

CITY OF WHITEHALL, MICHIGAN
LOCAL DEVELOPMENT FINANCE AUTHORITY
TAX INCREMENT FINANCING PLAN
and
DEVELOPMENT PLAN AMENDMENT

Approved by the TIFA Board on October 10, 2024



Scott K. Huebler, Secretary

Approved by the City Council on November 26, 2024

Brenda Bourdon, City Clerk

PURPOSE

The purpose of the Recodified Tax Increment Financing Act, Michigan Public Act 57 of 2018 Part 4 Local Development Finance Authorities is to eliminate the causes of unemployment, underemployment, and joblessness and to promote economic growth and development.

The City of Whitehall Local Development Finance Authority was created by resolution of the City Council in 1989 in accordance with Michigan Public Act 281 of 1986. A tax increment financing plan and development plan were approved as well. Amendments were adopted in 1992, 2001, 2003, and 2004 to address changing economic conditions.

The intent of this amendment is to continue the efforts to eliminate the causes of unemployment, underemployment, and joblessness and to promote economic growth and development. All tax increment revenues will be based upon the initial assessed values as established in the tax increment financing and development plans adopted in 1989. The plans for both development areas will continue in effect as amended.

This Plan reflects public and private improvements considered necessary to support and enhance the city owned industrial park; to stimulate private development; and to encourage multi-government and public/private partnerships. Since the Authority's inception it has actively pursued development by improving buildable lots, streets, streetscape design, and utilities.

The approval of this Plan was done in accordance with required notice, hearing, disclosure, and approval provisions. Only one hearing and approval procedure was necessary since the tax increment finance plan and development plan are combined into a single plan. Prior to the public hearing, reasonable opportunity was provided to all taxing jurisdictions to express their views and recommendations. The Authority fully informed the taxing jurisdictions about the fiscal and economic implications of the Plan.

GENERAL

BOARD OF DIRECTORS

The Authority shall be under the supervision and control of an eleven-member board. Seven members shall be appointed by the mayor subject to City Council confirmation; one member appointed by the Muskegon County Board of Commissioners; one member appointed by the chief executive officer of Muskegon Community College; and two members appointed by the Whitehall District Schools.

Each member shall be appointed for a term of four years. An equal number, as near as practicable, shall be appointed to overlapping terms. Before assuming office, members shall take and subscribe to a constitutional oath of office. Members shall hold office until their successor is appointed. An appointment to fill a vacancy shall be made in the same manner as the original appointment. An appointment to fill an unexpired term shall be for the unexpired portion of the term only.

Members shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The Chairperson shall be elected by the Board. The Board shall adopt rules governing its procedures and the holding of regular meetings, subject to approval of the City Council. Special meetings may be held when called in the manner provided in the rules. Meetings shall be open to the public in accordance with the Open Meetings Act, PA 267 of 1976.

Pursuant to notice and an opportunity to be heard, a member of the Board may be removed for cause by the City Council. Removal of a member is subject to review by the circuit court.

Expenses of the Authority shall be published and the financial records shall be open to the public pursuant to the Freedom of Information Act, PA 442 of 1976.

AUTHORITY EMPLOYEES

The Board may appoint or employ a **DIRECTOR** and fix the compensation subject to approval by the City Council. The Director shall serve at the pleasure of the Board. Board members are not eligible to hold the position of Director. Before assuming office, the Director shall take and subscribe to a constitutional oath of office. The Director shall supervise and be responsible for the preparation of plans and the performance the Authority. The Director shall attend the meetings of the Board; provide an annual report covering the activities and financial condition of the Authority; and furnish information or reports as directed by the Board.

The Director shall serve as **SECRETARY** to the Board. The Secretary shall maintain custody of the official seal and records, documents, and other papers not required to be kept by the Treasurer. The Secretary shall keep a record of the meetings of the Board and perform other duties as may be delegated by the Board.

The Board may appoint or employ and fix the compensation of a **TREASURER**. The Treasurer shall keep the financial records of the Authority and shall approve, along with the Director, all expenditures. The Treasurer shall perform other duties as may be delegated by the Board.

The Board may retain **LEGAL COUNSEL** to advise the Board on legal matters and represent the Authority in actions brought by or against the Authority. The Board may employ other personnel considered necessary. Employees of the Authority may be eligible to participate in retirement and insurance programs of the City as if they are employees and on the same basis as other City employees.

BOARD POWERS

The Authority Board of Directors shall have the following general powers:

- A. Study and analyze unemployment, underemployment, joblessness, and the impact of growth on the District.
- B. Propose, plan, and implement the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility.
- C. Develop long range plans in cooperation with the Whitehall Planning Commission to promote the growth of the District, take steps that are necessary to implement the Plan to the fullest extent possible to create jobs, and promote economic growth.
- D. Implement any plan of development necessary to achieve the purposes of this Plan.
- E. Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.
- F. Acquire by purchase or otherwise on terms and conditions and in a manner the Board considers proper, own or lease as lessor or lessee, convey, demolish, relocate, rehabilitate, or otherwise dispose of real or personal property, or rights or interests in that property, which the Board determines is reasonably necessary, and to grant or acquire licenses, easements, and options with respect to property.

- G. Improve land; prepare building sites including the demolition of existing structures; and construct, reconstruct, rehabilitate, restore, preserve, equip, improve, maintain, repair, or operate any building and any necessary or desirable appurtenances for the use, in whole or in part, of any public or private person, corporation, or any combination.
- H. Fix, charge, and collect fees, rents, and charges for the use of a building or property or any part of a building or property under the Boards control, or a facility in the building or on the property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the Authority.
- I. Lease a building or property or part of a building or property.
- J. Accept grants and donations of property, labor, or other things of value from a public or private source.
- K. Acquire and construct public facilities.
- L. Incur costs in connection with the performance of the Board's authorized functions, including but not limited to, administrative, architects, engineers, legal, and accounting fees.
- M. Propose, plan, and implement an improvement to a public facility on eligible property to comply with barrier free design requirements.

PRIVATE PROPERTY

The City may take private property under the provisions of Public Act 87 of 1980 for the purpose of transfer to the Authority, and may transfer property to the Authority for uses as authorized in the Development Plan, on terms and conditions it considers appropriate. The taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

FINANCING

The activities of the Authority shall be financed from one or any combination of contributions; revenues from any property, building, or facility owned, leased, licensed, or operated by the Authority or under its control subject to the limitations imposed by trusts or other agreements; tax increment revenues received pursuant to the tax increment financing plan; proceeds from tax increment bonds; proceeds from revenue bonds; money obtained from any other legal source approved by the City Council or otherwise authorized by law for use by the Authority or City to finance a development program; money obtained from the State of Michigan due to insufficient tax revenues for the repayment of an advance or obligation as provided for in PA 57 of 2018 Part 3 Section 312a; or loans from the Michigan Strategic Fund or Michigan Economic Development Corporation.

BORROWING

The Authority may borrow money and issue negotiable revenue bonds pursuant to the Revenue Bond Act, Michigan Public Act 94 of 1933. Revenue bonds issued by the Authority shall not, except as provided in PA 57 of 2018, be considered a debt of the City or of the State. The City may pledge its full faith credit limited tax to support the Authority's revenue bonds.

TAX INCREMENT FINANCING PLAN

CAPTURED ASSESSED VALUE

The Financing Plan is established to make possible the funding of public improvements necessary or desirable to maintain the vitality of the City's industrial park; to stimulate development and redevelopment; to improve the environment; and enhance the quality of life. Vitality will be maintained by planning, designing, financing, and implementing public improvements. Improvements may include, but not limited to, water, sanitary sewer, drainage, streets, sidewalks, lighting, landscaping, and public amenities. Financial incentives may be offered for private investment as allowed by law and approved by the Board and City Council.

The City has been able to stimulate significant private investment and now desires to continue this revitalization and growth. The necessity of this Amendment and the projects it describes are directed at making sure improvements are made, making the District attractive for retention and growth. Industrial growth is a vital component to the economic well-being of the City.

ESTIMATE OF CAPTURED ASSESSED VALUE

The Plan provides for the capture and use of all available captured assessed value. Fiscal Year 2024/25 is used as the base year moving forward into this Plan. A modest 3% annual rate of growth is used for projecting future captured value. The sale and development of vacant sites along with the expansion of current tenants will increase the estimated value and revenue. Estimated captured assessed values for each year of the Plan as shown on Table 1.

TABLE 1 - CAPTURED ASSESSED VALUE

FY24/25	\$3,709,000
FY25/26	\$3,820,000
FY26/27	\$3,934,000
FY27/28	\$4,052,000
FY28/29	\$4,174,000
FY29/30	\$4,299,000
FY30/31	\$4,428,000
FY31/32	\$4,561,000
FY32/33	\$4,698,000
FY33/34	\$4,839,000
FY34/35	\$4,984,000
FY35/36	\$5,133,000
FY36/37	\$5,287,000
FY37/38	\$5,446,000
FY38/39	\$5,609,000
FY39/40	\$5,778,000

ESTIMATE OF TAX INCREMENT REVENUES

Table 2 depicts the estimated tax revenues and community stabilization funds to provide a solid picture of the financial capabilities of the Authority. Grant funding has not been included. Tax increment revenues are increased 3% per year. Community stabilization is increased 7% per year as reflective of the average annual increase over the six years preceding Fiscal Year 2024/25. Miscellaneous income is minimal and has not been included.

TABLE 2 - TAX INCREMENT REVENUES

	Tax Increment Revenue	Community Stabilization	TOTAL
FY24/25	\$95,000	\$282,000	\$377,300
FY25/26	\$98,000	\$302,000	\$400,000
FY26/27	\$101,000	\$323,000	\$424,000
FY27/28	\$104,000	\$345,000	\$449,000
FY28/29	\$107,000	\$370,000	\$477,000
FY29/30	\$110,000	\$396,000	\$506,000
FY30/31	\$114,000	\$423,000	\$537,000
FY31/32	\$117,000	\$453,000	\$570,000
FY32/33	\$121,000	\$485,000	\$606,000
FY33/34	\$124,000	\$518,000	\$642,000
FY34/35	\$128,000	\$555,000	\$683,000
FY35/36	\$132,000	\$593,000	\$725,000
FY36/37	\$136,000	\$635,000	\$771,000
FY37/38	\$140,000	\$680,000	\$820,000
FY38/39	\$144,000	\$727,000	\$871,000
FY39/40	\$148,000	\$778,000	\$926,000

TAX INCREMENT PROCEDURE

Public Act 57 authorizes and encourages a broad range of activities is to eliminate the causes of unemployment, underemployment, and joblessness and to promote economic growth and development. These activities include the adoption and implementation of a development plan to achieve the purposes of the Act. One of the means of implementing a development plan is tax increment financing. A tax increment financing plan must be approved by resolution of the City Council.

The purpose of tax increment financing is to capture tax revenues attributable to the increased property values within a development area. The increases in property value may be due to new construction, rehabilitation, remodeling, alterations, additions, inflation, or other factors the assessor deems appropriate.

The taxable values of all property located in the development area, based on assessed values as of December 31, at the time the resolution establishing the tax increment financing plan was approved is the *initial assessed value*. Property exempt from taxation is given an initial assessed value of zero. The total taxable value of property in the development area is the *current taxable value*. The difference between the current taxable value and the initial assessed value is the *captured taxable value*.

Local taxing jurisdictions continue to receive the full amount of tax revenue based on the initial taxable value. The captured taxable value is allocated to the authority for use in accordance with the tax increment financing plan and development plan. This allocation is known as *tax increment revenue*.

Tax increment revenue is the tax levied by all taxing jurisdictions, excluding local school districts, paid each year on the captured taxable value of property in the development area. Millage specifically levied for the payment of principal and interest on bonds approved by electors are excluded from tax increment revenue. If the authority returns any portion of the tax increment of revenue, it must be done proportionately to each taxing jurisdiction based upon the respective unit's millage levy as compared to the total millage levied by all jurisdictions that were captured in that fiscal year.

MAXIMUM DEBT

Based upon annual revenue projections and the fifteen-year term of this Plan, less operational costs, the maximum bonded indebtedness to be incurred by the Authority is \$3,300,000. The City may pledge its full faith and credit for the payment of principal and interest on Authority bonds subject to constitutional, statutory, and Charter limitations. The Board anticipates funding all activities with tax increment revenues. This does not preclude the use of bonding, special assessments, special assessment bonds, general obligation bonds, revenue bonds, grants, funds from other governments, and private investment.

OPERATING AND PLANNING EXPENDITURES

The Board budgeted \$39,000 in Fiscal Year 2024/25 for operating and planning expenditures which includes administration, accounting, marketing, auditing, publishing, legal, and façade grants. These expenses will likely grow at 5% annually, Engineering is not included as a routine operational expense. These fees are

project driven. There are no advances or indebtedness at the time this Plan was adopted.

Costs associated with preparation, adoption, and approval of this Amendment is estimated at less than \$10,000 and will be paid from the tax increment revenues.

DURATION

This Tax Increment Financing Plan and Development Plan will continue upon expiration of the current Plans, specifically with the Fiscal Year 2025/26 Budget and expire on June 30, 2040 coinciding with the end of Fiscal Year 2039/40.

TAXING JURISDICTION IMPACT

There has been no evidence of any adverse financial impacts on any of the local taxing jurisdictions since the original creation of the Local Development Finance Authority in 1989 nor are any anticipated with the adoption of this Amendment. The Authority will not capture any voted debt millage and cannot by law capture the operating millage for Whitehall District Schools.

LEGAL DESCRIPTION

The legal description of the District, as amended, is described as follows:

The East half of the Southwest quarter of Section 34, Town 12 North, Range 17 West, except the Railroad Right-of-Way as evidenced by instrument recorded April 6, 1984, in Liber 27, Page 202, City of Whitehall, County of Muskegon, State of Michigan.

The East half of the West half of the Southwest quarter of the Southeast quarter of Section 34, Town 12 North, Range 17 West; except the West 331.06 feet of the South 329.67 feet thereof. Together with the West quarter of the Southwest quarter of the Southeast quarter Section 34, Town 12 North, Range 17 West.

The West half of the Southwest quarter of the Southeast quarter of Section 34, Town 12, Range 17 West.

The West three quarters of the Northwest quarter of the Southeast quarter of Section 34, Town 12, Range 17 West except the North 233.00 feet thereof.

JOB CREATION

With four pending projects dependent upon the passage of this Amendment, it is estimated that the tax increment financing and development plans will result in the creation of 150 full time jobs.

DEVELOPMENT PLAN

BOUNDARIES

The Development Plan applies to the entire District which is approximately 116 acres in size. Map 4 depicts the boundaries of the District. A legal description can be found on page 9 of this Plan.

The District is bordered on the south by White Lake Drive, the east by Peach Street, and the north by Benston Road. There are no adjacent or nearby roads on the east side. Whitehall High School borders the District on the east side.

STREETS

The District was originally vacant land. Delaney Drive, off of Peach Street; Cogswell Avenue with access onto White Lake Drive, and Ullmans Way were built to provide vehicle traffic to and within the District. The street system for the entire City can be found on Map 5.

LAND USE

Existing public and private land use includes commercial, private communications, vacant, and industrial. Map 6 depicts land use as of 2015. It has not been updated to reflect the conversion of a significant portion of vacant land to active industrial use. Map 8 shows that future land use in the District to be used primarily for industry. Given the proximity of the District to Whitehall High School and prior plans to incorporate a skilled training facility into the District, future occupational and educational uses will be considered by the Board. There are no residential, recreational, or educational uses in the District.

PUBLIC FACILITIES

The original street construction included a 12" water main, 12" sanitary sewer, and a 30" storm sewer with a retention pond. Communication, electric, and natural gas are also available within the District. There are no plans contemplated for the acquisition of additional land or for the construction of new public facilities thus negating the need for cost estimates, construction stages, and time of completion.

CAPITAL IMPROVEMENTS

Major annual non-capital expenses will include marketing, operating, and planning at \$89,000 and surplus fund reversion at \$200,000. The Board anticipates \$3.8M in capital improvements over the next 15 years as listed below in prioritized order. These were adjusted to include 5% annual inflation up to the construction year.

FY 2028/29

- **Street Resurfacing** - Cold mill Delaney Drive, Cogswell Avenue, and Ullmans Way. \$300,000

FY 2039/40

- **Street and Utility Replacement** - Reconstruct Delaney Drive, Cogswell Avenue and Ullmans Way along with water and sewer main replacement. \$3,500,000

MUNICIPAL PROPERTY

The Authority has no plans to sell, donate, exchange, or lease property to or from the City but reserves the right to do so should the need arise to further the goals of the Plan. Specific terms will be drafted as the needs arise and projects are defined.

ZONING and STREETS

There are no contemplated changes in zoning. There are no planned changes to any streets, street levels, intersections, or utilities. Routine maintenance and replacement are contemplated.

COST OF DEVELOPMENT

The estimated cost for public improvements is \$3.8M. Annual operating expenditures, over the fifteen-year term will be approximately \$5.5M for a combined cost of this Plan landing at \$9.3M. Tax increment revenues will generate \$9.4M. This along with a starting fund balance of \$350,000 will be adequate to cover anticipated costs associated with this Plan. This does not preclude the use of bonds, grants, private investment, donations, or assistance from other City funds.

LDFA PROPERTY

No portion of a public facility consisting of sanitary sewer, storm sewer, water, or streets will be leased, sold, or conveyed to any person, natural or corporate. Sanitary, storm, and water utilities are available to serve current and future development in the District on the same terms, conditions, and fee schedule that

are available to all customers in the City. Property owned by the LDFA is intended for resale to private developers and public entities. Land sales will be negotiated between the buyer and Director, under guidance from the Board, on terms and conditions in the best interest of the Authority that meet the purposes of this Amendment, address the findings of the State legislature, and benefit the entire community. Any other lease, sale, or conveyance will be done in accordance with established competitive bidding policies and ordinance as adopted by the City Council.

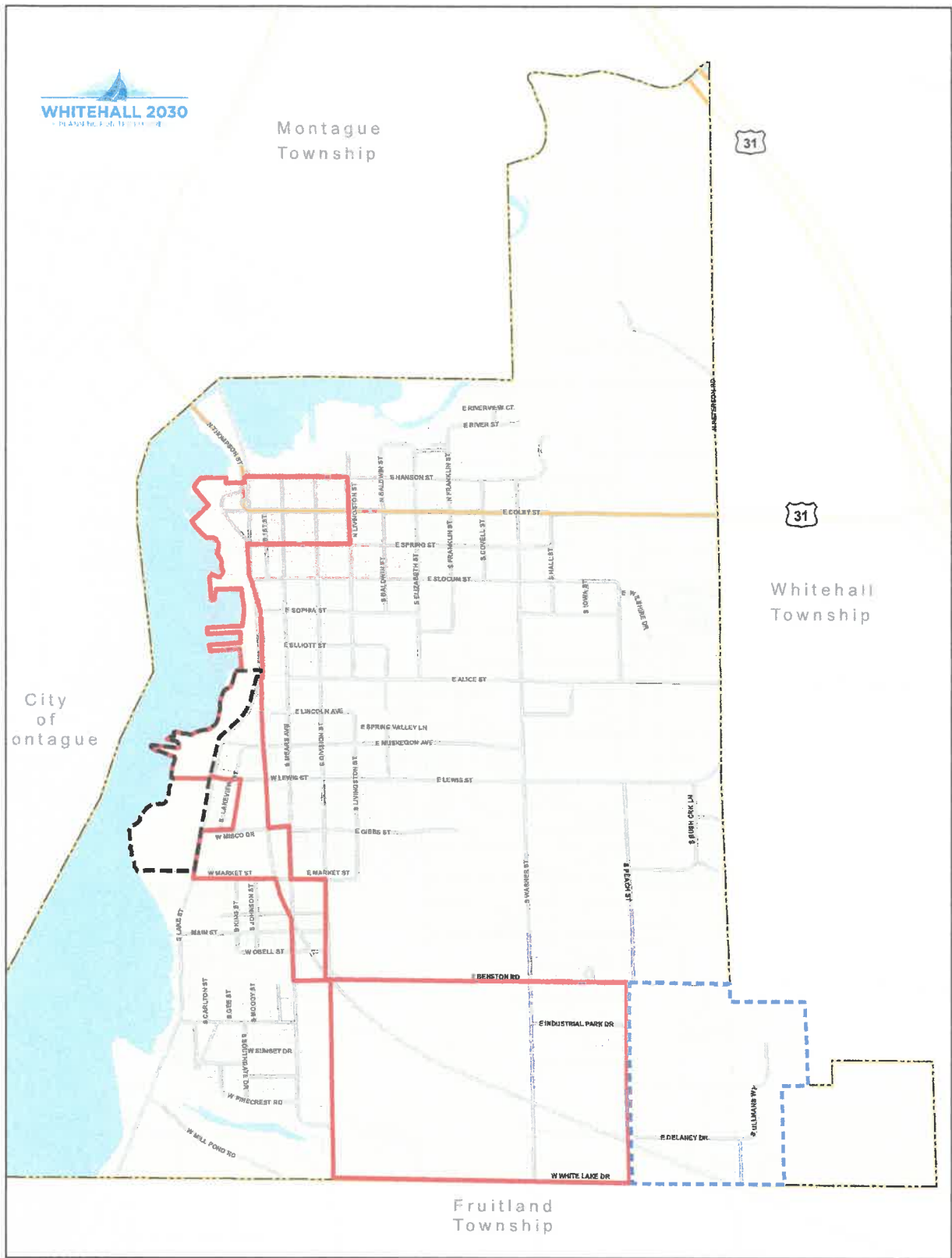
DISPLACEMENT

There no persons residing within the Development Area. A plan establishing priority for relocation, provisions for the costs of relocating, and financial assistance and reimbursement of expenses are not applicable.

OTHER PERTINENT MATERIAL

There is no other pertinent material or information to add at this time.

APPENDIX

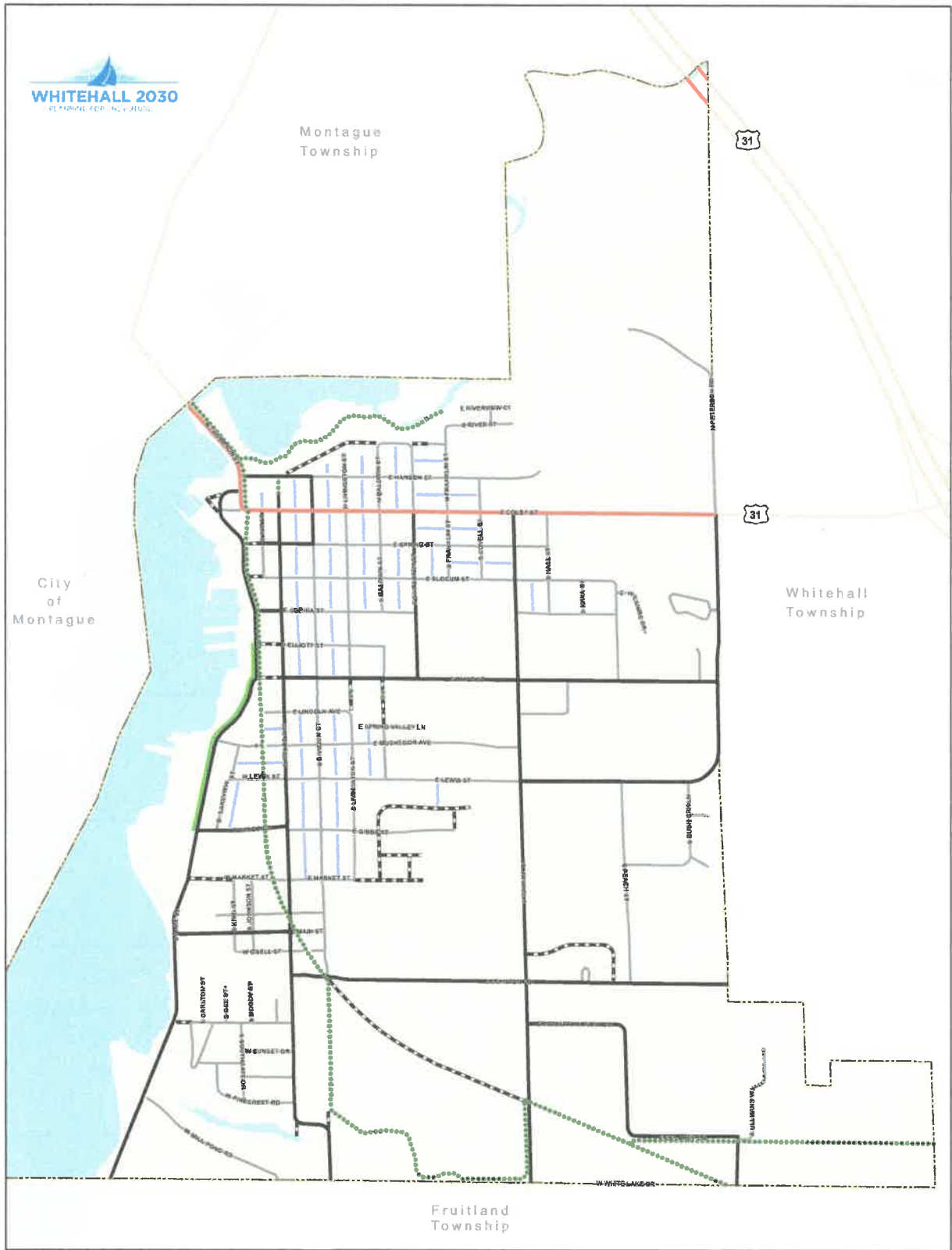


Map 4
TIF Districts
City of Whitehall, Michigan
March 12, 2015

0 500 1,000
Feet



- LEGEND**
- BRA District
 - LDFA District
 - TIFA District
 - City Boundary



Map 5
Road System
City of Whitehall, Michigan
September 25, 2014

0 500 1,000
Feet



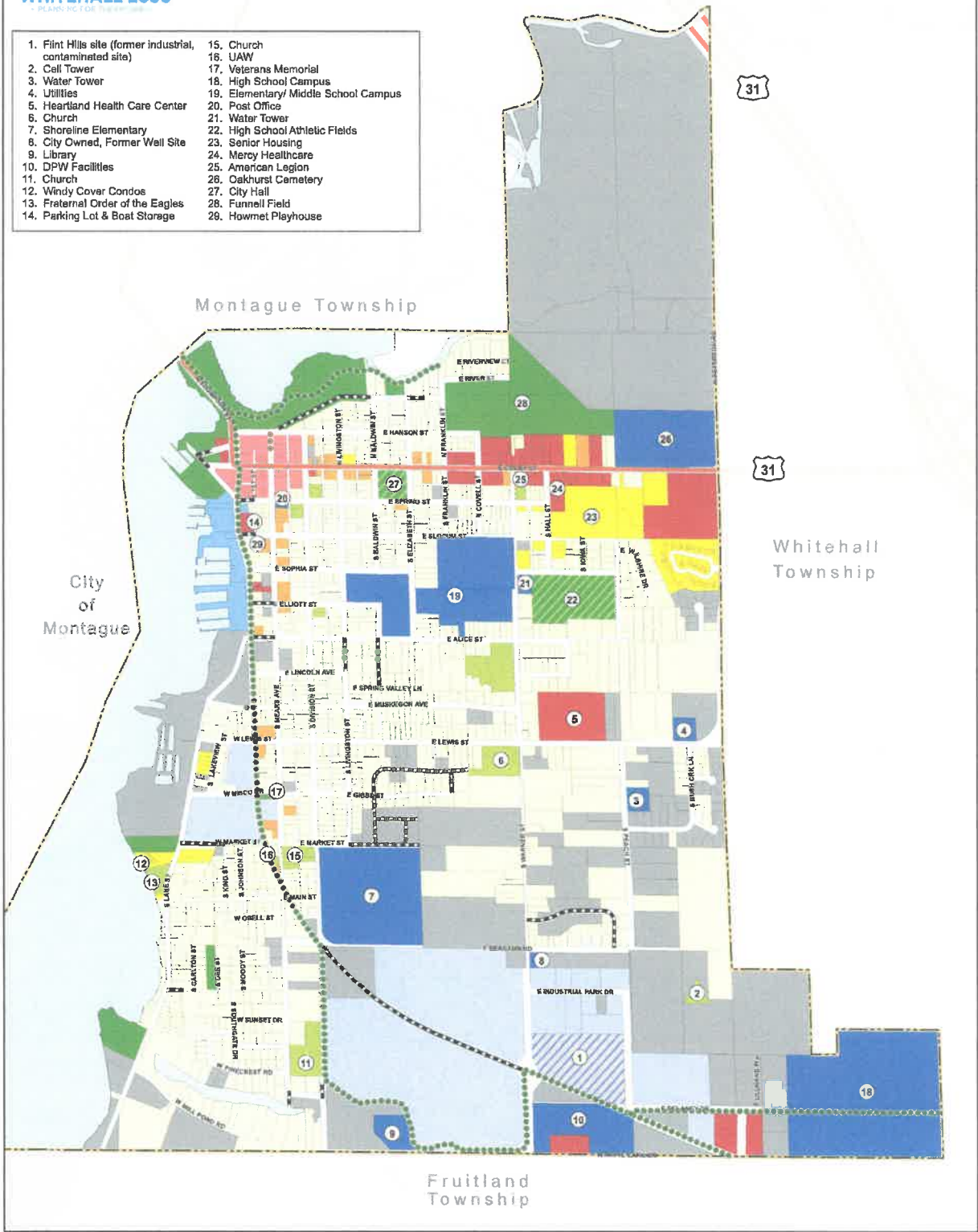
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ASSOCIATES

Base Map Source: Muskegon County GIS, 2014

LEGEND

- Green Road
- State Highway (BUS-31)
- Major City Street
- Local City Street
- Alley
- Unimproved ROW
- Bike Path / Walkway / Foot Bridge
- City Boundary

- | | |
|--|--------------------------------------|
| 1. Flint Hills site (former industrial, contaminated site) | 15. Church |
| 2. Cell Tower | 16. UAW |
| 3. Water Tower | 17. Veterans Memorial |
| 4. Utilities | 18. High School Campus |
| 5. Heartland Health Care Center | 19. Elementary/ Middle School Campus |
| 6. Church | 20. Post Office |
| 7. Shoreline Elementary | 21. Water Tower |
| 8. City Owned, Former Well Site | 22. High School Athletic Fields |
| 9. Library | 23. Senior Housing |
| 10. DPW Facilities | 24. Mercy Healthcare |
| 11. Church | 25. American Legion |
| 12. Windy Cover Condos | 26. Oakhurst Cemetery |
| 13. Fraternal Order of the Eagles | 27. City Hall |
| 14. Parking Lot & Boat Storage | 28. Funnell Field |
| | 29. Howmet Playhouse |



Map 6
Existing Land Use
City of Whitehall, Michigan
November 11, 2014

0 500 1,000
Feet



Base Map Source: Muskegon County GIS, 2014

LEGEND

Single Family Residential	City Core	Industrial	Recreation	Unimproved ROW
Multi-Family Residential	General Commercial	Public	Vacant	Bike Path / Walkway / Foot Bridge
Neighborhood Commercial	Marina Commercial	Quasi-Public	City Boundary	

Map 8
Future Land Use
 City of Whitehall, Michigan

September 25, 2014

0 500 1,000
 Feet



MCKenna
 ASSOCIATES

Base Map Source: Muskegon County GIS, 2014

LEGEND

- | | | | | | | | | | |
|--|--------------------------|--|--------------------------|--|-----------------------------|--|----------------------------------|--|---|
| | City Residential | | Multi-Family Residential | | City Core | | Private Marina | | Unimproved ROW |
| | Hamlet Residential | | Mears Ave Mixed Use | | School / Library Facilities | | Waterfront Redevelopment | | Non-Motorized Pathways
(Existing and Proposed) |
| | Suburban Residential | | Regional Commercial | | Industrial | | Parks / Public Marina / Cemetery | | |
| | Preservation Residential | | East Colby Corridor | | Medical Center | | Conservation / Agriculture | | |