

AMENDMENT
TO
DEVELOPMENT
AND
TAX INCREMENT FINANCING PLAN
OF THE
COPPER HARBOR
DOWNTOWN DEVELOPMENT AUTHORITY

Adopted by the Copper Harbor Downtown Development Authority on January 28, 2003

Approved by the Township Board of the Township of Grant on March 22, 2003

INTRODUCTION

The Copper Harbor Downtown Development Authority (the “Authority”) was created in 1986 by ordinance of the Township Board of the Township of Grant (the “Township”). The Authority and the Township Board approved and adopted the original *Development and Tax Increment Financing Plan* (the “Original Plan”) in 1987. The Development Area is as indicated in Appendix C hereto.

The Original Plan contained a list of projects to be undertaken by the Authority in cooperation with the Township. Over the fifteen years since the Original Plan was adopted the Authority and the Township have undertaken and completed a number of these projects. This *Amendment to Development and Tax Increment Financing Plan* (the “2003 Amendments”) summarizes the completed projects and adds new projects and provides the Township and the other taxing jurisdictions with updated information regarding the capture and use of tax increment revenues by the Authority.

2003 Amendments Supplement the Original Plan

The 2003 Amendments are an extension of the Original Plan and must be read in concert with the Original Plan. The 2003 Amendments refer to certain portions of the Original Plan but do not repeal or abrogate any provision of the Original Plan. The Plan as amended by the 2003 Amendments is referred to herein as the “2003 Amended Plan.”

AMENDMENT TO DEVELOPMENT PLAN

The following amendments are made to “Development Plan,” section II of the Original Plan.

Section II.A. “Development Area Boundaries”:

The Copper Harbor Development Area is confirmed and is attached as **Appendix C** hereto.

Section II. C. “Improvement Program” is updated as follows:

The Authority and the Township have implemented a substantial portion of the development program outlined in the Original Plan. The following paragraphs list the numerous projects that have been undertaken, the estimated cost of those projects and the methods of financing used to carry out the projects. The DDA projects to date have all been stand-alone projects that have not required Township financial assistance and the Township and the DDA have not collaborated on any projects that required a bond issue. All projects that were associated with a bond issue were financed using Township funds and grants without using DDA funds, however, the DDA will have contributed \$70,000 to assist the Township in the construction of the Copper Harbor Fire Hall by the time the Fire Hall is paid for.

Copper Harbor Wastewater System:

The DDA provided moral support only. The project was paid for with bonds issued by the Township and grants. The bonds were retired with income from user fees.

Marina Expansion:

This was a State of Michigan project. The DDA coordinated the expansion but no local funds were used for this project.

Public Beach:

This project was withdrawn as the land is no longer available for purchase.

Day Use Mooring Facilities at 3rd and 6th Streets:

The 3rd Street Project consisted of improving the ROW to the water and constructing an observation deck and associated access walks, lighting, and landscaping. The 3rd Street project cost \$30,000 and was a 50/50 match using DDA funds and a \$15,000 Coastal Zone Development grant.

The 6th Street Project was an expansion and replacement of existing docks and the addition of a boardwalk with lighting. The 6th Street project cost \$160,000, of which \$20,000 was DDA funds and the balance from Trust Fund and Coastal Zone Development grants.

Section II.C. “Improvement Program” is amended to include the following additional projects:

In light of the changing and growing needs of the community and the completion of the several projects listed above, the 2003 Amended Plan includes the following additions to the Improvement Program. The program continues to focus on upgrading public infrastructure and facilities to encourage private development, investment and the creation of jobs. The following paragraphs list additional projects that will be undertaken:

**Copper Harbor Visitor Center Renovation/Expansion and
Grant Township Office Expansion**

This project includes modifications to meet ADA requirements, expanded meeting room and kitchen facilities, addition of tourist information center. The Grant Township Office will be enlarged from approximately 350 sq ft to 530 sq ft. It will include space for the Township Supervisor, Treasurer, Clerk, office equipment and expanded file space.

Construction of Low Income Housing for Residents

The Copper Harbor area is in need of low-income housing. This project proposes a housing complex with facilities for 5 family and 20 single units.

Section II.D. “Project Cost Data” is Amended to Read as Follows:

<u>Project</u>	<u>Estimated Cost</u>	<u>Source</u>
Storm Drainage Improvements	\$1,500,000	Special millage
Support Development of Recreational Facilities and non-motorized trails.	50,000	DDA/Grants
Existing Dock Improvements	75,000	DDA/Grants
New Dock Facilities	300,000	DDA Grants
Community Recreation Center	500,000	DDA/Grants
Visitor Center Renovation/Expansion & Grant Township Office Expansion	250,000	DDA Bonds
Low Income Housing	500,000	Grants
Total	\$3,175,000	

Section II.E. “Project Schedule” is amended to include the following:

Copper Harbor Visitor Renovation/Expansion & Township Office Expansion

Advertisement of Bid	February 25, 2003
Bid Opening	March 18, 2003
Contract Term	August 1, 2003 thru June 1, 2004
Sitework	August 1 – August 15, 2003
Concrete work	August 7 – September 1, 2003
Weathertight work	October 15, 2002
Interior Complete by	March 15, 2004
Substantial Completion by	May 1, 2004
Project Completion by	June 1, 2004

Section II.G. “Project Financing” is amended to include the following:

Appendix A to the 2003 Amendments indicates the estimated tax increment revenues available to the Authority to pay the debt service requirements on the bonds and other obligations described in the Plan. **Appendix B** shows the existing annual debt service requirements broken down by bond issue or other obligation.

AMENDMENT TO TAX INCREMENT FINANCING PLAN

The following amendments are made to “Tax Increment Financing Plan,” section III of the Original Plan.

Subsections of Section III are amended as follows:

The initial untitled section of the Tax Increment Financing Plan, Section III, shall be sub-section A, titled “General.”

“Determination of Tax Increment” shall be sub-section B.

“Estimate of Impact on Other Jurisdictions” shall be sub-section C.

Section III is amended to include the following sub-sections:

D. Maximum Bonded Indebtedness

The bonds issued pursuant to Act 197, the bonds issued by others with the expectation that all or part of the debt service would be paid by the Authority, and the other obligations of the Authority payable from tax increment revenues are shown on **Appendix B**. The DDA does not presently have any long-term commitments other than \$10,000 each year for 5 years to assist the Township in paying off the Copper Harbor Fire Hall debt.

The maximum amount of bonded indebtedness to be incurred under the 2003 Amended Plan is a principal amount of \$250,000.

E. Duration of the Plan

The Original Plan contemplated that it would endure for thirty (30) years from the date of adoption or until such time that all planned improvements are completed, whichever occurs first. The duration of the Original Plan is amended to extend the duration of the Plan. The 2003 Amended Plan is extended to and including the December 2025 tax levy.

APPENDIX A

Estimated DDA Capture

Fiscal Year	County Operating	County Police*	Medical Care*	Township Operating	Township Extra Voted*	Township Fire*
2002	12,935	1,048	3,148	4,585	7,806	3,902
2003	13,129	1,064	3,195	4,654	7,923	3,961
2004	13,326	1,080	3,243	4,724	8,042	4,020
2005	13,526	1,096	3,292	4,794	8,163	4,080
2006	13,729	1,112	3,341	4,866	8,285	4,141
2007	13,935	1,129	3,391	4,939	8,409	4,204
2008	14,144	1,146	3,442	5,013	8,535	4,267
2009	14,356	1,163	3,494	5,089	8,663	4,331
2010	14,571	1,181	3,546	5,165	8,793	4,396
2011	14,790	1,198	3,599	5,242	8,925	4,462
2012	15,012	1,216	3,653	5,321	9,059	4,528
2013	15,237	1,234	3,708	5,401	9,195	4,596
2014	15,465	1,253	3,764	5,482	9,333	4,665
2015	15,697	1,272	3,820	5,564	9,473	4,735
2016	15,933	1,291	3,878	5,648	9,615	4,806
2017	16,172	1,310	3,936	5,732	9,759	4,878
2018	16,414	1,330	3,995	5,818	9,906	4,952
2019	16,661	1,350	4,055	5,906	10,054	5,026
2020	16,910	1,370	4,116	5,994	10,205	5,101
2021	17,164	1,391	4,177	6,084	10,358	5,178
2022	17,422	1,412	4,240	6,175	10,514	5,255
2023	17,683	1,433	4,303	6,268	10,671	5,334
2024	17,948	1,454	4,368	6,362	10,831	5,414
2025	18,217	1,476	4,434	6,457	10,994	5,495

*Extra Voted Millage Subjected To Renewal By Voters
 Estimates Based On Inflation Rate Of 1 1/2%

APPENDIX B

DDA COMMITMENT: SOURCE OF PAYMENT

<u>FY Year</u>	<u>Project</u>	<u>Service</u>	<u>Total</u>
2003	Fire Hall	\$10,000	\$16,875
	Visitor Center Project*	6,875	
2004	Fire Hall	10,000	28,475
	Visitor Center Project	18,475	
2005	Fire Hall	10,000	28,200
	Visitor Center Project	18,200	
2006	Fire Hall	10,000	27,925
	Visitor Center Project	17,925	
2007	Fire Hall	10,000	32,650
	Visitor Center Project	22,650	
2008	Fire Hall	10,000	32,100
	Visitor Center Project	22,100	
2009	Visitor Center Project	21,550	21,550
2010	Visitor Center Project	21,000	21,000
2011	Visitor Center Project	20,450	20,450
2012	Visitor Center Project	19,900	19,900
2013	Visitor Center Project	19,350	19,350
2014	Visitor Center Project	23,800	23,800
2015	Visitor Center Project	22,975	22,975
2016	Visitor Center Project	22,150	22,150
2017	Visitor Center Project	21,325	21,325
2018	Visitor Center Project	25,500	25,500
2019	Visitor Center Project	24,400	24,400
2020	Visitor Center Project	23,300	23,300
2021	Visitor Center Project	22,200	22,200
2022	Visitor Center Project	21,100	21,100
2023	Visitor Center Project	21,100	21,100

The DDA does not presently have any long-term commitments other than \$10,000 each year for 5 years to assist the Township in paying off the Copper Harbor Fire Hall debt.

*This is an estimate of the anticipated \$250,000 bond issue for the Visitor Center/Office Renovation Project and these estimates are not intended to be a cap on the debt service.

APPENDIX C

BOUNDARY OF COPPER HARBOR DDA

The Boundary of the Copper Harbor DDA is described as Section 30, north half of Section 31 and Section 32 of Township of Grant, T 59 N R 28 W.

The DDA Development area is the Plat of Copper Harbor.

