

# Village of Elkton

Downtown Development Authority

Development Plan and TIF Plan

2016-2036



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## 1. INTRODUCTION

### A. *Purpose*

The statute governing a DDA Development/TIF Plan is Michigan Public Act 197 of 1975, as amended, MCL §125.165 *et. seq* (the “Act”).

The Act was enacted to provide a means for local units of government to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interest in real and personal property; to authorize the creation and implementation of a development plan in the district; to promote the economic growth of the district; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; and to authorize the use of Tax Increment Financing.

Tax Increment Financing is a government financing program which contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from the economic growth and development to facilities, structures of improvements within a development area thereby facilitating economic growth and development. Tax Increment Financing mandates the transfer of tax increment revenues by Township and County treasurers to authorities created under the Act in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth.

The Act seeks to accomplish its goals by providing local units of government with the necessary legal, monetary, and organizational tools to eliminate property value deterioration and to promote economic growth through publicly initiated projects undertaken cooperatively with privately initiated projects.

The way in which a Downtown Development Authority makes use of the tools available under the Act depends on the problems and priorities of each community. The Tax Increment Financing Plan has been developed in accordance with the purposes of the Act based on the goals, projects, and priorities as perceived by the Downtown Development Authority of the Village of Elkton (hereinafter referred to as the “DDA” or the “Authority”).

The Development Plan and Tax Increment Financing Plan is intended to describe the goals and objectives of the Elkton DDA for redevelopment of the downtown development district and to outline the steps necessary for achieving these goals.

It is intended the Plan becomes the basis for all future development/redevelopment projects in the downtown district. After it has been adopted, the DDA Plan should be all of the following: (1) a long range guide for evaluating proposals for physical changes and for scheduling improvements in the downtown district; (2) a guide for making recommendations and establishing properties in the development area capital

improvement program; (3) a foundation for conducting more specific and detailed studies for the general development district and for assessing possible improvements and developments; and (4) a source of information and a statement of policy which is useful to citizens and business owners in making private investment decisions.

The DDA must prepare and submit a tax increment financing plan and a development plan if it determines that creation of such plans is necessary for the achievement of the purposes of the Act. This document constitutes both these plans, with the development plan and the format described in Section 17(2) of the Act, followed by the Tax Increment Financing plan as described in Sections 14, 15, and 16 of the Act. [Section 14(2), 17(2)]. This document is one development plan and TIF plan for the entire DDA.

### ***B. Creation of the Downtown Development Authority***

The Village of Elkton established the Downtown Development Authority on blank date. In creating and establishing the DDA, the Village found that the DDA was necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in the Village's business district, to eliminate the cause of said deterioration, and to promote economic growth.

### ***C. Goals and Objectives of the Elkton DDA***

The overall goal of the Elkton DDA is to establish positive economic environment for residents and businesses, to provide direction and resources to implement revitalization and new development projects, and to create a sustainable employment and destination center in the Village of Elkton and surrounding area.

Objectives provide a framework for evaluating potential projects and programs to be completed by the DDA. Projects and activities undertaken by the Elkton DDA will aim to accomplish one or more of the following objectives:

- 1) Improve Quality of Life
- 2) Improve Appearance of District
- 3) Business Development

## **2. DEVELOPMENT PLAN**

### ***A. The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise. Section 17 (2) (a)***

The development area includes the entire DDA District. A map showing the boundaries of the DDA district is attached as Map 1.

### ***B. The location and extent of existing streets and other public facilities within the development area, the location, character, and extent of the categories of public***

*and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and a legal description of the development area. Section 17 (2)(b)*

The existing streets are shown in the DDA Map that is contained in the appendix. Other public facilities in the district include utility systems for water, sewer, and storm sewer.

An existing land use map is shown in the appendix.

The legal description of the development area is included in the Appendix.

- 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. Section 17 (2)(c)***

None anticipated at this time.

- 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. Section 17 (2)(d)***

Shown in Table 1 below.

<b>Table 1- ELKTON DDA PROPOSED IMPROVEMENTS</b>		
<b>Projects</b>	<b>Estimated Cost</b>	<b>Phase</b>
Construct a walking path in Ackerman Park.	\$25,000	A
Update building facades	\$10,000	A, B, C
Refurbish water fountain in Veteran's Park	\$1,000	A
Construction of Subdivision housing	\$500,000	B, C
Maintain public parks and the infrastructure within the parks.	\$5,000/year	A, B, C
Renovate Downtown Apartments	\$50,000	A, B

**E. *The statement of the construction or stages of construction planned, and the estimated time of completion for each stage. Section 17 (2)(e)***

Refer to Table 1 above for a proposed time of completion for each improvement. Proposed projects have been placed in phases for estimated time of completion. Several of the projects are ongoing and will be worked on throughout the duration of the plan.

- Phase A- Years 1-5
- Phase B –Years 6-10
- Phase C-Years 11-20

The improvements contemplated by this Development Plan will commence as monies become available to pay for them.

A specific project may need to be moved to a different phase of construction if growth and development occur at a different rate or in a different area than anticipated and as specific grant funds become available.

**F. *A description of any parts of the development area to be left as open space and the use contemplated for the space. Section 17 (2)(f)***

The existing parks will be left as open space and they will continue to be used for recreational purposes. The parks are an attraction for the community and thereby enhance the economic viability of the downtown area.

**G. *A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms. Section 17 (2)(g)***

It is unknown at this time if the DDA intends to sell, donate, exchange, or lease any portions of the development area to or from the municipality. If it is deemed necessary to do so in order to achieve the goals and objectives of the DDA, the DDA will use the Village's typical process for doing so.

**H. *A description of desired zoning changes and changes in streets, streets levels, intersections, or utilities. Section 17 (2)(h)***

No changes are anticipated at this time.

**I. *An estimate of the costs of development, a statement of the proposed method of financing the development and the ability of the authority to arrange the financing. Section 17 (2)(i)***

The estimate of total costs for all of the proposed developments is \$600,000. Individual estimates will be refined as each project is planned, defined, and

designed. Pursuant to MCL §125.1661, 125.1663, and 125.1666(1) the costs of acquisition and development are anticipated to be financed by:

- Public and private grants
- Donations received by the DDA
- Tax increment revenues
- General obligation bonds issued by the Township in amounts by a percentage of the anticipated tax increment revenues available for payment of debt service on such bonds
- Tax increment bonds issued by the DDA pledging solely the tax increments and other revenues of the DDA
- Proceeds of a special assessment district created as provided by law
- Money obtained from other sources approved by the Village of Elkton or the DDA, including development agreements

- 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. Section 17(2)(j)***

As development and market opportunities occur, the DDA may enter into agreements to lease, sell, or convey a portion of the development to natural or corporate persons if it is determined to be in the best interest of the DDA and its goals in preventing deterioration and revitalizing its downtown area.

- 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. Section 17 (2)(k)***

If the DDA determines that it is in its best interest to lease, sell, or convey a portion of the development, it will proceed with the process that the Village ordinarily uses for leasing, selling, or conveying property.

- L. *Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. Section 17 (2)(l)***

Approximately 120 persons live in the development area.

The DDA has no plans to displace any persons as a result of the development plan.

**M. A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area. Section 17 (2)(m)**

Not applicable.

No relocation.

**N. Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to 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. section 4601, et. seq. Section 17(2)(n)**

Not applicable.

No relocation.

**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. Section 17(2)(o)**

Not applicable.

No relocation.