of Ehlers and Associates, Inc., of Minneapolis, Minnesota, has developed tables which illustrate the approximate size and amortization schedule (subject to certain variables not ascertainable until the time of sale of the bonds) for the issue of tax increment bonds of the LDDA contemplated by the Plans. Separate analyses have been made for

1.2 and 1.3 times debt service coverage factors. These tables are included and explained in Appendix B.

(b) General Obligation Limited Tax Development Bonds.

Pursuant to Section 16(1) of the DDA Act, Battle Creek Township may issue and sell general obligation bonds which pledge up to 80% of the estimated annual Tax Increment Revenue (see the next paragraph) and the full faith and credit of the Township. Such bonds will not pledge the unlimited taxing power of the Township, since that would require voter approval and it is not proposed to seek such voter approval. Consequently, the general obligation bonds which might be issued by the Township for the purposes of the Plans would be "limited tax bonds," which constitute a "first budget obligation" of the Township. Under the Michigan Municipal Finance Act, which is incorporated by reference in Section 16(1) of the DDA Act, but not similarly incorporated in Section 16(2), described earlier, this means that such bonds would have to be repaid as a first budget obligation from the resources available for payment of the Township's operating expenses.

Before the Township may authorize such bonds, the LDDA is required to submit to the Township Board of Trustees an estimate of the projected Tax Increment Revenue to be available for payment of principal and interest on the bonds, and the Township Board of Trustees must approve such estimate by a majority vote of its members in the bond authorizing resolution. Such estimate and

such bonds are subject to approval by the Michigan Municipal Finance Commission, but no referendum or voter approval is required for issuance of such bonds. The Michigan Municipal Finance Act limits the maximum interest rate of such bonds to 18% per annum or any higher rate as may be determined by the Michigan Municipal Finance Commission. The Township may make the proceeds from the sale of such bonds available to the LDDA to finance the Plans, for applications similar to those described earlier in the case of tax increment bonds of the LDDA.

Similar to tax increment bonds of the LDDA as described earlier, it is expected that bond insurance would be obtained and maintained for general obligation limited tax development bonds of the Township to provide additional security for bondholders and to obtain a "AAA" rating from Standard & Poor's Corporation. In such case, due to the statutory 80% limitation under Section 16(1) of the DDA Act, it is expected that a 1.1 times debt service coverage ratio would satisfy the bond insurer; in other respects, the earlier discussion of bond insurance applies here as well. If this type of bonds is utilized, operating expenses of the LDDA may be paid from the 20% of the Tax Increment Revenue not pledged for the bonds.

Based on certain assumptions believed to be reasonable and appropriate, the financial consulting firm identified earlier has developed tables which illustrate the approximate size and

amortization schedule (subject to certain variables not ascertainable until the time of sale of the bonds) for the issuance of general obligation limited tax development bonds of the Township contemplated by the Plans. These tables are included and explained in Appendix B.

8. In addition to Tax Increment Revenue bonds pursuant to Section 16 of DDA Act, Revenue bonds pursuant to Sections 13 and 13a of the DDA Act will be utilized as available and appropriate to help finance the revenue generation portions of the improvements described in the Development Plan and for other uses permitted by the DDA Act.

B. Maximum Amount of Bonded Indebtedness To Be Incurred.

If the Township issues general obligation limited tax development bonds under Section 16(1) of the DDA Act, the amount of such bond issue is expected to be approximately \$5,200,000, but not to exceed \$6,500,000, to be repaid over eighteen years. If the LDDA instead issues tax increment bonds under Section 16(2) of the DDA Act, the amount of such bond issue is expected to be approximately \$6,050,000 to be repaid over seventeen years (if the bond insurer requires 1.2-times debt service coverage) or \$5,450,000 to be repaid over sixteen years (if the bond insurer requires 1.3-times debt service coverage), but not to exceed \$6,500,000. These amounts and time periods are estimates. Final details of the bond issue will depend upon the outcome of negotiations with the insurer and/or underwriter and other relevant factors. The Township's bonds would be a first budget obligation of the Township under the Michigan Municipal Finance Act; the LDDA's bonds would not constitute bonded indebtedness of the Township.

If the LDDA, alone or in conjunction with Battle Creek Township, issues Revenue bonds pursuant to Sections 13 and 13a of the DDA Act, the amount of such bond issue or issues is expected to be not greater than \$3,500,000 to be repaid over not more than 20 years. These amounts and time periods are estimates.

C. Expenditure Of Tax Increment Revenues.

The Tax Increment Revenue paid to the Authority by the municipal and county treasurers is to be disbursed by the Authority from time to time in such manner as the Authority may deem necessary and appropriate in order to carry out the purposes of the Development Plan, including but not limited to, the following:

1. Payment of debt service on any bonds issued pursuant to the Tax Increment Plan.
2. Payments necessary to construct the improvements detailed in the Development Plan.
3. Payments necessary to repay loans from third parties, public or private, to the LDDA.
4. Payments necessary to effectuate the Development Plan.

D. Duration of The Tax Increment Financing Program.

The duration of the program will begin with adoption of the ordinance establishing the Plans and end upon abolition of the Plans by the Township Board of Trustees pursuant to Section 15(2) of the DDA Act. Such abolition should occur when the Township Board of Trustees finds that the purposes

for which the Plans were established have been accomplished, but not un the principal of and interest on the bonds issued pursuant to the Plans been paid or funds sufficient to make the payment have been segregated for such purpose. It is expected this will be, at the earliest, on or before the final maturity of the bonds, estimated above as eighteen years, seven- teen years or sixteen years depending on which type of bonds is used.

E. Estimated Impact Of The Tax Increment  
Financing On Assessed Values Of All Taxing  
Jurisdictions Within The Development Area.

The taxing jurisdictions affected by the Plans are listed in Table 1, at p 50. Table 1 is based on: (a) the 1981 millage levied by each taxing jurisdiction; and (b) the percentage of each taxing jurisdiction's total tax base located in the Development Area. As shown in Table 1, the relative (weighted) impact of the Tax Increment Financing Plan is greatest on those taxing jurisdictions which levy the most millage (since more revenues will be captured) or on those having the largest proportionate part of their total SEV (state equalized value) within the Development Area. Although not quantifiable, these data should be tempered by consideration of the level of future taxes that would be received if the Plans were not implemented.

Table 2, at p 51, represents an alternative method of estimating the impact of the Tax Increment Financing Plan on the affected taxing jurisdictions. Starting with each taxing jurisdiction's proportionate share of the total 1981 tax levies in the Development Area (expressed as a percentage) and applying this to the total projected annual Captured Assessed Value over the next eighteen years, Table 2 quantifies the estimated Captured Assessed Value each taxing jurisdiction would forego, year by year.

Beyond the data in Tables 1 and 2, of course, the overall impact of the Plans is expected to generate increased economic activity in the Development Area and its surrounding area, thus causing an increase in assessed values for the affected taxing jurisdictions.

As an incidental impact of the Tax Increment Financing Plan, for purposes of computations made under the State School Aid Act of 1979 (1979 PA 94, as amended; MCLA 388.1601 et seq), the valuation of a school district or an intermediate district will not include the Captured Assessed Value of property within its taxing jurisdiction, but any state funds to which the district would otherwise be entitled under that act will be reduced by the amount of the Captured Assessed Value received by the district under a sharing agreement with the LDDA under Section 14 of the DDA Act, if any. No sharing agreement is contemplated by the Plans. Accordingly, [neither] the Lakeview School District [nor the Calhoun Intermediate School District] will NOT be penalized AS LONG AS THEY ARE AN INFORMULA DISTRICT in their allotments under the State School [And] AID Act of 1979 as a result of the implementation of the Plans.

TABLE 1

TAXING JURISDICTIONS AFFECTED BY THE TAX INCREMENT  
FINANCING PLAN FOR THE DEVELOPMENT AREA  
WEIGHTED IMPACT

<u>TAXING JURISDICTIONS</u>	<u>1981 MILLAGE RATE</u>	<u>1981 SEV</u>	<u>DEVELOPMENT AREA SEV AS % OF TOTAL SEV IN TAXING JURISDICTION</u>	<u>WEIGHTED IMPACT TO EACH TAXING JURISDICTION (1)</u>
LAKEVIEW SCHOOL DISTRICT	32.3800 <sup>(2)</sup>	\$ 186,035,565	3.724%	1.204
BATTLE CREEK TOWNSHIP	5.3770	193,885,885	3.573%	0.1921
CALHOUN COUNTY	5.8400	1,114,525,774	0.062%	0.0362
CALHOUN INTERMEDIATE SCHOOL DISTRICT	3.7600	1,109,271,647	0.062%	0.0234
KELLOGG COMMUNITY COLLEGE	1.9500	1,092,012,325	0.063%	0.0123
BATTLE CREEK TOWNSHIP STREET LIGHTING <sup>(3)</sup>	.7500	NA	NA	NA

(1) Weighted impact is derived by multiplying the millage rate of each taxing jurisdiction by the percent which the Development Area's state equalized value is of that taxing jurisdiction's total state equalized value. The table shows relative impact among the taxing jurisdictions regarding future CAV.

(2) 1.2 mills of bonded indebtedness is excluded.

(3) Excluded.

TABLE 2

DEVELOPMENT AREA IMPACT ON  
TAXING JURISDICTIONS FOR THE 1982-2000  
PERIOD(1) (SHOWN IN \$000s, ROUNDED)

<u>YEAR</u>	<u>TOTAL CAV (1000's)</u>	<u>LAKEVIEW SCHOOL DIST. CAV (2) (63.2%)</u>	<u>BATTLE CREEK TOWNSHIP CAV (3) (10.5%)</u>	<u>CALHOUN COUNTY CAV (11.4%)</u>	<u>CALHOUN INTERMEDIATE SCHOOL DIST. CAV (7.3%)</u>	<u>KELLOGG COMM. COLLEGE CAV (3.8%)</u>
1982						
1983	\$ 5,518	\$ 3,487	\$ 579	\$ 629	\$ 403	\$ 209
1984	17,200	10,870	1,806	1,960	1,256	653
1985	17,923	11,327	1,881	2,043	1,308	681
1986	18,669	11,798	1,960	2,128	1,362	709
1987	19,437	12,284	2,040	2,215	1,418	738
1988	20,228	12,784	2,123	2,305	1,477	768
1989	21,042	13,298	2,209	2,398	1,536	799
1990	21,881	13,829	2,297	2,494	1,597	831
1991	22,746	14,375	2,388	2,593	1,660	864
1992	23,636	14,938	2,481	2,694	1,725	898
1993	24,563	15,524	2,578	2,799	1,793	933
1994	25,497	16,114	2,677	2,906	1,861	968
1995	26,470	16,729	2,779	3,017	1,932	1,005
1996	27,472	17,362	2,884	3,131	2,005	1,043
1997	28,504	18,015	2,992	3,249	2,080	1,083
1998	29,567	18,686	3,104	3,370	2,158	1,123
1999	30,662	19,378	3,219	3,495	2,238	1,165
2000	31,790	20,091	3,337	3,624	2,321	1,208

(1) Values shown represent captured assessed value by taxing jurisdiction using the formula:

$$\frac{\text{TAXING JURISDICTION MILLAGE IN DEVELOPMENT AREA} \times \text{TOTAL CAPTURED ASSESSED VALUE}}{\text{TOTAL MILLAGE IN DEVELOPMENT AREA}}$$

Tax Increment Revenue captured in any one year from a taxing jurisdiction may be derived by multiplying the CAV for the year for that jurisdiction by that jurisdiction's millage rate set forth in column 2 of Table 1.

- (2) 1.2 debt service millage has been excluded.
- (3) .75 millage for street lighting has been excluded.

E. Use Of The Captured Assessed Value.

The Plans provide for the use of all of the Captured Assessed Value by the LDDA for the purposes set forth herein.

~~Local Township intend~~ ~~to use the LDDA & Local~~ This full use is necessary to finance the projects described in the Plans, & the Captured Assessed Value must be reserved for that use, to repay bonds & for use in other methods of financing. It is anticipated that there may be surplus revenues <sup>from year to year</sup> as a result of <sup>both new</sup> growth in the Township, <sup>as a result of the proposed projects</sup> in excess of that necessary to finance <sup>the</sup> development projects. ~~At the same time~~ <sup>the LDDA & Township</sup> will review w/ their financial - legal consultants w/ the affected taxing units the availability of funds to pass through to the affected taxing units. Future growth, creating more Captured Assessed Value could be <sup>be</sup> thus passed through to affected taxing units.

APPENDIX A

BATTLE CREEK TOWNSHIP ORDINANCE NO. 280

APPENDIX A

ORDINANCE NO: 280  
ADOPTED: 10/26/81  
PUBLISHED: 10/27/81  
EFFECTIVE: 10/27/81

AN ORDINANCE TO ESTABLISH A DOWNTOWN DEVELOPMENT AUTHORITY  
PURSUANT TO ACT 197 OF THE PUBLIC ACTS OF 1975 OF THE STATE  
OF MICHIGAN, FOR BATTLE CREEK TOWNSHIP

THE TOWNSHIP OF BATTLE CREEK ORDAINS:

Section 1. Ordinance #280 of the General Ordinances of the Township of Battle Creek is hereby established and shall read as follows:

Section 2. Downtown Development Authority - Created. Pursuant to the authority vested in this Board of Trustees by Act 197 of the Public Acts of 1975 of the State of Michigan, as it may be amended from time to time, the Lakeview Downtown Development Authority shall be and is hereby created.

Section 3. The Lakeview Downtown Development Authority shall be under the supervision and control of a Board consisting of the Supervisor of the Township of Battle Creek and not less than eight nor more than twelve members as determined by the Township Board of Trustees. Said members shall be appointed, and the members shall hold office and the Board shall otherwise conduct itself, all in accordance with the terms and conditions of Act 197 of the Public Acts of 1975 of the State of Michigan.

Section 4. Downtown Development Authority - Powers and Duties. Except as otherwise provided herein, the Lakeview Downtown Development Authority shall exercise such powers and duties as provided by and in accordance with the terms of Act 197 of the Public Acts of 1975 of the State of Michigan, being MCLA 125.1651 et seq; MSA 5.3010 (1) et seq; including but not limited to the definition of a development area; the origination of a development plan; and the implementation of a development program as provided in this Act.

Section 5. Downtown District - Boundaries Designated. Pursuant to the requirements of Act 197 of the Public Acts of 1975, the description of all lands include in the proposed District are as follows:

Begin at the North East corner of Section 35, thence South 5,280 ft.; thence West 661.35 ft.; thence North to the center of Beckley Road; thence East to POB.

Section 36 Battle Creek Township; except H-MF and M-MF zoned land, and all land East of M-66.

All land North of Beckley Road, South of Interstate I-94 East of M-66 and 981.75 ft. West of Capital Avenue, SW.

Begin at the intersection of Capital Avenue, SW and Mason Road; thence South to the Northerly right of way line of I-94; thence Westerly along said right of way to the Easterly edge of the plat of Floradale; thence North 928.76 ft.; thence Easterly to POB.

Begin at the intersection of Rebecca Road and Capital Avenue, SW; thence Southerly along Capital Avenue, SW to the Northerly right of way line of I-94; thence Easterly along said right of way line to the West 1/4 line of Section 25; thence Northerly 1,320 ft. to the South line of the plat of Oakside Park; thence Westerly 1,127.87 ft.; thence Northerly to the center line of Rebecca Road; thence 200 ft. West, West to POB.

Excepting therefrom all buildings owned by the Township, State or Federal governments and also excepting therefrom all Multi-Family dwellings.

Section 6. Budget. No funds of the Authority shall be disbursed except as provided for in the budget of the Authority. No budget shall be adopted by the Board of the Authority until it has been approved by the Battle Creek Township Board of Trustees.

Section 7. Funds, Sources; Taxing Power. The Authority shall have the power to finance itself according to the terms and conditions of Act 197 of the Public Acts of 1975 of the State of Michigan, including but not limited to the implementation of a tax increment financing plan, as authorized by said Act and the levying and collecting of those ad valorem taxes on real and tangible personal property not exempt by law, as such tax may be approved by the Township Board of Trustees, in accordance with said Act.

Section 8. Should any section, clause or phrase of this Ordinance be declared by the Courts 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.

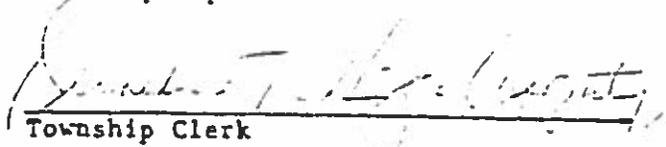
Section 9. All ordinances, or parts of ordinances, in conflict with any of the provisions of this Ordinance, are hereby repealed.

Section 10. This Ordinance shall take effect immediately after publication of the same, such publication shall be in the Enquirer and News, a newspaper circulating within the Township of Battle Creek, once in said newspaper, on or before fifteen (15) days from the date of passage.

STATE OF MICHIGAN

Made, passed and adopted by the Township Board of Trustees of the Township of Battle Creek this 24<sup>th</sup> day of June, 1981.

  
Township Supervisor

  
Township Clerk

APPENDIX B

FINANCIAL ANALYSES FOR BOND ISSUE ALTERNATIVES

## APPENDIX B\*

### Incremental Valuation

The present assessed value of taxable property in the Development Area, as reported by the Township assessor, is \$6,928,522 (base value). According to the assessor, it is estimated that the assessed value of real estate will increase to \$20,828,000 and that \$3,300,000 personal property assessed value will be added, bringing the total assessed value to \$24,128,000. Deducting the base value, the \$17.2 million captured assessed value, plus any other assessed value growth in the Development Area, is multiplied by the total tax rate (less 1.95 mills for special levies) to find the gross tax increment.

(In the last column of Exhibits 1.20, 1.21, 2.20 and 3.20 (page 2 of each), the total Township assessed value is shown. It is not material except if unlimited general obligation bonds are used and then only to show a general tax rate should Tax Increment Revenue be inadequate.)

In all of the following computer runs, a 3% inflation, compound rate, on all property within the Development Area, beginning with valuations for 1985, has been assumed, which becomes part of the tax base increment. No allowance has been made for further construction within the Development Area. These are, of course, very conservative assumptions.

### Coverage

The Plans contemplate three possible bond issues, with the choice of which one to use to be based on considerations described in the Plans. Two of these are pure tax increment bonds issued under Section 16(2) of the DDA Act, one with a coverage factor of 1.3 times (Group 1 in this Appendix), and the other with a coverage factor of 1.2 times (Subgroup 1.1 in this Appendix). Two other alternative types of bond issues are possible: general obligation limited tax development bonds (Group 2 in this Appendix) or unlimited general obligation bonds (Group 3 in this Appendix). This last alternative is not included in the Plans since it is not proposed to seek the voter approval which it would require. Nonetheless, an analysis of unlimited general obligation bonds is included in this Appendix for comparative purposes.

In a pure LDDA tax increment bond issue under Section 16(2) of the DDA Act, it will be necessary to provide a coverage of 1.2 to 1.3 times annual debt service in order to market the bonds. The added coverage is to protect bond holders in the event of a shortfall of Tax Increment Revenue for any reason and to provide revenues for the operating expenses of the LDDA. A coverage factor of 1.1 is used for the general obligation limited tax development bond issue. No coverage factor is used for the unlimited general obligation issue. However, it should be noted that Section 16(1) of the DDA Act requires that not more than 80% of the estimated Tax Increment Revenue

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\* This Appendix is based upon information prepared by Ehlers and Associates, Inc., First National-Soo Line Concourse, 507 Marquette Avenue, Minneapolis, Minnesota 55402. The Ehlers firm specializes in municipal financial consulting and services.

may be pledged for a general obligation issue, whether limited or unlimited. Thus, in effect, there is a statutorily mandated 1.2 coverage requirement for both limited general obligation and unlimited general obligation issues. The 1.1 coverage factor used in this analysis for a limited general obligation issue is in addition to the statutorily mandated coverage requirement for a limited general obligation issue.

If the coverage revenues are not used for debt service, the surplus can be used to pay for the LDDA's operating expenses and the balance may be distributed to the respective taxing jurisdictions. The balance of any surplus might alternatively be used to prepay all or a portion of the bonds.

The primary constraint on the amount of bonds is the adequacy of the first full year's Tax Increment Revenue to cover interest. This increment, along with any investment income, must cover, at the very least, the interest payment coming due in that year by a coverage factor appropriate to the type of financing.

#### Capitalized Interest

Two and one-half years' interest at 13% (assumed coupon rate) is capitalized within each bond issue in order to make interest payments coming due prior to the receipt of the first full tax increment. In making this calculation, it has been assumed that the bonds would be dated May 1, 1982, with the first principal maturity on November 1, 1986. It has also been assumed that the Lakeview Square mall will be completed by the December 31, 1983 assessment date. Taxes on this value would be levied in December, 1984, and collected in February, 1985. This increment would be available for the semi-annual interest payments coming due on May 1, 1985, and on November 1, 1985.

#### Debt Service; Reserve

Annual principal and interest requirements are structured to provide debt service essentially within the various coverage requirements -- i.e., 1.3 and 1.2 for a "pure" tax increment issue, 1.1 for a limited general obligation issue (in addition to the statutory coverage requirement), and 1.0 for an unlimited general obligation issue (no coverage requirement in addition to the statutory coverage requirement) -- except that principal payments were modified as necessary to meet the requirement of the Municipal Finance Act, applicable to both limited and unlimited general obligation bonds issued under Section 16(1) of the DDA Act, that no annual principal requirement on such bonds may be more than five times greater than any preceding annual principal requirement on such bonds.

In each case, a one-year debt service reserve, more or less, has been included which will be retained, invested, and used to pay the last maturity. Most of this will be capitalized with minor make-up amounts to come from surplus "coverage" revenues. A reserve is necessary to market bonds (or to acquire bond insurance) and, while it is self-carrying, it does reduce the amount available for construction.

## Bond Insurance

In the analyses of the pure tax increment bond and the limited general obligation bond issues, a factor for bond insurance premium expense has been included. Preliminary indications from dealers and underwriters indicate that, considering existing economic conditions, an insured issue would attract the most investment attention. Indeed, insurance may be necessary to make the issue marketable. Accordingly, included in the capitalization of each issue, except for the unlimited general obligation bond issue, is a bond insurance premium as estimated by a representative of AMBAC (municipal bond insurance consortium). This bond insurance automatically gives the issue a Standard and Poor's "AAA" rating. No representation that such insurance will actually be issued is made since the bond insurer will want to examine the facts for itself.

### GROUP 1: "PURE" TAX INCREMENT BONDS (NO TAX SUPPORT)

Exhibit 1.1 shows the capitalization of a "pure" tax increment bond issue with bond insurance. Note that this yields \$3.3 million for construction, design and contingencies which was arrived at by working backwards from the bond issue size that the projected Tax Increment Revenue could support, assuming 1.3 times coverage. The bond issue would be \$5,450,000, adding in capitalized interest, debt service reserve, financing costs, etc., with a term of sixteen years.

#### EXHIBIT 1.1 - "Pure" Tax Increment Bonds with Insurance 1.3 times coverage\*

Amount available for construction	\$3,325,017
Bond insurance	145,000
Legal	20,000
Fiscal and administrative	<u>36,000</u>
Subtotal	3,526,017
Plus: Capitalized interest	1,771,250
Reserve	<u>800,000</u>
Subtotal	6,097,267
Less: Investment of construction funds (1/3 yr. @ 13%)	(138,017)
Partial-year tax increment receipts	(206,758)
Investment income	<u>(409,354)</u>
Subtotal	5,343,138
Discount allowance (2%)	<u>106,862</u>
Bond Issue	<u>\$5,450,000</u>

\*Note that when investment income is taken into account, the actual coverage yielded is approximately 1.27 times.

Exhibit 1.20, page 1, shows development of Tax Increment Revenue. The projected total assessed value of the Development Area is shown in the first column on the left. One first subtracts the base value shown at the top of the page from the projected assessed value and multiplies the result by the net tax rate (mills) to find the Tax Increment Revenue. Expenditure of bond proceeds for construction is shown in the capital expenditures column. A 24% reduction in increment available for debt service (to provide 1.3 times coverage) is shown as "other expenditure" from which the LDDA's operating expenses might be paid. Coverage of 1.3 times annual debt service, or, as it develops, 27% coverage including tax increments and investment revenues, is a minimum marketing requirement for a "pure" tax increment issue. These calculations then yield net proceeds available for debt service in each year of the issue.

EXHIBIT - 1.20 TAX INCREMENT FINANCING PAGE 1 OF 2  
 COMPUTER RUN FOR BATTLE CREEK TOWNSHIP, MI. - TAX INC. PROJECT 1/15/82  
 "Pure" Tax Increment Bonds With Insurance (1.3 times coverage)

DEBT SERVICE PLANHTNG

BASE VALUES--YEAR 1981 BASE VALUE 4920522 MILLS 49.307

STARTING 1985 VALUATION IS INCREASED BY 3.0 % COMPOUNDED  
 A 24.00% REDUCTION IN INCREMENT AVAILABLE FOR DEBT SERVICE IS SHOWN AS "OTHER EXPENDITURE."

YEAR	PROJ. A V	-----REVENUE-----					-----EXPENDITURES-----			NET PROCEEDS
		TAX INC	LAND SALE	OTHER	BONDS	TOTAL	CAPITAL	OTHER	TOTAL	
1982	0	0	0	138017	5450000	5588017	3325017	310000	3635017	1953000
1983	12446000	0	0	0	0	0	0	0	0	0
1984	24128000	272050	0	0	0	272050	0	48222	320272	2090528
1985	24851840	848055	0	0	0	848055	0	202533	202533	646522
1986	25597395	883745	0	0	0	883745	0	212099	212099	671646
1987	26345317	920506	0	0	0	920506	0	220921	220921	696825
1988	27156277	958370	0	0	0	958370	0	230009	230009	728341
1989	27970965	997370	0	0	0	997370	0	239369	239369	760041
1990	28810094	1037540	0	0	0	1037540	0	249010	249010	792530
1991	29674397	1078915	0	0	0	1078915	0	258940	258940	814275
1992	30564629	1121531	0	0	0	1121531	0	269167	269167	836343
1993	31481567	1165426	0	0	0	1165426	0	279702	279702	858223
1994	32426014	1210637	0	0	0	1210637	0	290553	290553	880894
1995	33398795	1257205	0	0	0	1257205	0	301729	301729	904276
1996	34400759	1305170	0	0	0	1305170	0	313241	313241	928299
1997	35432781	1354574	0	0	0	1354574	0	325098	325098	952976
1998	36495765	1405460	0	0	0	1405460	0	337310	337310	978199
		15816552	0	138017	5450000	21404567	3325017	4105972	7430989	

Exhibit 1.20, page 2, then applies net Tax Increment Revenues and investment earnings to debt service. The net Tax Increment Revenues developed on the previous page (after deducting the 30% coverage) are shown as net receipts in the first column on the left. To this are added investment earnings (13%) calculated on the previous year's ending reserve balance to find the total available for debt service. The bond issue is then structured to fit within these revenues, assuming a 13% interest rate on the bonds (AMBAC insured). The principal maturities of the bond issue are shown under the column labeled "new principal." Total debt service is then subtracted from revenues to find the annual surplus or deficit. This annual surplus or deficit is then reflected in the cumulative reserve column which shows the balance in the debt service fund.

EXHIBIT 1.20 PAGE 2 OF 2  
 COMPUTER RUN FOR BATTLE CREEK TOWNSHIP, MI. - TAX INC. PROJECT  
 "Pure" Tax Increment Bonds With Insurance (1.3 times coverage)  
 FIRST INVESTMENT PERIOD 12 MONTHS - RATE 13.00%

1/15/82

NET REC	INVEST EARNING	S TOTAL	OLD DEBT	NEW S TOTAL	DATE YEAR	----NEW----	ANNUAL SUB/DEF	RESERVE OR INTL	CITY AV(000,S)
						PRIN P & I			
1953000	0	1953000	0	1953000	1982	0 354250	1578750	1578750	193800
0	207837	207837	0	207837	1983	0 708500	-500663	1078087	207800
204758	142751	349509	0	349509	1984	0 708500	-358991	739096	211000
644522	96082	740604	0	740604	1985	0 708500	32109	771204	220000
571646	100255	771901	0	771901	1986	50000 750500	13401	794601	227800
697505	101998	801583	0	801583	1987	75000 777000	24503	807104	238000
728361	105193	833554	0	833554	1988	125000 817250	16304	825008	247000
758001	107313	865314	0	865314	1989	175000 851000	14314	839802	256000
788530	109174	897704	0	897704	1990	225000 878250	12454	859256	265000
819975	111703	931678	0	931678	1991	300000 924000	7670	866934	274000
852363	112701	965064	0	965064	1992	375000 960000	5044	871978	283000
885723	113359	999082	0	999082	1993	450000 986250	12032	884031	292000
920084	115020	1035112	0	1035112	1994	550000 1027750	7362	892193	301000
955476	115905	1071461	0	1071461	1995	650000 1056250	15211	907404	310000
991929	117962	1109891	0	1109891	1996	775000 1096750	13141	920545	319000
1029476	119670	1149146	0	1149146	1997	925000 1146000	3146	923691	328000
1068149	120072	1188220	0	1188228	1998	775000 875750	312478	1236169	337800

TOTAL PRINCIPAL 5450000  
 TOT INTR @ 13.000 9184500  
 TOTAL P AND I 14634500

LAST YEAR 1999 FINAL PRIN PAYMENT 775000  
 FIRST YEAR 1982 TERM 17 YEARS

BOND YEARS 70650  
 AVE MATURITY 12.943303

SUBGROUP 1.1: "PURE" TAX INCREMENT BONDS WITH INSURANCE (1.2 times coverage)

Through negotiations with the bond insurer and/or underwriter, it might be possible to reduce the tax increment/debt service coverage requirement from 1.3 to 1.2 times on a "pure" issue. Therefore, a subgroup analysis has been run (see Exhibits 1.11 and 1.21, following), to show the maximum construction funds available with 1.2 times coverage on a "pure" issue. This yields an amount available for construction of \$3.7 million from a \$6,050,000 bond issue, with a term of seventeen years.

EXHIBIT 1.11 - "Pure" Tax Increment Bonds with Insurance  
1.2 times coverage\*

Amount available for construction	\$3,713,007
Insurance premium	170,000
Fiscal and administrative	<u>42,000</u>
Subtotal	3,925,007
Plus: Capitalized interest (2½ yrs.)	1,966,250
Reserve	<u>800,000</u>
Subtotal	6,691,257
Less: Investment of construction funds (1/3 yr. @ 13%)	(154,007)
Partial-year tax increment receipts	(226,709)
Investment income	<u>(379,168)</u>
Subtotal	5,931,373
Discount allowance (2%)	<u>118,627</u>
Bond Issue	<u>\$6,050,000</u>

\*Note that when investment income is taken into account, the actual coverage yielded is approximately 1.18 times.

Exhibit 1.21, page 1, shows 20% coverage of annual debt service deducted from the gross Tax Increment Revenue to arrive at the net Tax Increment Revenue available for debt service.

EXHIBIT - 1.21 TAX INCREMENT FINANCING PAGE 1 OF 2  
 COMPUTER RUN FOR BATTLE CREEK TOWNSHIP, MI. - TAX INC. PROJECT 1/15/82  
 "Pure" Tax Increment Bonds With Insurance (1.2 times coverage)  
 DEBT SERVICE PLANNING

BASE VALUES--YEAR 1981 BASE VALUE 6920522 MILLS 49.307

STARTING 1985 VALUATION IS INCREASED BY 3.0 % COMPOUNDED  
 A 16.6% REDUCTION IN INCREMENT AVAILABLE FOR DEBT SERVICE IS SHOWN AS "OTHER EXPENDITURE."

YEAR	PROJ. A V	REVENUE					EXPENDITURES			NET PROCEEDS
		TAX INC	LAND SALE	OTHER	BONDS	TOTAL	CAPITAL	OTHER	TOTAL	
1982	0	0	0	154007	6050000	6204007	3713007	353000	4066007	2138000
1983	12446000	0	0	0	0	0	0	0	0	0
1984	24120000	272050	0	0	0	272050	0	45342	45342	226707
1985	24051840	848055	0	0	0	848055	0	141342	141342	706712
1986	25597325	883745	0	0	0	883745	0	147291	147291	730574
1987	26365317	920506	0	0	0	920506	0	153418	153418	767088
1988	27156277	958370	0	0	0	958370	0	159728	159728	798642
1989	27970965	997370	0	0	0	997370	0	166228	166228	831142
1990	28810094	1037540	0	0	0	1037540	0	172923	172923	864416
1991	29674377	1078915	0	0	0	1078915	0	179817	179817	899476
1992	30564629	1121531	0	0	0	1121531	0	186922	186922	934607
1993	31481567	1165426	0	0	0	1165426	0	194230	194230	971180
1994	32426014	1210637	0	0	0	1210637	0	201773	201773	1008849
1995	33398795	1257205	0	0	0	1257205	0	209534	209534	1047671
1996	34400759	1305170	0	0	0	1305170	0	217528	217528	1087641
1997	35432701	1354574	0	0	0	1354574	0	225762	225762	1128911
1998	36495765	1405460	0	0	0	1405460	0	234243	234243	1171216
1999	37590638	1457872	0	0	0	1457872	0	242979	242979	1218895
		1727424	0	154007	6050000	23478431	3713007	3232071	6945078	

Exhibit 1.21, page 2, shows the addition of reserve investment revenues to net Tax Increment Revenue to find the total net revenues available for debt service and the deduction of annual debt service to determine the reserve sufficiency. Note that the reserve pulls down below the annual debt service. This would be increased by appropriations from the 20% surplus Tax Increment Revenues.

EXHIBIT 1.21 PAGE 2 OF 2  
 COMPUTER RUN FOR BATTLE CREEK TOWNSHIP, MI. - TAX INC. PROJECT 1/15/82  
 "Pure" Tax Increment Bonds With Insurance (1.2 times coverage)  
 FIRST INVESTMENT PERIOD 12 MONTHS - RATE 13.00%

NET REC	INVEST EARNING S	TOTAL	OLD DEBT	MAT S TOTAL YEAR	---NEW---		ANNUAL SUR/DEF	RESERVE OR BIL	CITY AV (000,000)
					PRIN	P & I			
2138000	0	2138000	0	2138000	1982	0	393250	1744750	193806
0	226017	226017	0	226017	1983	0	706500	-559603	202886
226707	154058	380767	0	380767	1984	0	706500	-405733	211804
706712	101313	808025	0	808025	1985	0	706500	21525	220884
736454	104111	840565	0	840565	1986	50000	836500	4065	229884
767088	104640	871728	0	871728	1987	75000	855000	16728	238884
798642	106014	904656	0	904656	1988	125000	895250	10206	247884
831142	108141	939283	0	939283	1989	175000	929000	18283	256884
864616	109478	974094	0	974094	1990	225000	956250	17844	265884
897896	111798	1010894	0	1010894	1991	300000	1002800	8024	274884
934609	112954	1047563	0	1047563	1992	375000	1030000	9563	283884
971180	114197	1085385	0	1085385	1993	450000	1064250	21135	292884
1008864	116944	1125808	0	1125808	1994	550000	1105750	28858	301884
1047671	119552	1167223	0	1167223	1995	675000	1152250	7973	310884
1087641	120588	1208229	0	1208229	1996	800000	1192500	11727	319884
1128811	122113	1250924	0	1250924	1997	950000	1242500	8424	328884
1171216	123208	1294424	0	1294424	1998	1125000	1294000	424	337884
1214893	123264	1338157	0	1338157	1999	175000	197750	1140407	346884

TOTAL PRINCIPAL 6050000  
 TOT INTR @ 13.000 10474750  
 TOTAL P AND I 16524750

LAST YEAR 2000 FINAL PRIN PAYMENT 175000  
 FIRST YEAR 1982 TERM 10 YEARS

BOND YEARS 80575  
 AVE MATURITY 13.318182

GROUP 2: "LIMITED GENERAL OBLIGATION"/TAX INCREMENT BONDS

Exhibit 2.1 shows the capitalization of a "limited general obligation"/ tax increment bond issue with insurance. This yields an amount available for construction of \$3,156,083 from a \$5.2 million bond issue, with a term of eighteen years.

EXHIBIT 2.1 - "Limited General Obligation"/Tax Increment Bonds with Insurance  
1.1 times coverage

Amount available for construction	\$3,156,083
Bond insurance	98,780
Legal	20,000
Fiscal and administrative	<u>36,000</u>
Subtotal	3,310,863
Plus: Capitalized interest (2½ yrs.)	1,690,000
Reserve	<u>800,000</u>
Subtotal	5,800,863
Less: Investment of construction funds (1/3 yr. @ 13%)	(131,083)
Partial year tax increment receipts	(193,156)
Investment income	<u>(378,584)</u>
Subtotal	5,098,040
Discount allowance (2%)	<u>101,960</u>
Bond Issue	<u>\$5,200,000</u>

Exhibit 2.20, page 1, shows development of Tax Increment Revenue available for debt service. Again, the construction funds are shown beneath the column labeled "capital expenditures." A 29% reduction in the increment available reflects the 80% statutory limitation on the increment which may be pledged for debt service, plus a 1.1 times coverage required for limited general obligation bonds. (The reduction in Tax Increment Revenue available for debt service is 29% vs. 24% for Group 1 "pure" tax increment financing. This is because the 20% "lost" is 20% of 100% of the revenues, not a percentage cover of a lesser debt service amount.) This means that the 80% net increment, plus investment earnings, must cover debt service by at least 1.1 times. It is assumed that the operating expenses of the LDDA will be paid from the 20% of the increment not pledged to debt service.

EXHIBIT - 2.20 TAX INCREMENT FINANCING PAGE 1 OF 2  
 COMPUTER RUN FOR BATTLE CREEK TOWNSHIP, MI. - TAX INC. PROJECT  
 "Limited General Obligation"/Tax Increment Bonds with Insurance (1.1 times coverage)  
 DEBT SERVICE PLANNING

1/12/82

BASE VALUES--YEAR 1981 BASE VALUE 6928522 MILLS 49.307

STARTING 1985 VALUATION IS INCREASED BY 3.0 % COMPOUNDED  
 A 29.00% REDUCTION IN INCREMENT AVAILABLE FOR DEBT SERVICE IS SHOWN AS "OTHER EXPENDITURE."

YEAR	PROJ. A V	-----REVENUE-----					TOTAL	-----EXPENDITURES-----			NET PROCEEDS
		TAX INC	LAND SALE	OTHER	BONDS	CAPITAL		OTHER	TOTAL		
1982	0	0	0	131083	5200000	5331083	3158083	260000	3416083	1915000	
1983	12446000	0	0	0	0	0	0	0	0	0	
1984	24123000	272050	0	0	0	272050	0	78395	78395	193156	
1985	24651900	849055	0	0	0	849055	0	245936	245936	602119	
1986	25597395	833745	0	0	0	833745	0	256286	256286	627459	
1987	26365517	920506	0	0	0	920506	0	266947	266947	653559	
1988	27156277	958370	0	0	0	958370	0	277927	277927	680443	
1989	27970985	997370	0	0	0	997370	0	289237	289237	709133	
1990	28810094	1037540	0	0	0	1037540	0	300637	300637	736853	
1991	29674397	1070915	0	0	0	1070915	0	312085	312085	766029	
1992	30564629	1121531	0	0	0	1121531	0	325244	325244	794267	
1993	31481567	1169426	0	0	0	1169426	0	337973	337973	827452	
1994	32426014	1210637	0	0	0	1210637	0	351085	351085	859552	
1995	33399795	1257205	0	0	0	1257205	0	364589	364589	892615	
1996	34400759	1305170	0	0	0	1305170	0	378499	378499	926671	
1997	35432781	1354574	0	0	0	1354574	0	392826	392826	961747	
1998	36495765	1405460	0	0	0	1405460	0	407583	407583	997876	
1999	37590638	1457872	0	0	0	1457872	0	422783	422783	1035089	
2000	38719357	1511857	0	0	0	1511857	0	438439	438439	1073410	
		18706280	0	131083	5200000	74117363	3158083	5708021	8864104		

The second portion of this exhibit applies the net receipts plus investment earnings against debt service, arriving at an annual surplus or deficit. Once again, this annual surplus or deficit is applied against the reserve balance to arrive at a cumulative reserve balance.

EXHIBIT 2.29 PAGE 2 OF 2  
 COMPUTER RUN FOR WATTLE CREEK TOWNSHIP, MI. - TAX INC. PROJECT  
 "Limited General Obligation"/Tax Increment Bonds with Insurance (1.1 times coverage) 1/12/82  
 FIRST INVESTMENT PERIOD 12 MONTHS - RATE 13.00%

NET REC	INVEST EARNINGS	TOTAL	OLD DEBT	MAT \$ TOTAL YEAR	-----NEU----- PRIN P & I	ANNUAL SUR/DEF	RESERVE OR MIL	CITY AV(000.S)
1915000	0	1915000	0	1915000 1982	0	338000	1577000	193886
0	205010	205010	0	205010 1983	0	676000	-470990	202086
193156	143781	336937	0	336937 1984	0	676000	-339063	211886
602119	99703	701822	0	701822 1985	0	676000	25822	220886
627489	103059	730548	0	730548 1986	100000	776000	-45482	229886
653559	97147	750706	0	750706 1987	100000	765000	-12294	238886
680443	95549	775992	0	775992 1988	100000	750000	25992	247886
708133	90927	807060	0	807060 1989	150000	787000	20660	256886
736653	101533	838186	0	838186 1990	200000	817500	20688	265886
766029	104225	870254	0	870254 1991	275000	866500	3754	274886
796287	104713	901000	0	901000 1992	325000	880750	20250	283886
827452	107345	934797	0	934797 1993	450000	963500	-28703	292886
859552	103614	963166	0	963166 1994	500000	955000	8166	301886
892615	104676	997291	0	997291 1995	500000	890000	107291	310886
926671	118623	1045294	0	1045294 1996	500000	825000	220294	319886
961747	142662	1109009	0	1109009 1997	500000	730000	349009	328886
997876	192633	1190509	0	1190509 1998	500000	695000	495509	337886
1035089	257049	1292138	0	1292138 1999	500000	630000	662138	346886
1073418	303127	1416545	0	1416545 2000	500000	565000	851545	355886
TOTAL PRINCIPAL		5200000						
TOT INTR @ 13.000		9090250						
TOTAL P AND I		14290250						

LAST YEAR 2001 FINAL PRIN PAYMENT \$80000  
 FIRST YEAR 1982 TERM 19 YEARS  
 BOND YEARS 69925  
 AVE MATURITY 13.447115

GROUP 3: GENERAL OBLIGATION TAX INCREMENT BONDS

Finally, the capitalization of an unlimited general obligation tax increment bond issue without bond insurance is shown in Exhibit 3.1. This yields \$3.48 million available for construction from a \$5.5 million bond issue, with a term of nineteen years. With full general obligation backing of the Township's tax base, and assuming an investment grade rating on the Township's credit, bond insurance would not be necessary to market these bonds, but notwithstanding the Township's pledge of its full faith and credit, the interest rate would be about 1/2 of 1% higher than on an insured, "AAA" rated issue.

EXHIBIT 3.1 - G.O. Tax Increment Bonds without Insurance

Amount available for construction	\$3,479,517
Legal	20,000
Fiscal and administrative	<u>35,000</u>
Subtotal	3,534,517
Plus: Capitalized interest (2½ years)	1,850,250
Reserve	<u>750,000</u>
Subtotal	6,134,767
Less: Investment of construction funds (1/3 yr. @ 13%)	(144,517)
Partial tax increment receipts	(217,640)
Investment income	<u>(380,453)</u>
Subtotal	5,392,157
Discount allowance (2%)	<u>107,843</u>
Bond Issue	<u>\$5,500,000</u>

The development of Tax Increment Revenue shown on page 1 of Exhibit 3.20 is net of a 20% reduction in increment to reflect the statutory 80% limitation on the amount of increment which may be pledged. Because these are unlimited general obligation bonds, no coverage is required to market bonds -- the "coverage" or security being the full faith and credit of the Township. An issue of this type would require an election under the Michigan Constitution.

EXHIBIT - 3.20 TAX INCREMENT FINANCING PAGE 1 OF 2  
 COMPUTER RUN FOR BATTLE CREEK TOWNSHIP, MI. - TAX INC. PROJECT  
 General Obligation Tax Increment Bonds without Insurance  
 DEBT SERVICE PLANNING

1/12/82

BASE VALUES--YEAR 1981 BASE VALUE 6928522 MILLS 49.307

STARTING 1985 VALUATION IS INCREASED BY 3.0 % COMPOUNDED  
 A 20.00% REDUCTION IN INCREMENT AVAILABLE FOR DEBT SERVICE IS SHOWN AS "OTHER EXPENDITURE."

YEAR	PROJ. A V	REVENUE				TOTAL	EXPENDITURES		NET PROCEEDS	
		TAX INC	LAND SALE	OTHER	BONDS		CAPITAL	OTHER		TOTAL
1982	0	0	0	144517	5500000	5644517	3479517	165000	3644517	2000000
1983	12446000	0	0	0	0	0	0	0	0	0
1984	24128000	272050	0	0	0	272050	0	54410	54410	217640
1985	24851840	848055	0	0	0	848055	0	169611	169611	678444
1986	25597395	883745	0	0	0	883745	0	175749	175749	706996
1987	26365317	920506	0	0	0	920506	0	184101	184101	736405
1988	27156277	958370	0	0	0	958370	0	191674	191674	766696
1989	27970965	997370	0	0	0	997370	0	199474	199474	797096
1990	28810894	1037540	0	0	0	1037540	0	207508	207508	830032
1991	29674397	1070915	0	0	0	1078915	0	215783	215783	863132
1992	30564629	1121531	0	0	0	1121531	0	224306	224306	897225
1993	31401567	1165426	0	0	0	1165426	0	233085	233085	932340
1994	32236014	1210637	0	0	0	1210637	0	242127	242127	968510
1995	33398795	1257205	0	0	0	1257205	0	251441	251441	1005764
1996	34400759	1307170	0	0	0	1305170	0	261034	261034	1044136
1997	35432781	1354574	0	0	0	1354574	0	270915	270915	1083659
1998	36495765	1405460	0	0	0	1405460	0	281092	281092	1124368
1999	37590638	1457872	0	0	0	1457872	0	291574	291574	1166290
2000	38718357	1511857	0	0	0	1511857	0	302371	302371	1209406
2001	39879908	1567461	0	0	0	1567461	0	313492	313492	1253969
		20353742	0	144517	5500000	25998259	3479517	4235748	7715265	

Exhibit 3.20, page 2, shows the application of net revenues to principal and interest payments on unlimited general obligation bonds, arriving at a cumulative reserve balance. It is important to note that the maturity schedule is preliminary and details may be changed for actual marketing. This exhibit is included for comparison purposes. While not necessary to market unlimited general obligation bonds, a one-year's debt service reserve to protect the Township against a possible short-fall in Tax Increment Revenue is provided for.

EXHIBIT 3.20 PAGE 2 OF 2  
 COMPUTER RUN FOR BATTLE CREEK TOWNSHIP, MI. - TAX INC. PROJECT 1/12/82  
 General Obligation Tax Increment Bonds without Insurance  
 FIRST INVESTMENT PERIOD 12 MONTHS - RATE 13.00%

NET REC	INVEST EARNING	S TOTAL	OLD DEBT	MAT S TOTAL YEAR	-----NEW----- PRIN P & I	ANNUAL SUR/DEF	RESERVE OR MIL	CITY AV(000,S)
2000000	0	2000000	0	2000000 1982	0	371250	1628750	193886
0	211737	211737	0	211737 1983	0	742500	-530763	202886
217640	142738	360378	0	360378 1984	0	742500	-382122	211886
678444	93862	771506	0	771506 1985	0	742500	29006	220886
706796	96833	803829	0	803829 1986	100000	842500	-38671	229886
736405	91805	828210	0	828210 1987	100000	829000	-790	238086
766496	91703	858399	0	858399 1988	125000	840500	17899	247886
797096	94030	891926	0	891926 1989	175000	873625	18301	256886
830032	96489	926441	0	926441 1990	225000	908000	26441	265886
863132	99846	962978	0	962978 1991	300000	944625	18353	274886
897225	102232	999457	0	999457 1992	375000	979125	20332	283886
932340	104875	1037215	0	1037215 1993	475000	1028500	8715	292886
968510	106008	1074518	0	1074518 1994	500000	989375	85143	301886
1005764	117077	1122841	0	1122841 1995	500000	921875	200966	310886
1044136	143202	1187338	0	1187338 1996	500000	854375	332963	318886
1083659	186487	1270146	0	1270146 1997	500000	786875	483271	328886
1124360	249313	1373681	0	1373681 1998	500000	719375	654306	337886
1166298	334372	1500670	0	1500670 1999	500000	651875	848795	346886
1209486	444716	1654202	0	1654202 2000	500000	584375	1069827	355886
1253969	583793	1837762	0	1837762 2001	125000	141875	1695887	364886
TOTAL PRINCIPAL		5500000						
TOT INTR @ 13.500		9986625						
TOTAL P AND I		15486625						

LAST YEAR 2002 FINAL PRIN PAYMENT 125000  
 FIRST YEAR 1982 TERM 20 YEARS

BOND YEARS 73975  
 AVE MATURITY 13.45

## Conclusion

The foregoing shows the maximum amounts available for construction under the three types of bonds authorized under Section 16 of the DDA Act. A "pure" tax increment bond issue was analyzed using separate coverage factors of 1.3 and 1.2. Since unlimited general obligation bonds may be ruled out as a viable option due to voter approval, and timing requirements, under the best assumptions the largest dollar amount available for construction would be by a "pure" tax increment issue of \$6,050,000 (with a 1.2 times coverage). However, it might be that, in negotiations with the bond insurer and/or the underwriter, a larger coverage factor for a "pure" issue (even beyond 1.3) will be required, thus lowering the bond issue amount and making the limited general obligation issue more attractive because of the larger amount available for construction.

1990 AMENDMENTS TO THE  
TAX INCREMENT FINANCING AND DEVELOPMENT PLANS FOR THE  
LAKEVIEW DOWNTOWN DISTRICT AND DEVELOPMENT AREA  
(GLENN CROSS REVISION)

## INTRODUCTION

The purpose of these 1990 Amendments to the Tax Increment Financing and Development Plans (Plans) for the Lakeview Downtown District and Development Area (District), Lakeview Downtown Development Authority (LDDA), is to set forth the amendments necessary to allow the use of tax increment financing for new development projects consisting of certain public improvements (The Project, as described below) in the District. Pursuant to Act 197 of the Public Acts of 1975 (Act), it is necessary to adopt amendments to such Plans in the same form as the original 1982 Plans were adopted by the Board of Trustees of Battle Creek Township (Township), as since amended.

These 1990 Amendments will affect only those portions of the plan adopted on February 23, 1982 (and as amended in 1982, 1985 and 1986) by the Township and City of Battle Creek (City) to which major changes are required to finance new public roads, storm water and sanitary sewer systems extensions, and public water extensions, all as described below. In addition, changes to the boundaries of the District are described. Finally, the method of "passing through" to the taxing units some or all of the tax increment revenue derived from voted millages which are passed after November 1, 1986 and which are not replacements of prior millages (voted millage) is described.

The balance of these 1990 Amendments will address each of the categories of such Plans required by the Act.

Pursuant to the Act, a Tax Increment Financing Plan (and an amendment of the same) must include both:

1. A Development Plan, meeting the requirements of Section 17 of the Act, which Plan is set forth hereafter; and
2. A detailed explanation of:
  - a. Tax increment procedure,
  - b. Maximum bonded indebtedness,
  - c. The duration of the Plan,

- d. The estimated impact of tax increment financing upon assessed values.
- e. An explanation of that portion of the captured assessed value that will be used for the new project.

## DEVELOPMENT PLAN

### Elements

The Act, at Section 17(2), requires that a development plan must contain certain information specified in Section 17(2). This Development Plan will closely follow the outline of information required by Section 17(2). Each lettered paragraph below will contain the information required by the corresponding lettered paragraph of Section 17(2) to the extent applicable.

- A. THE DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO HIGHWAYS, STREETS, STREAMS, OR OTHERWISE.

The District boundaries, both current and proposed, and the proposed Development Area are as set forth on Exhibits A-1 and A-2.

- B. THE LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES WITHIN THE DEVELOPMENT AREA AND THE LOCATION, CHARACTER, AND EXTENT OF THE CATEGORIES OF PUBLIC AND PRIVATE LAND USES EXISTING AND PROPOSED FOR THE DEVELOPMENT AREA, INCLUDING RESIDENTIAL, RECREATIONAL, COMMERCIAL, INDUSTRIAL, EDUCATIONAL, AND OTHER USES.

- 1. Existing Land Use.

There is no change to this element of the Development Plan as originally adopted and since amended.

- 2. Existing Streets And Public Facilities.

There is no change to this element except to note that all of the public improvements contemplated by the original and amended Plans have been accomplished or are nearly completed as of adoption of these Plans.

- 3. Proposed Land Uses Within The Development Area.

There is no change to this element.

4. Existing Zoning In The Development Area.

The existing zoning in the District is as set forth on Exhibit B.

- C. A DESCRIPTION OF EXISTING IMPROVEMENTS IN THE DEVELOPMENT AREA TO BE DEMOLISHED, REPAIRED, OR ALTERED, A DESCRIPTION OF ANY REPAIRS AND ALTERATIONS, AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.

There are no existing improvements in the proposed Development Area.

- D. THE LOCATION, EXTENT, CHARACTER, AND ESTIMATED COST OF THE IMPROVEMENTS INCLUDING REHABILITATION CONTEMPLATED FOR THE DEVELOPMENT AREA AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.

The LDDA proposes to provide tax increment financing to construct public improvements in the proposed Development Area of the District set forth on Exhibit A-2 and as described on Exhibit C. As with the public improvements contemplated in the original Plans and subsequent amendments, this Project will stimulate the District's economy by removing substantial obstacles to new development in the District and will encourage new private capital investment within the District and thus increase the tax base of the District and create additional jobs. The Project and its total estimated cost and time for completion are set forth on Exhibit C.

- E. A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION OF EACH STAGE.

See Exhibit C.

- F. A DESCRIPTION OF ANY PARTS OF THE DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND THE USE CONTEMPLATED FOR THE SPACE.

There is no change contemplated to this element.

- G. A DESCRIPTION OF ANY PORTIONS OF THE DEVELOPMENT AREA WHICH THE AUTHORITY DESIRES TO SELL, DONATE, EXCHANGE, OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS.

There is no change to this element.

H. A DESCRIPTION OF DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES.

No changes are necessary to the zoning described on Exhibit B.

Changes to the streets, street levels, intersections and utilities are as described on Exhibit C.

I. AN ESTIMATE OF THE COST OF THE DEVELOPMENT, A STATEMENT OF THE PROPOSED METHOD OF FINANCING THE DEVELOPMENT AND THE ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING.

The estimated cost of the Project is set forth on Exhibit C. The cost of the Project will be financed through tax increment financing using a combination of direct payments, installment contracts and bond financing. Where necessary, the LDDA will enter into development agreements with private developers and contractors or with the City, by which they will, alone or in combination, advance reimbursable development costs (reimbursable costs) subject to reimbursement from the LDDA. The revenue used to make those direct payments or reimburse those reimbursable costs will be generated by tax increment revenue from captured assessed value in the District as follows:

1. Only tax increment revenue from tax collections for tax years through 1995 (Revenue) will be available for such reimbursement.
2. The Revenue will be first applied to:
  - (a) The LDDA's obligation on the 1982 series, limited obligation bonds, or their successor bonds; and
  - (b) The LDDA's administrative expenses; and
  - (c) The City (1986) Project (see 1986 Amendments and the Plans).
3. After the items in paragraph 2 above are met, only that portion of the Revenue attributable to the millage levied by the City of Battle Creek, Lakeview School District and Calhoun County (Reimbursement Revenue) will be available for reimbursement, or direct payment, subject to paragraph 4 below. The balance of Revenue shall be paid to the other taxing units in the District.

4. The Reimbursement Revenue shall be available for reimbursement or direct payment subject to the following:
  - (a) Such conditions as will be set forth in any development agreement between the City, developers or contractors, and the LDDA.
  - (b) Pass through of voted millage left after the obligations in paragraph 2(a) and 2(b) above are met, as follows:
    - (1) All revenues derived from voted millages which are passed after November 1, 1986, and which are not replacement of prior millages.
    - (2) All revenues derived from voted millages for debt services.

The "risk of loss" shall be on the City, any developers or contractors if the Reimbursement Revenue is not sufficient for any reason to pay the reimbursable costs.

- J. DESIGNATION OF THE 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.

There is no change to this element.

- K. THE PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING, OR CONVEYING IN ANY MANNER OF ALL OR A PORTION OF THE DEVELOPMENT UPON ITS COMPLETION, IF THERE IS NO EXPRESS 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 IN ANY MANNER TO THOSE PERSONS.

There is no change to this element.

- L. ESTIMATES OF THE NUMBER OF PERSONS RESIDING IN THE DEVELOPMENT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED.

There is no change to this element.

- M. A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA.

There is no change to this element.

- N. PROVISION FOR THE COSTS OF RELOCATING PERSONS DISPLACED BY THE DEVELOPMENT AND FINANCIAL ASSISTANCE AND REIMBURSEMENT OF EXPENSES, INCLUDING LITIGATION 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, BEING PUBLIC LAW 91-646, 42 USC SECTIONS 4601, ET. SEQ.

There is no change to this element.

#### TAX INCREMENT FINANCING PLAN

Pursuant to Section 14(2) of the Act, the Tax Increment Financing Plan Amendments are set forth below, setting forth the required elements from the Act.

- A. DETAILED EXPLANATION OF THE TAX INCREMENT PROCEDURE.

There is no change in this element except to note that the tax increment revenue generated will be used to reimburse or pay directly the reimbursable design, construction, and finance costs, all as more specifically described in paragraph I of the Development Plan attached and pursuant to any development agreement.

- B. MAXIMUM AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED.

There is no change to this element.

- C. EXPENDITURE OF TAX INCREMENT REVENUES.

There is no change to this element.

- D. DURATION OF THE TAX INCREMENT FINANCING PROGRAM.

There is no change to this element.

- E. ESTIMATED IMPACT OF THE TAX INCREMENT FINANCING ON ASSESSED VALUES OF ALL TAXING JURISDICTIONS WITHIN THE DEVELOPMENT AREA.

There is no change to this element except that with respect to the Project described in the Development Plan attached, only the millage levied by the City of Battle Creek, Lakeview School District and Calhoun County, will be involved. To that extent, the millage captured through the tax increment financing (other than voted

millage; see the Development Plan) will not flow to the City of Battle Creek, Lakeview School District and Calhoun County during the during the subject period. With respect to the City of Battle Creek, this will not interfere with or in any way impede the ability of the City to carry out its normal duties and obligations, as the tax revenue generated from this project was not contemplated by the City as something available to it to help pay for normal duties and obligations. With respect to the Lakeview School District, tax increment financing should not interfere with or in any way impede the ability of it to carry out its normal duties and obligations, particularly so long as the School District remains in formula. With respect to Calhoun County this will not interfere with or in any way impede the ability of Calhoun County to carry out its normal duties and obligations as tax revenue generated from this project was not contemplated by it as something available to it.

The development made possible by the public improvements financed by tax increment financing will increase the assessed value of properties in the District, ultimately benefiting all of the taxing units. If the conditions and provisions of paragraph I of the Development Plan are met, tax increment financing will not interfere with or in any way impede the ability of any of the affected taxing units to carry out their normal duties and obligations.

**F. USE OF THE CAPTURED ASSESSED VALUE.**

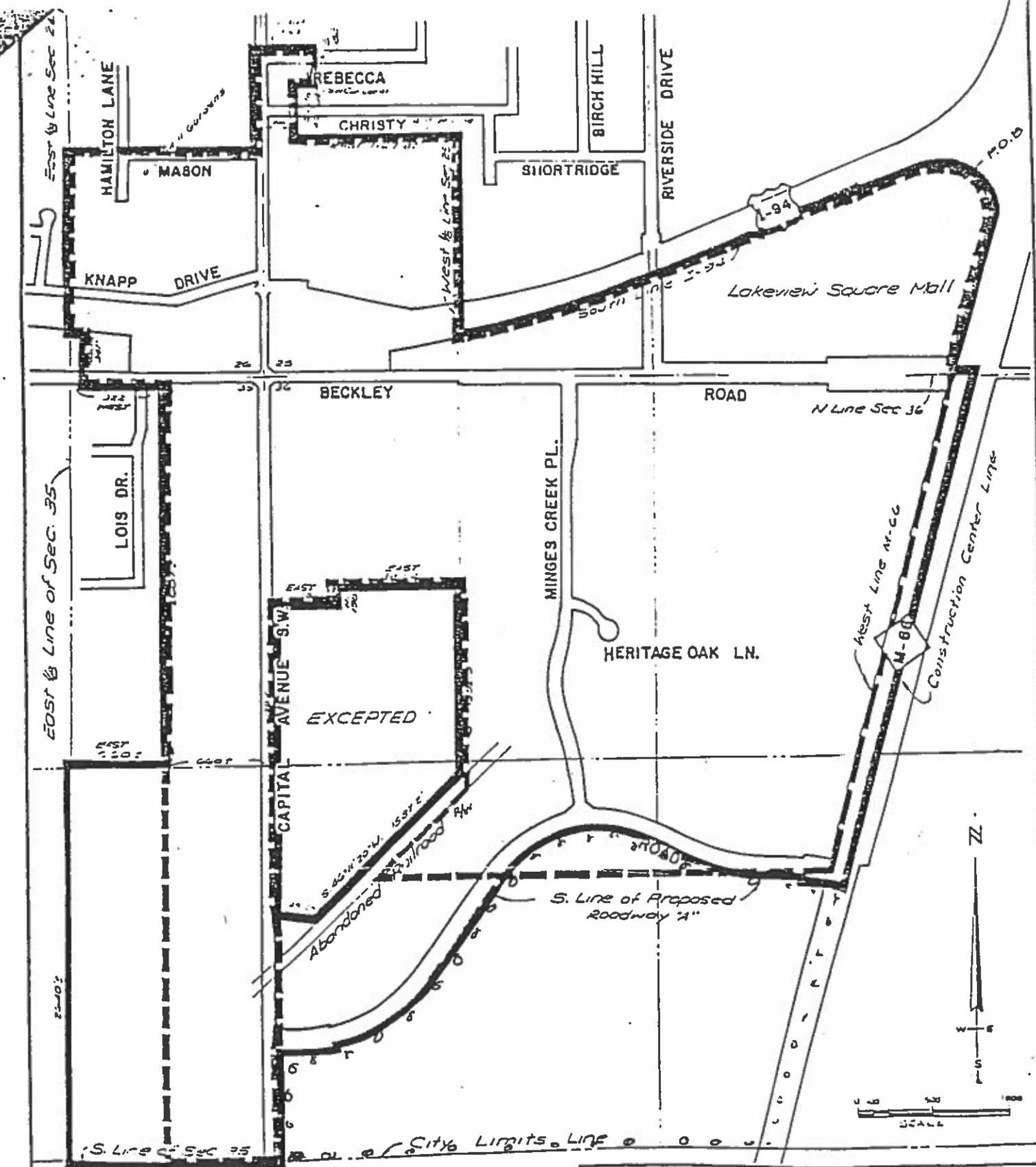
There is no change to this element except as described in paragraph I of the Development Plan attached.

In all respects no inconsistent with the foregoing, the original Development and Tax Increment Financing Plans for the Lakeview Downtown District and Development Area, Lakeview Downtown Development Authority, as originally adopted on February 23, 1982 (and as amended in 1982, 1985, and 1986) remain in full force and effect.

PROPOSED LAKEVIEW DOWNTOWN DEVELOPMENT AUTHORITY AREA DESCRIPTION

Beginning at the southwest corner of Interstate 94 and M-66 and running thence southerly along the westerly right-of-way line of M-66 to the north line of Section 36, Town 2 South, Range 8 West, City of Battle Creek, Calhoun County, Michigan; thence east along said north section line to the construction center line of M-66; thence southwesterly along said center line of M-66 to the south City limits; thence westerly along the south City limit line to the east right-of-way line of Capital Avenue Southwest; thence south along said east right-of-way line of Capital Avenue Southwest to the south line of Section 36; thence west along the south line of said Section 36; thence west along the south line of said Section 36 and Section 35, Town 2 South, Range 8 West, 1,355 feet to the east 1/8 line of said Section 35; thence north along said east 1/8 line, to the east and west 1/4 line of Section 35; thence east 660 feet; thence north 2,607 feet more or less along the west line of the east 1/2 of the east 1/2 of the northeast 1/4 of said Section 35 to the south line of Beckley Road; thence west 322 feet along said south street line; thence north 341 feet to the south right-of-way of Interstate 94; thence westerly along said south line to the east 1/8 line of Section 26, Town 2 South, Range 8 West; thence north along said east 1/8 line to the westerly extension of the north line of Mason Road as shown in the plat of "Old Mill Gardens" in the southeast 1/4 line of said Section 26 as recorded in Liber 7 of plats, page 03; thence east along said north line of Mason Road and westerly extension thereof, to the west line of Capital Avenue Southwest; thence north along the west line of Capital Avenue Southwest to the westerly extension of the north line of Rebecca Road; thence east 363 feet along said north line of Rebecca Road; thence south 182 feet along the west line of Lot 41 and the northerly extension thereof of the plat of Shortridge in the southwest 1/4 of Section 25, Town 2 South, Range 8 West as recorded in Liber 7 of plats, page 35 to the southwest corner of said Lot 41; thence west to a point which lies .200 feet east of the west line of said Section 25; thence south 401.64 feet parallel with said west section line; thence east along the south line of the plat of Oakside Park and westerly extension thereof as recorded in Liber 11 of plats, page 8, 1,127.87 feet to the west 1/8 line of said Section 25; thence south along said 1/8 line to the southerly right-of-way line of Interstate 94; thence easterly along said right-of-way to the point of beginning, excepting and reserving therefrom the following described land: Beginning at a point on the east line of Capital Avenue, Southwest which lies 1,129.6 feet north of the east and west 1/4 line of Section 36, Town 2 South, Range 8 West, City of Battle Creek, Calhoun County, Michigan and running thence east 440 feet; thence north 198 feet; thence east 883.4 feet; thence south 1,352.3 feet to the northwesterly line of an abandoned railroad right-of-way; thence S. 46 degrees, 11', 20" W., 1,587.2 feet along said abandoned railroad right-of-way; thence N. 81 degrees, 32' 37" W., 148.28 feet to the east line of Capital Avenue Southwest; thence north along said east line of Capital Avenue Southwest to the point of beginning.

A-1



DRAWING 44.131.61314

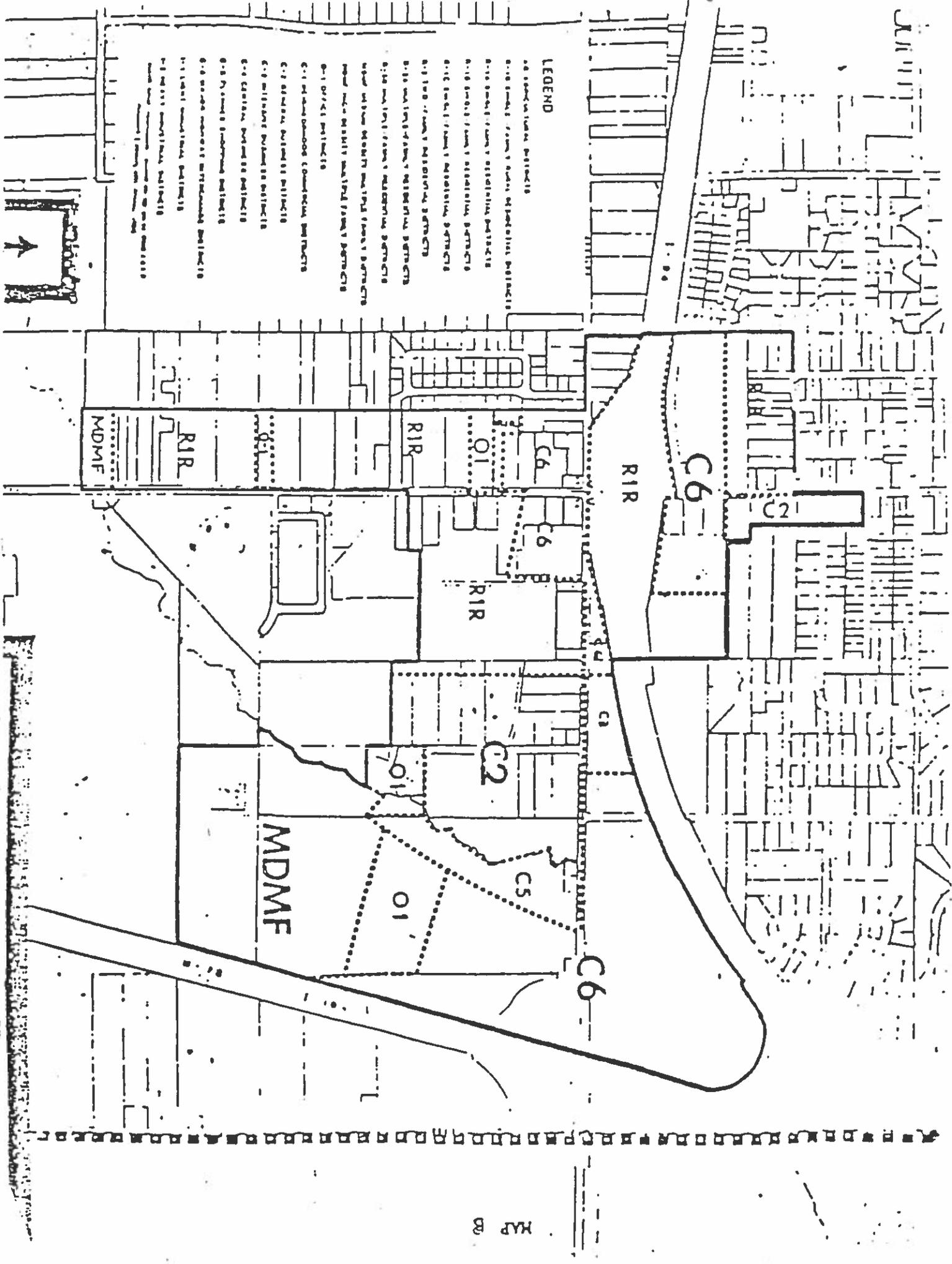
Proposed Development Area + new Boundary 1990  
 DEVELOPMENT AREA  1986  
 FORMER AREA  As of 1985

ENGINEERING DEPARTMENT  
 CITY OF BATTLE CREEK, MICHIGAN

**LAKEVIEW DOWNTOWN  
 DEVELOPMENT AUTHORITY**

DRAWN BY <i>ECB</i>	APPROVED	DATE <i>12-86</i>
SCALE <i>1"=50'</i>	SHEET <i>1</i> OF <i>3</i> SHEETS	DWG NO

A-2



**LEGEND**

- 0-0 Standard Building
- 0-1 Standard Building
- 0-2 Standard Building
- 0-3 Standard Building
- 0-4 Standard Building
- 0-5 Standard Building
- 0-6 Standard Building
- 0-7 Standard Building
- 0-8 Standard Building
- 0-9 Standard Building
- 1-0 Standard Building
- 1-1 Standard Building
- 1-2 Standard Building
- 1-3 Standard Building
- 1-4 Standard Building
- 1-5 Standard Building
- 1-6 Standard Building
- 1-7 Standard Building
- 1-8 Standard Building
- 1-9 Standard Building
- 2-0 Standard Building
- 2-1 Standard Building
- 2-2 Standard Building
- 2-3 Standard Building
- 2-4 Standard Building
- 2-5 Standard Building
- 2-6 Standard Building
- 2-7 Standard Building
- 2-8 Standard Building
- 2-9 Standard Building
- 3-0 Standard Building
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- 3-2 Standard Building
- 3-3 Standard Building
- 3-4 Standard Building
- 3-5 Standard Building
- 3-6 Standard Building
- 3-7 Standard Building
- 3-8 Standard Building
- 3-9 Standard Building
- 4-0 Standard Building
- 4-1 Standard Building
- 4-2 Standard Building
- 4-3 Standard Building
- 4-4 Standard Building
- 4-5 Standard Building
- 4-6 Standard Building
- 4-7 Standard Building
- 4-8 Standard Building
- 4-9 Standard Building
- 5-0 Standard Building
- 5-1 Standard Building
- 5-2 Standard Building
- 5-3 Standard Building
- 5-4 Standard Building
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- 8-4 Standard Building
- 8-5 Standard Building
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- 8-7 Standard Building
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- 8-9 Standard Building
- 9-0 Standard Building
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- 9-7 Standard Building
- 9-8 Standard Building
- 9-9 Standard Building

EXHIBIT C

Description of Project, Estimate of Costs, and Completion Dates

<u>Project Description</u>	<u>Estimated Costs</u>	<u>Estimated Completion Date</u>
1. Construct new roads with related storm sewer, water and sanitary sewer, substantially as shown on the attached Exhibit C-1.	\$1,800,000.00	October 1991
2. Construct new roads with related storm sewer, water and sanitary sewer, substantially as shown on the attached Exhibit C-1, if possible within \$1,800,000.00 estimated costs of #1.		October 1991
3. Construct Upper and Lower Ponds substantially as shown on the attached Exhibit C-1.	\$70,000.00	October 1991

# Glenn Cross Preserve



The Plan  
C-1

- Proposed:
- 40 Duplex Condos
  - 97 Multi-Condos
  - 81 Single Family Houses

**1991 AMENDMENTS TO THE**  
**TAX INCREMENT FINANCING AND DEVELOPMENT PLANS FOR THE**  
**LAKEVIEW DOWNTOWN DISTRICT AND DEVELOPMENT AREA**  
**(GLENN CROSS REVISION II)**

## INTRODUCTION

The purpose of these 1991 Amendments to the Tax Increment Financing and Development Plans (Plans) for the Lakeview Downtown District and Development Area (District), Lakeview Downtown Development Authority (LDDA), is to re-state the amendments necessary to allow the use of tax increment financing for new development projects consisting of certain public improvements (The Project, as described below) in the District. These amendments are necessary to implement changes in the development contemplated in the 1990 Amendments to the Plans. Pursuant to Act 197 of the Public Acts of 1975 (Act), it is necessary to adopt amendments to such Plans in the same form as the original 1982 Plans were adopted by the Board of Trustees of Battle Creek Township (Township), as since amended.

These 1991 Amendments will re-state only those portions of the plan adopted on February 23, 1982 (and as amended in 1982, 1985, 1986 and 1990) by the Township and City of Battle Creek (City) to which major changes are required to finance, acquire and convey land, and finance and maintain new and existing public roads, storm water and sanitary sewer systems extensions, and public water extensions, and related improvements and amenities all as described below. Finally, the method of "passing through" to the taxing units some or all of the tax increment revenue derived from voted millages which are passed after November 1, 1986 and which are not replacements of prior millages (voted millage) is described. The balance of these 1991 Amendments will address each of the categories of such Plans required by the Act. Pursuant to the Act, a Tax Increment Financing Plan (and an amendment of the same) must include both:

1. A Development Plan, meeting the requirements of Section 17 of the Act, which Plan is set forth hereafter; and
2. A detailed explanation of:
  - a. Tax increment procedure,
  - b. Maximum bonded indebtedness,
  - c. The duration of the Plan,
  - d. The estimated impact of tax increment financing upon assessed values.
  - e. An explanation of that portion of the captured assessed value that will be used for the new project.

## DEVELOPMENT PLAN

### ELEMENTS

The Act, at Section 17(2), requires that a development plan must contain certain information specified in Section 17(2). This Development Plan will closely follow the outline of information required by Section 17(2). Each lettered paragraph below will contain the information required by the corresponding lettered paragraph of Section 17(2) to the extent applicable.

A. **THE DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO HIGHWAYS, STREETS, STREAMS, OR OTHERWISE.**

There is no change to this element of the Development Plan as originally adopted and as since amended.

B. **THE LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES WITHIN THE DEVELOPMENT AREA AND THE LOCATION, CHARACTER, AND EXTENT OF THE CATEGORIES OF PUBLIC AND PRIVATE LAND USES EXISTING AND PROPOSED FOR THE DEVELOPMENT AREA, INCLUDING RESIDENTIAL, RECREATIONAL, COMMERCIAL, INDUSTRIAL, EDUCATIONAL, AND OTHER USES.**

1. Existing Land Use.

There is no change to this element of the Development Plan as originally adopted and since amended.

2. Existing Streets And Public Facilities.

There is no change to this element of the Development Plan as originally adopted and since amended.

3. Proposed Land Uses Within The Development Area.

There is no change to this element of the Development Plan as originally adopted and since amended.

4. Existing Zoning In The Development Area.

The existing zoning in the District is as set forth on Exhibit B.

- C. A DESCRIPTION OF EXISTING IMPROVEMENTS IN THE DEVELOPMENT AREA TO BE DEMOLISHED, REPAIRED, OR ALTERED, A DESCRIPTION OF ANY REPAIRS AND ALTERATIONS, AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.

There are no existing improvements in the proposed Development Area.

- D. THE LOCATION, EXTENT, CHARACTER, AND ESTIMATED COST OF THE IMPROVEMENTS INCLUDING REHABILITATION CONTEMPLATED FOR THE DEVELOPMENT AREA AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.

The LDDA proposes to provide tax increment financing to acquire land, convey land and construct public improvements in the proposed Development Area of the District set forth on Exhibit A-2 and as described on Exhibit C, and maintain public facilities and improvements in the District. As with the public improvements contemplated in the original Plans and subsequent amendments, this Project will stimulate the District's economy by removing substantial obstacles to new development in the District and will encourage new private capital investment within the District and thus increase the tax base of the District and create additional jobs. The Project and its total estimated cost and time for completion are set forth on Exhibit C. In addition, the Park and Open Space component of the 1986 Plan Amendments will be done within the time frame of these 1991 Amendments.

- E. A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION OF EACH STAGE.

See Exhibit C.

- F. A DESCRIPTION OF ANY PARTS OF THE DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND THE USE CONTEMPLATED FOR THE SPACE.

There is no change contemplated to this element.

- G. A DESCRIPTION OF ANY PORTIONS OF THE DEVELOPMENT AREA WHICH THE AUTHORITY DESIRES TO SELL, DONATE, EXCHANGE, OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS.

The LDDA proposes to use tax increment revenue to acquire 80% of the land owned by developers Marshall D. and Fran C. Garvey (and related entities) in the Development Area, through purchase from the owners of the land. The LDDA proposes to then convey that property to the City for \$1.00. The City, it is contemplated, will then reconvey the land to the Garveys, as developers of the land with the Improvements described below, in exchange for repayment of the costs of the Improvements, as described below.

H. A DESCRIPTION OF DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES.

No changes are necessary to the zoning described on Exhibit B. Changes to the streets, street levels, intersections and utilities are as described on Exhibit C.

I. AN ESTIMATE OF THE COST OF THE DEVELOPMENT, A STATEMENT OF THE PROPOSED METHOD OF FINANCING THE DEVELOPMENT AND THE ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING.

The estimated costs of the Project and of maintenance in the District are set forth on Exhibit C. The cost of the Project will be financed through tax increment financing using a combination of direct payments, installment contracts and bond financing. Where necessary, the LDDA will enter into development agreements with private developers, contractors and the City, by which they will, alone or in combination, advance reimbursable development costs (reimbursable costs) subject to reimbursement from the LDDA. The LDDA will acquire and convey land in the Development Area, and maintain public facilities, and improvements in the District. The revenue used to make those direct payments or reimburse those reimbursable costs and pay the cost of land acquisition and maintenance will be generated by tax increment revenue from captured assessed value in the District as follows:

1. Only tax increment revenue from tax collections for tax years through 1995 (Revenue) will be available for such reimbursement.
2. The Revenue will be first applied to:
  - (a) The LDDA's obligation on the 1982 series, limited obligation bonds, or their successor bonds; and
  - (b) The LDDA's administrative expenses; and
  - (c) The City (1986) Project (see 1986 Amendments and the Plans).
3. After the items in paragraph 2 above are met, only that portion of the Revenue attributable to the millage levied by the City of Battle Creek, Lakeview School District and Calhoun County (Reimbursement Revenue) will be available for reimbursement, or direct payment, of the costs of the Project described in these Plans, subject to paragraph 4 below. The balance of Revenue shall be paid to the other taxing units in the District.
4. The Reimbursement Revenue shall be available for payment of development and land acquisition costs subject to the following:
  - (a) Such conditions as will be set forth in any development agreement between the City, developers or contractors, and the LDDA.
  - (b) Pass through of voted millage left after the obligations in paragraph 2(a) and 2(b) above are met, as follows:
    - (1) All revenues derived from voted millages which are passed after November 1, 1986, and which are not replacement of prior millages.
    - (2) All revenues derived from voted millages for debt services.

The "risk of loss" shall be on the developers or contractors if the Reimbursement Revenue is not sufficient for any reason to pay the reimbursable costs.

J. DESIGNATION OF THE 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.

See paragraph G.

- K. THE PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING, OR CONVEYING IN ANY MANNER OF ALL OR A PORTION OF THE DEVELOPMENT UPON ITS COMPLETION, IF THERE IS NO EXPRESS 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 IN ANY MANNER TO THOSE PERSONS.

There is no change to this element.

- L. ESTIMATES OF THE NUMBER OF PERSONS RESIDING IN THE DEVELOPMENT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED.

There is no change to this element.

- M. A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA.

There is no change to this element.

- N. PROVISION FOR THE COSTS OF RELOCATING PERSONS DISPLACED BY THE DEVELOPMENT AND FINANCIAL ASSISTANCE AND REIMBURSEMENT OF EXPENSES, INCLUDING LITIGATION 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, BEING PUBLIC LAW 91-646, 42 USC SECTIONS 4601, ET. SEQ.

There is no change to this element.

#### TAX INCREMENT FINANCING PLAN

Pursuant to Section 14(2) of the Act, the Tax Increment Financing Plan Amendments are set forth below, setting forth the required elements from the Act.

- A. DETAILED EXPLANATION OF THE TAX INCREMENT PROCEDURE.

There is no change in this element except to note that the tax increment revenue

generated will pay the cost of land acquisition and will be used to reimburse or pay directly the reimbursable design, construction, finance and maintenance costs, all as more specifically described in paragraph I of the Development Plan attached and pursuant to any development agreement.

**B. MAXIMUM AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED.**

There is no change to this element.

**C. EXPENDITURE OF TAX INCREMENT REVENUES.**

There is no change to this element.

**D. DURATION OF THE TAX INCREMENT FINANCING PROGRAM.**

There is no change to this element.

**E. ESTIMATED IMPACT OF THE TAX INCREMENT FINANCING ON ASSESSED VALUES OF ALL TAXING JURISDICTIONS WITHIN THE DEVELOPMENT AREA.**

There is no change to this element except that with respect to the Project described in the Development Plan attached, only the millage levied by the City of Battle Creek, Lakeview School District and Calhoun County, will be involved. To that extent, the millage captured through the tax increment financing (other than voted millage; see the Development Plan) will not flow to the City of Battle Creek, Lakeview School District and Calhoun County during the subject period. With respect to the City of Battle Creek, this will not interfere with or in any way impede the ability of the City to carry out its normal duties and obligations, as the tax revenue generated from this project was not contemplated by the City as something available to it to help pay for normal duties and obligations. With respect to the Lakeview School District, tax increment financing should not interfere with or in any way impede the ability of it to carry out its normal duties and obligations, particularly so long as the School District remains in formula. With respect to Calhoun County this will not interfere with or in any way

impede the ability of Calhoun County to carry out its normal duties and obligations as tax revenue generated from this project was not contemplated by it as something available to it.

The development made possible by the acquisition and conveyance of land and the public improvements financed and maintained by tax increment financing will increase the assessed value of properties in the District, ultimately benefiting all of the taxing units. If the conditions and provisions of paragraph I of the Development Plan are met, tax increment financing will not interfere with or in any way impede the ability of any of the affected taxing units to carry out their normal duties and obligations.

**F. USE OF THE CAPTURED ASSESSED VALUE.**

There is no change to this element except as described in paragraph I of the Development Plan attached.

In all respects not inconsistent with the foregoing, the original Development and Tax Increment Financing Plans for the Lakeview Downtown District and Development Area, Lakeview Downtown Development Authority, as originally adopted on February 23, 1982 (and as amended in 1982, 1985, 1986 and 1990) remain in full force and effect.