CITY OF WHITEHALL, MICHIGAN TAX INCREMENT FINANCE AUTHORITY TAX INCREMENT FINANCING PLAN and DEVELOPMENT PLAN AMENDMENT Development Area Number Three

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 3 Tax Increment Finance Authorities is to halt the decline in property values, increase property tax valuation, eliminate the causes of the decline in property values, and to promote growth in a designated area of the city.

The City of Whitehall Tax Increment Finance Authority was created by resolution of the City Council on September 25, 1984 in accordance with Michigan Public Act 450 of 1980. A tax increment financing plan and development plan was adopted for Development Area Number One as a single plan in the same year. An amendment in 1985 created Development Area Number Two. The Plan was amended in 1988, twice in 1989, and again in 1992. Development Areas Number One and Number Two were combined by amendment in 1999 to create Development Area Number Three.

The intent of this amendment is to continue efforts to halt the decline of property values, increase property tax values, eliminate the causes of the decline in property values, and promote growth within Development Area Number Three. All tax increment revenues will be based upon the initial assessed values as established in the tax increment financing and development plans for Development Areas One and Two. 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 commercial, industrial, and waterfront areas; 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 streets, parking lots, streetscape design, utilities, and public gathering spaces.

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 were 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. 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 by the mayor for the unexpired term.

Members shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The Chair and Vice-chair 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 employee 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. Prepare an analysis of economic changes taking place in the City as those changes relate to urban deterioration.
- B. Study and analyze the impact of growth upon the Development Area.
- C. Propose, plan, and implement the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of public facilities, existing buildings, or multiple family dwelling units which may be necessary or appropriate to the execution of the Plan which, in the opinion of the Board, aids in the revitalization and growth of the development area. Public facility is defined as a street, plaza or pedestrian mall, and any improvements to a street, plaza, boulevard, alley or pedestrian mall, including street furniture and beautification, park, parking facility, recreation facility, playground, school, library, public institution or administrative building, right of way, structure, waterway, bridge, lake, pond, canal, utility line or pipeline, transit oriented development, transit oriented facility, and other similar facilities and necessary easements for these facilities and dedicated for use by the public generally or used by a public agency. Public institution or administration building includes, but is not limited to, a police station, fire station, court building, or other public safety facility.
- D. Propose, plan, and implement an improvement to a public facility to comply with the barrier free design requirements of the state construction code.
- E. Develop long range plans in cooperation with the Whitehall Planning Commission to halt the decline of property values and promote growth in the Development Area and take steps necessary to implement the Plan.

- F. Implement any plan in the development area necessary to achieve the purposes of this Plan.
- G. Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.
- H. Acquire by purchase or otherwise, on terms and conditions and in a manner the Board considers proper, own, convey, demolish, relocate, rehabilitate, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in real or personal property, which the Board determines is reasonably necessary, and to grant or acquire licenses, easements, and options.
- I. Improve land, prepare building sites, including the demolition of existing structures and construct, reconstruct, rehabilitate, restore, preserve, equip, improve, maintain, repair, and operate any building, including any type of housing and any necessary or desirable appurtenances, within the Development Area for the use, in whole or in part, of any public or private person or corporation, or any combination.
- J. Fix, charge, and collect fees, rents, and charges for the use of any building or property or any part of a building or property under its 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.
- K. Lease any building or property or part of a building or property under the Board's control.
- L. Accept grants and donations of property, labor, or other things of value from a public or private source.
- M. Acquire and construct public facilities.
- N. Incur costs in connection with the performance of the Board's authorized functions, including but not limited to, administrative costs, architects, engineers, legal, and accounting fees.

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 a tax increment financing plan; proceeds from tax increment bonds; proceeds from revenue bonds; money obtained from any other sources approved by the City Council or otherwise authorized by law for use by the Authority or City to finance a development program; or 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.

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 downtown business district, waterfront, and industrial areas; 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.

Since the inception of the Development Area One and Two Plans in the mid 1980's, the City has been able to stimulate significant private investment and now desires to continue this revitalization and growth. The necessity of this Plan and the projects it describes are directed at making sure improvements are made, making the Area more attractive for retention and growth. Commercial, marina, and industrial growth in the Area confirm that this core of the City's economic well-being will be the foundation of future economic growth for the next two decades.

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 captured assessed value bumps up in Fiscal Year 2033/34 when the \$7M Commercial Rehabilitation Tax for 201 West Colby expires.

TABLE 1 - CAPTURED ASSESSED VALUE

\$14,510,000
\$14,945,000
\$15,394,000
\$15,855,000
\$16,331,000
\$16,821,000
\$17,326,000
\$17,845,000
\$18,808,000
\$22,432,000
\$23,105,000
\$23,798,000
\$24,512,000
\$25,248,000
\$26,005,000
\$26,785,000

ESTIMATE OF TAX INCREMENT REVENUES

Table 2 provides an estimate of the tax revenues for each year of the Plan along with other major revenue sources to provide a complete picture of the financial capabilities of the Authority. Grant funding has not been included. Tax increment and miscellaneous revenues are increased 3% per year. As noted with captured taxable value, tax increment revenue will jump above the 3% in Fiscal Year

2033/34 with the expiration of the Community Rehabilitation Tax. Community stabilization is increased 6% per year as reflective of the average annual increase over the six years preceding Fiscal Year 2024/25.

TABLE 2 - TAX INCREMENT REVENUES

	Tax Increment Revenue	Community Stabilization	Miscellaneous	TOTAL
FY24/25	\$294,300	\$1,059,000	\$95,000	\$1,448,300
FY25/26	\$303,000	\$1,123,000	\$98,000	\$1,524,000
FY26/27	\$312,000	\$1,190,000	\$101,000	\$1,603,000
FY27/28	\$322,000	\$1,261,000	\$104,000	\$1,687,000
FY28/29	\$331,000	\$1,337,000	\$107,000	\$1,775,000
FY29/30	\$341,000	\$1,417,000	\$110,000	\$1,868,000
FY30/31	\$351,000	\$1,502,000	\$113,000	\$1,966,000
FY31/32	\$362,000	\$1,592,000	\$117,000	\$2,071,000
FY32/33	\$373,000	\$1,688,000	\$120,000	\$2,181,000
FY33/34	\$459,000	\$1,789,000	\$124,000	\$2,372,000
FY34/35	\$473,000	\$1,897,000	\$128,000	\$2,498,000
FY35/36	\$487,000	\$2,010,000	\$132,000	\$2,629,000
FY36/37	\$501,000	\$2,131,000	\$135,000	\$2,767,000
FY37/38	\$516,000	\$2,259,000	\$140,000	\$2,915,000
FY38/39	\$532,000	\$2,394,000	\$144,000	\$3,070,000
FY39/40	\$548,000	\$2,538,000	\$148,000	\$3,234,000

TAX INCREMENT PROCEDURE

Public Act 57 authorizes and encourages a broad range of activities to halt the decline in property values, increase property tax valuation, eliminate the causes of the decline in property values, and to promote growth in a designated development area. 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, bonded indebtedness to be incurred by the Authority will be capped at \$10,000,000. 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 \$124,000 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, requiring a budget of \$130,000 in the first year of this Plan. 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 to be 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 Tax Increment 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.

SURPLUS FUNDS

Surplus funds may be retained by the Authority for the payment of principal and interest on outstanding bonds or for other purposes as determined by the Board to further the development program. Surplus funds not used for either purpose or as an annual budgetary item shall revert proportionately to the respective local taxing jurisdictions.

DEVELOPMENT PLAN

BOUNDARIES

The boundaries of the District and Development Area are identical and can be described generally and as they relate to highways and streets as the north side of Hanson Street commencing at the intersection of Hanson Street and Livingston Street heading west in a straight line to the water's edge of White Lake then running south along the shoreline of White Lake to a point due west of a straight line from the south side of Lewis Street heading east along that same extended line to the east side of the now vacated alley located east of Lakeview Street then running south to the north side of Misco Drive turning west to the west side of Lake Street then going south to the south side of Market Street running east to the old railroad right of way then turning southeast to run along the western edge of the same railroad right of way then turning due south after crossing Main Street to run along the east side of Mears Avenue to the south side of Benston Road turning east to the west side of Division Street right of way going south as the right of way becomes Zellar Road and continuing south to the north edge of White Lake Drive which then heads east approximately 3,920 feet before turning north and matching up with the east side of Peach Street to the north side of Benston Road at which point the boundary heads to the west from the west side of Division Street then turning north and running to the north side of Market Street turning west to the east side of Mears Avenue going north to Misco Drive at which point it turns west to the east side of the old railroad right of way turning to the north to the south side of Alice Street continuing north but now along the east side of Lake Street turning east along the south side of Spring Street then north along the east side of Livingston Street back to the point of beginning.

The Development Area is large and beyond the scope of a legal description. The boundaries are depicted on Map 4 located in the Appendix. When describing an avenue, road, or street, the description is inclusive of the public right of way and not limited by paved surfaces.

STREETS, PUBLIC FACILITIES, and LAND USE

The Development Area includes Benston Road, Colby Street, Division Street, First Street, Hanson Street, Industrial Park Drive, Johannah Street, Lake Street, Lakeview Street, Lewis Street, Lincoln Street, Market Street, Mears Avenue, Misco Street, Muskegon Avenue, Peach Street, River Street, Spring Street, Thompson Street, Warner Street, White Lake Drive, and Zellar Road. Appendix Map 5 depicts the Road System.

Communication, electric, natural gas, sanitary sewer, storm sewer, and water utilities exist throughout the Development Area within public rights of way and private easements. The City was in the process of updating its sewer and water asset plans with associated maps identifying the location of these systems at the time of this Amendment adoption. These maps are no en included in the Appendix.

Existing land use on the northern end of the Development Area is a mix of commercial, recreational, and waterfront. Industrial and multi-family residential share the middle section while the southern end is predominantly industrial. Existing land uses are depicted on Map 6 in the Appendix. Map 8 shows that there is very little change from existing to proposed land uses.

The North Mears Promenade is the focal point of pedestrian gathering in the downtown. It features a winter sledding hill, firepit, seating accommodations, WIFI, electronics charging station, and an adult beverage social district. The Promenade hosts numerous community events, year-round. A soon to be completed pocket park will complement the Promenade with additional seating, landscaping, a public restroom, and public art. The West Colby Connector is scheduled for completion in 2025. This converted street will connect the downtown with the waterfront for pedestrian use only. The Connector will include a community stage, seating, landscaping, game tables, and a public restroom.

While the City maintains a large and robust park system, Goodrich Park and the city-owned White Lake Municipal Marina are the only two recreational public facilities within the Development Area. Park and school facilities are shown on Appendix Map 7.

CAPITAL IMPROVEMENTS

Sidewalk replacement and repairs will be in the neighborhood of \$40,000 per year on an as needed basis. The Board anticipates \$24.8M in capital improvements over the next 15 years as listed below in prioritized order. These have been adjusted to include 5% annual inflation up to the construction year.

FY 2025/26

• Lake Street Sanitary Sewer Lift Station - Relocate and replace Lift Station #2 and 5,860 feet of sewer main from the lift station to County M Station. Purchase two backup generator units. The Sewer Fund will cover half of the estimated cost. \$2,435,000

FY 2027/28

• Benston Road Improvements - Reconstruct Benston with curb and gutter from Mears Avenue to Peach Street to include the replacement of the sanitary sewer force main. \$2,080,000

FY 2028/29

• Industrial Park Drive and Peach Street - Reconstruct Industrial Park and Peach. \$1,220,000

FY 2029/30

- Downtown Street Improvements Reconstruct Livingston and Division streets from Hanson Street to Spring Street. \$1,060,000
- White Lake Pathway Restroom Construct a public restroom and bicycle repair station adjacent to the White Lake Community Library. \$320,000

FY 2031/32

• White Lake Pathway Resurfacing - Resurface 2.2 miles from Hanson Street to Delaney Drive. \$2,450,000

FY 2033/34

 White Lake Municipal Marina Docks - Replace 1,670 feet of concrete docks with floating docks. Install culvert in southwest corner to provide flow through to eliminate algae buildup. \$4,660,000

FY 2036/37

• Public Works Facility - Construct a new single building for vehicle and equipment storage. \$8,560,000

FY 2037/38

- White Lake Pathway Bridge Replace and raise the span crossing Lake Street at Bush Creek to allow two lanes of traffic and large vehicle access under the bridge. \$570,000
- Muskegon Avenue Pedestrian Bridge Remove the existing pedestrian bridge. \$190,000

FY 2038/39

- Goodrich Park Expansion Acquire 120 North Thompson. \$754,000
- First Street Parking Lot Stairs Construct stairs connecting the parking lot to Lake Street and the waterfront. \$500,000

OPEN SPACES

Goodrich Park along with the soon to be completed West Colby Connector and Downtown Pocket Park will be left as open spaces for passive recreation, public gathering and events, shoreline walkways, public restrooms, and the municipal marina. The North Mears Promenade will be left open as a public gathering location complete with a firepit, public restrooms, winter sledding hill, and designated social district. Bush Creek from Lake Street to White Lake will remain an open space with marsh and wetlands. Near future plans include using this area as a passive public access to White Lake. The former C&O Railroad that has been converted to the White Lake Pathway will remain an open space. The 17 acre, privately owned Howmet Park will likely remain an open space that includes a ball diamond, basketball court, picnic shelter, restrooms, tennis court, and walking trails.

MUNICIPAL PROPERTY

The Authority reserves the right to sell, donate, exchange, or lease property to or from the City that will further the goals of the Plan. Specific terms will be drafted as the needs arise and projects are better defined. The Authority may explore leasing or management responsibilities for the White Lake Municipal Marina.

ZONING and STREETS

There are no contemplated changes in zoning. Colby Street between US BR31 and Lake Street will be converted to a pedestrian only walkway and gathering space. Outside of routine maintenance, reconstruction, and replacement, there are no desired changes to any other streets, street levels, intersections, or utilities.

COST OF DEVELOPMENT

The estimated cost for public improvements is \$24.8M. Annual expenditures over the fifteen-year term will be approximately \$5.2M for a combined cost of this Plan landing at \$30M. Tax increment revenues will generate \$34M, covering all anticipated costs associated with this Plan. This does not preclude the use of bonds, grants, private investment, donations, or assistance from other City funds.

TIFA PROPERTY

The Authority has no plans to lease, sell, or convey any property. Should a lease, sell, or conveyance develop during the term of this Plan, it will be done in accordance with established competitive bidding policies and ordinances as adopted by the City Council.

DISPLACEMENT

There are 59 residential units in the Development Area. An average household size of 2.19 according to the 2020 U.S. Census equates to an estimated number of 130 persons residing within the Development Area. The Plan does not call for the displacement of any families. The Board may decide to purchase residential property as they become vacant or when an owner decides to sell.

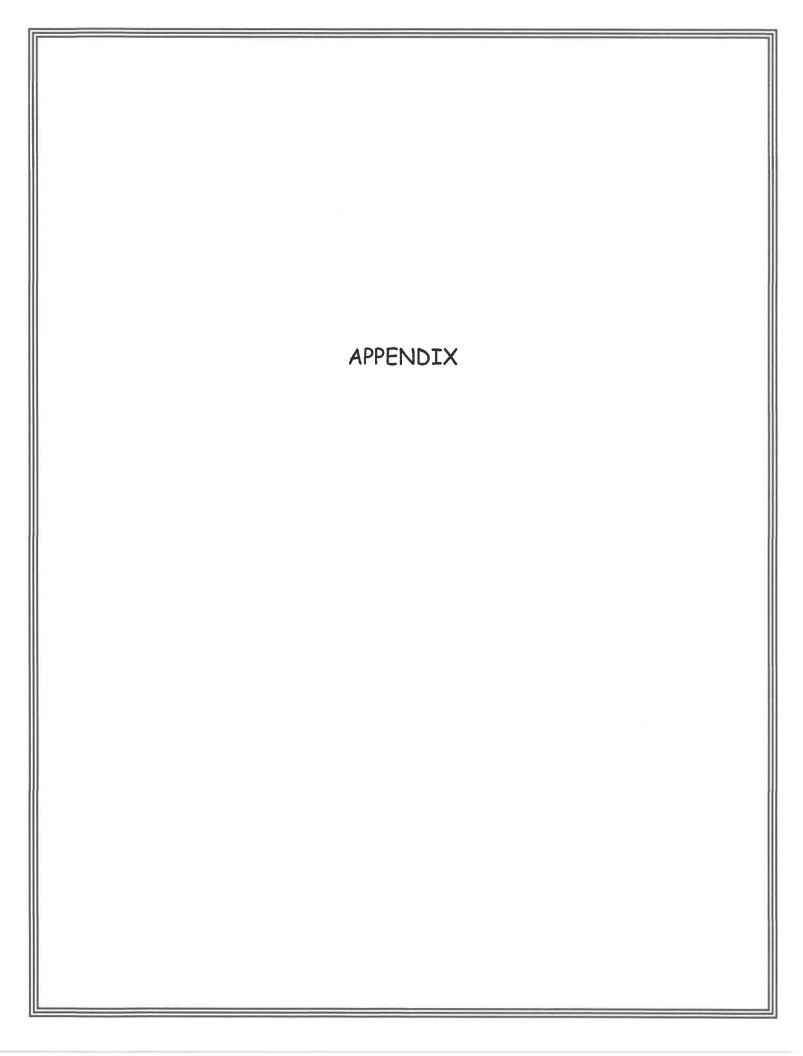
A plan establishing priority for relocation, provisions for the costs of relocating, and financial assistance and reimbursement of expenses are not applicable.

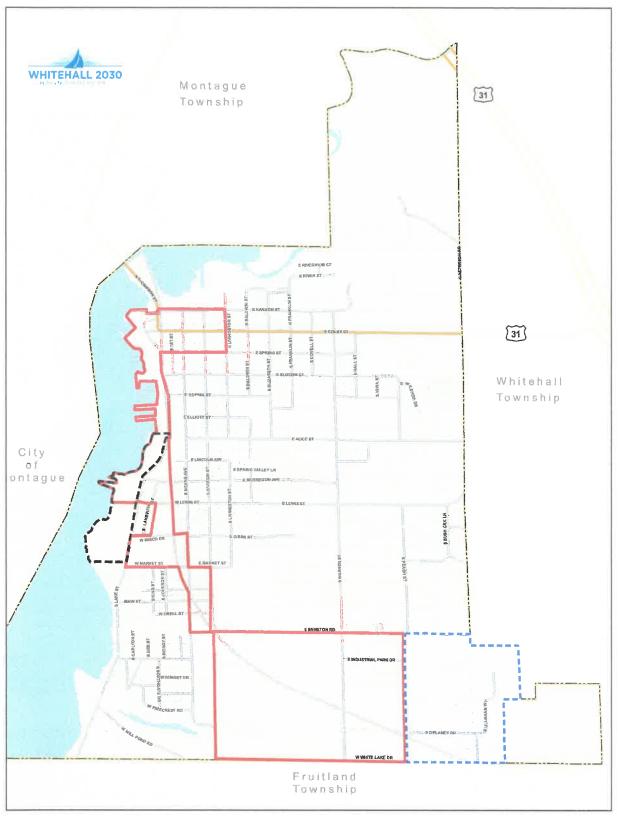
OTHER PERTINENT MATERIAL

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

CITIZEN COUNCIL

Despite more than 100 persons living within the Development District, there are no anticipated zoning changes or eminent domain takings that would require the establishment of a citizen council.





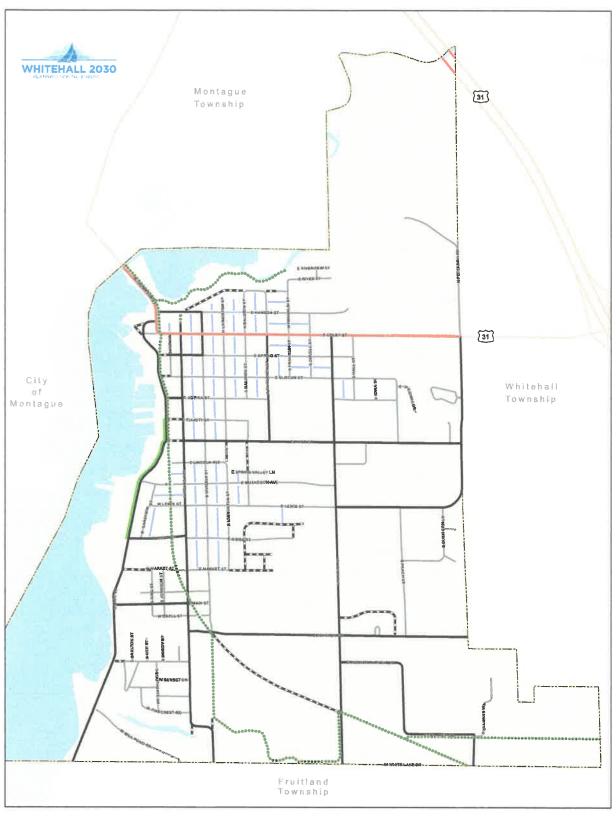
Map 4 TIF Districts

City of Whitehall, Michigan

March 12, 2015







Map 5 Road System

City of Whitehall, Michigan

September 25, 2014



LEGEND

Green Road

State Highway (BUS-31)

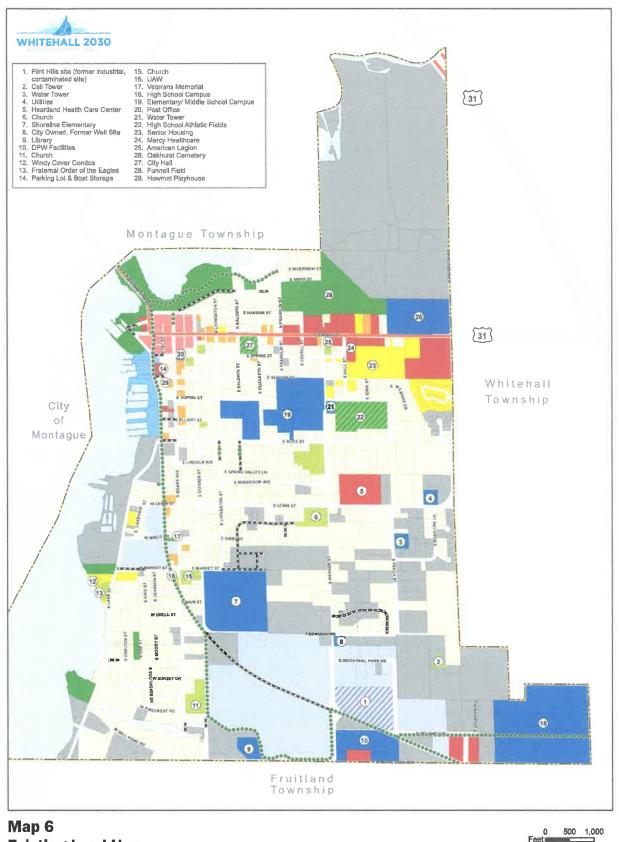
Major City Street

Major City Street

Unimproved ROW

Blke Path / Walkway / Foot Bridge

Base Map Source: Muskegon County GIS, 2014



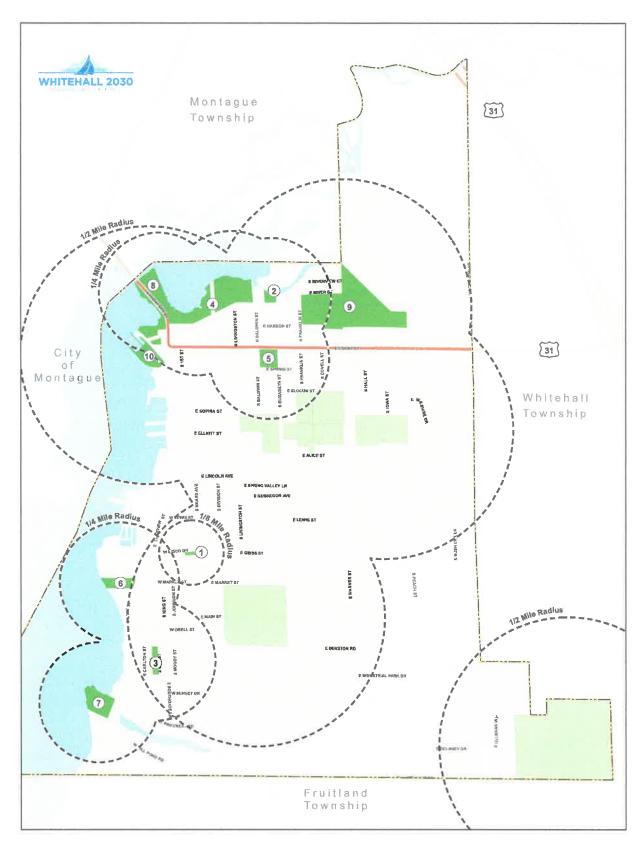
Existing Land Use

City of Whitehall, Michigan

November 11, 2014







Map 7 **Park Service Radil**

City of Whitehall, Michigan

School Facilities City Boundary

September 8, 2014

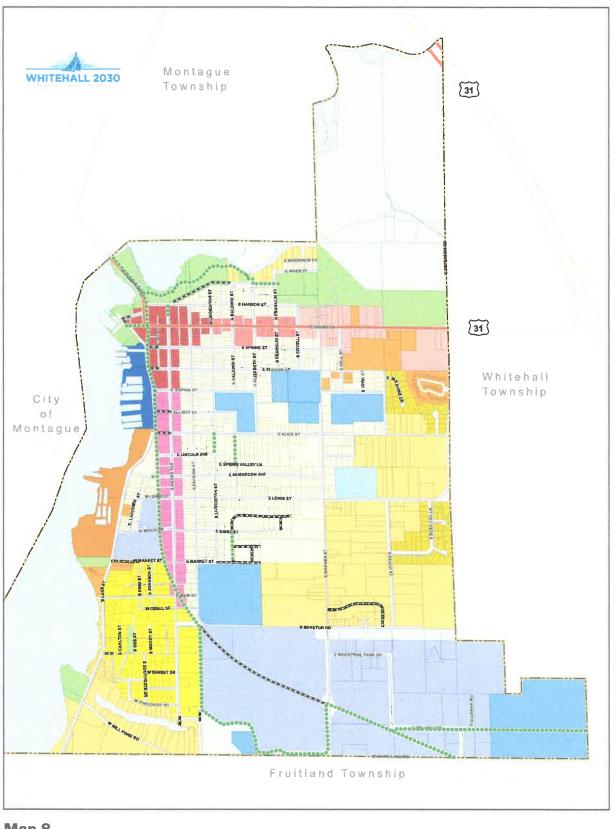




CITY PARKS LEGEND

- Veteran's Memorial
 Norman Park
 Gee Park
 Lion's Park
 Slocum Park
- 6 Svennson Park 7 Mill Pond Park 8 Covell Park 9 Funnell Field 10 Goodrich Park

Base Map Sourca: Muskegon County GIS, 2014



Map 8
Future Land Use

City of Whitehall, Michigan

September 25, 2014

Feet South 1,000 Feet MCKenna Association

