

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

Adopted by the Copper Harbor Downtown Development Authority on _____, 2010

Approved by the Township Board of the Township of Grant on _____, 2010

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. In 2003, the Authority and the Township approved and adopted an Amendment to Development and Tax Increment Financing Plan (the “2003 Amendment”; the Original Plan as amended by the 2003 Amendment referred to herein as the “2003 Amended Plan”). The Development Area is as indicated in Appendix A hereto.

The Original Plan contained a list of projects to be undertaken by the Authority in cooperation with the Township. The 2003 Amendment authorized additional projects as part of the improvement program within the Development Area. Since then, the Authority and the Township have undertaken and completed a number of these projects. This 2010 Amendment authorizes additional projects as part of the improvement program within the Development Area, including marketing initiatives to promote the downtown district, park improvements throughout the district, broadband internet service in the district, streetscaping, necessary maintenance and reconstruction of existing Authority projects, and the acquisition and rehabilitation of vacant properties for the purpose of preventing property value deterioration and encouraging further investment within the district.

In order to accomplish these projects and to continue to implement the projects described in the 2003 Amended Plan, this 2010 Amendment extends the life of the 2003 Amended Plan to 2035 and raises the bonding limit to \$400,000.

2010 Amendments Supplement the Original Plan

This 2010 Amendment is an update and addition to the 2003 Amended Plan and must be read in concert with the 2003 Amended Plan. The 2010 Amendment refers to certain portions of the 2003 Amended Plan but does not repeal or abrogate any provision of the 2003 Amended Plan unless expressly stated. (The 2003 Amended Plan as amended by the 2010 Amendment is referred to herein as the “2010 Amended Plan.”)

AMENDMENT TO DEVELOPMENT PLAN

The Development Plan of the 2003 Amended Plan is amended as follows.

Boundaries of Development Area

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

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

The following amendments are made to the sections of the 2003 Amended Plan, with the headings “Improvement Program”, “Project Cost Data”, “Project Schedule” and “Project Financing”.

Improvement Program

In light of the changing and growing needs of the community and the completion of several projects outlined in the 2003 Amended Plan, this 2010 Amended Plan includes the following additions to the improvement program of the Authority. The program continues to focus on projects that will prevent deterioration of the downtown business district, and encourage private development and investment in the district. Following is a list of the additional projects to be undertaken:

Marketing of the District. A strategic marketing campaign will be implemented, including banners and advertising of the downtown district, to attract people and economic activity to the downtown district.

Park Improvements. Park improvements will be made throughout the Development Area, including, but not limited to, the addition of picnic tables. The Township Park, located at Second and Gratiot (US 41), is enjoyed by many visitors and hosts many events which draw people to the downtown district. A new facility will be built at the Township Park, which will include public restrooms and storage space for park lawn care equipment. Also proposed is the acquisition of a 240’ x 120’ parcel of land adjacent to the Township Park at Second and Gratiot as an addition to the Park.

Broadband Internet Service. The Authority intends to contract for broadband internet service in the downtown district.

Streetscaping. Streetscaping improvements, including, but not limited to, which may include the addition of decorative street lighting and benches, along M26, Gratiot (US 41), 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, 9th, 10th, Bernard Street, Brockway Street and Harbor Street .

Property Acquisition. Within the Development Area are a number of vacant buildings, that if unmaintained are likely to contribute to the deterioration of property values in the district. The Authority plans to acquire certain vacant properties for the purpose of rehabilitating and maintaining, and eventually re-selling, the properties to prevent such property value deterioration and promote further investment in the district.

Repairs and Reconstruction. The 2003 Amended Plan included certain improvements to encourage tourism and continuing investment in the downtown district, including dock facilities used for lake access. These facilities are in need of repair, which the Authority intends to carry out as part of its improvement program.

Project Cost Data and Schedule

The sections of the 2003 Amended Plan with the headings “Project Cost Data” and “Project Schedule” are amended as follows. Under Source of Financing, “TIR” means tax increment revenues captured by the Authority, and used to fund a project on a pay-as-you-go basis.

<u>Project</u>	<u>Estimated Cost</u>	<u>Source of Financing</u>	<u>Duration</u>
Marketing of the District	\$5,000 per year	TIR	Life of Plan
Park Improvements	\$650,000	TIR/Bonds/Grant	2010-2020
Broadband Internet Service	\$10,000	TIR	2010-2015
Streetscaping	\$2,000,000	TIR/Grant	2015-2020
Property Acquisition	\$500,000	TIR/Grant	2010-2018
Repair and Reconstruction	\$10,000 per year	TIR	2010-2035

Project Financing

Pursuant to Act 197, Public Acts of Michigan, 1975, as amended (“Act 197”), the costs of development may be financed by any of the sources specified in Section 11 of Act 197. The Authority expects to finance the improvements specified in this 2010 Amended Plan with tax increment revenues from the Development Area and from other lawfully available funds of the Authority and/or the Township. The projects specified in this 2010 Amendment may also be financed in whole or in part from the proceeds of bonds to be issued by the Authority or the Township, or both, and may pledge tax increment revenues as a source of security for the payment of the bonds.

AMENDMENT TO TAX INCREMENT FINANCING PLAN

The Tax Increment Financing Plan of the 2003 Amended Plan is amended as follows.

Maximum Bonded Indebtedness

The maximum amount of bonded indebtedness authorized under the 2003 Amended Plan was \$250,000. In the event that the Authority or the Township, or both, issue bonds to pay all or a portion of the cost of the projects described in the 2010 Amended Plan, the maximum amount of bonded indebtedness to be incurred under the 2010 Amended Plan shall be increased to \$400,000.

Duration of the 2010 Amended Plan

The 2010 Amended Plan will terminate upon the collection of the last taxes levied for the year 2035.

Estimate of the Impact of the Tax Increment Financing Plan on Taxing Jurisdictions

See Appendix B.

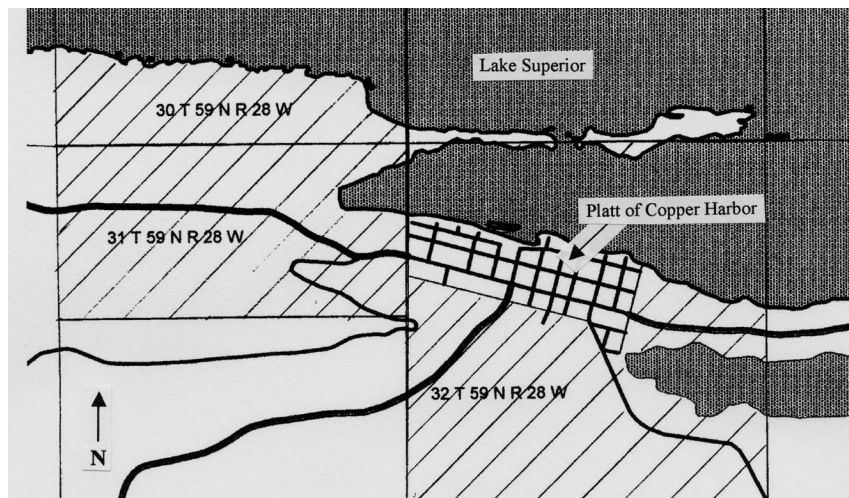
APPENDIX A

DEVELOPMENT AREA

Boundary of the DDA District:

Section 30, North Half of Section 31 and Section 32 of Township of Grant, T58N-59N- R28W.

The DDA Development Area is the Plat of Copper Harbor.



APPENDIX B

ESTIMATE OF TAX INCREMENT FINANCING ON TAXING JURISDICTIONS

Fiscal Year	County Operating	County Police	County Veterans	Township Operating	Township X-Voted *	Township Fire *	Totals
2010	25,517	2,238	447	9,206	15,688	8,956	62,052
2011	25,900	2,272	454	9,344	15,923	9,090	62,983
2012	26,288	2,306	461	9,484	16,162	9,227	63,928
2013	26,683	2,340	467	9,627	16,405	9,365	64,886
2014	27,083	2,375	474	9,771	16,651	9,506	65,860
2015	27,489	2,411	482	9,917	16,900	9,648	66,848
2016	27,901	2,447	489	10,066	17,154	9,793	67,850
2017	28,320	2,484	496	10,217	17,411	9,940	68,868
2018	28,745	2,521	504	10,370	17,672	10,089	69,901
2019	29,176	2,559	511	10,526	17,938	10,240	70,950
2020	29,614	2,597	519	10,684	18,207	10,394	72,014
2021	30,058	2,636	527	10,844	18,480	10,550	73,094
2022	30,509	2,676	534	11,007	18,757	10,708	74,190
2023	30,966	2,716	542	11,172	19,038	10,869	75,303
2024	31,431	2,757	551	11,340	19,324	11,032	76,433
2025	31,902	2,798	559	11,510	19,614	11,197	77,579
2026	32,381	2,840	567	11,682	19,908	11,365	78,743
2027	32,866	2,883	576	11,858	20,206	11,536	79,924
2028	33,359	2,926	584	12,035	20,510	11,709	81,123
2029	33,860	2,970	593	12,216	20,817	11,884	82,340
2030	34,368	3,014	602	12,399	21,129	12,062	83,575
2031	34,883	3,059	611	12,585	21,446	12,243	84,829
2032	35,406	3,105	620	12,774	21,768	12,427	86,101
2033	35,938	3,152	630	12,966	22,095	12,613	87,393
2034	36,477	3,199	639	13,160	22,426	12,803	88,704
2035	37,024	3,247	649	13,357	22,762	12,995	90,034

*Extra Voted Millage Subject to Renewal by Voters
 Estimates Based upon Inflation Rate of 1-1/2%