



Amended Tax Increment Financing Plan & Development Plan (2019)



Submitted by the North Quarter Corridor Improvement Authority

Table of Contents

Introduction	5
General Overview	
Powers of the Authority	
Background and Need for the Plan	
Plan Development Process	
Development Plan	10
Benefits of the Corridor Improvement District and Authority	
Legal Basis of the Plan	
Development Plan Requirements	
Development and Tax Increment Financing Plan Schedule and Budget	
Intent to Update and Extend Duration or Terminate Plan	
Reimbursement of Excess Tax Capture	
Project Descriptions	
Other Sources of Financing	
Tax Increment Financing Plan	25
Description of Current Financial Position	
Duration of the CIA and Tax Increment Financing District	
Tax Increment Financing Plan	
Appendices	
A. Resolution Number 81135, Intent to Establish the North Quarter Corridor Improvement Authority	
B. Affidavit of Notice of Public Hearing on Creation of the North Quarter Corridor Improvement Authority	
C. Resolution Number 81409, Establishing the North Quarter Corridor Improvement Authority	
D. Resolution Numbers 81604-81612, Appointing Members to the North Quarter Corridor Improvement Authority	
E. List of Affected Properties by Parcel Identification Number	
F. North Quarter Corridor Improvement District Map	
G. Projections and Taxing Jurisdiction Impact Tables	

Introduction

General Overview

In 2005, the Michigan legislature enacted Public Act 280, the Corridor Improvement Authority Act, allowing cities, villages, and townships to create an authority to:

“correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans and development areas in the districts; to promote the economic growth of the districts; to create a board; to prescribe the powers and duties of the board; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to prescribe powers and duties of certain state officials; to provide for rule promulgation; and to provide for enforcement of the act.”

With the adoption of PA 280 in 2005, many local governments have used a Corridor Improvement Authority (CIA) to stimulate economic revitalization of business districts in transition within their community. A CIA is created to establish a development plan for a previously-established Corridor Improvement District (CID). This plan outlines improvements to public or private properties that will prevent further deterioration of the district and encourage new investment. These specific plans may be funded by tax increment financing, private or corporate donations, and other grants.

In 2018, the Michigan Legislature adopted the Recodified Tax Increment Finance Authority Act, Public Act 57, MCL 125.4101 *et seq.* (“Act 57”), which replaced, among other acts, Act 280 of 2005. Part 6 of Act 57, MCL 125.4602 – 125.4629, pertains specifically to Corridor Improvement Authorities, and is the controlling legislation at the time this Amended Development and Tax Increment Finance Plan is adopted.

The CIA is able to make strategic investments in the district by using tax increment financing. Through tax increment financing, a portion of the increase in the tax base resulting from the economic growth and development to facilities, structures or improvements within a development area is reinvested in the corridor and used for infrastructure improvements and facilities enhancement, thereby reinvigorating the development area and facilitating economic growth and development. The justification for capturing the taxes is that no new investment would have been made within the district without the establishment of the CID; therefore no taxes are lost by the interested taxing jurisdictions.

Powers of the Authority

Detailed powers of the Corridor Improvement Authority board are listed below per section 611 of Act 57:

- (a) Prepare an analysis of economic changes taking place in the development area.
- (b) Study and analyze the impact of metropolitan growth upon the development area.
- (c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the development area.
- (d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.
- (e) Develop long-range plans, in cooperation with the agency that is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the development area and to promote the economic growth of the development area, and take steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.
- (f) Implement any plan of development in the development area necessary to achieve the purposes of this act in accordance with the powers of the authority granted by this act.
- (g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.
- (h) On terms and conditions and in a manner and for consideration the authority considers proper or for no consideration, acquire by purchase or otherwise, or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in the property, that the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options.
- (i) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances to those buildings, within the development area for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.
- (j) Fix, charge, and collect fees, rents, and charges for the use of any facility, building, or property under its control or any part of the facility, building, or property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.
- (k) Lease, in whole or in part, any facility, building, or property under its 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) Conduct market research and public relations campaigns, develop, coordinate, and conduct retail and institutional promotions, and sponsor special events and related activities.

(o) Contract for broadband service and wireless technology service in a development area.

(2) Notwithstanding any other provision of this act, in a qualified development area the board may, in addition to the powers enumerated in subsection (1), do 1 or more of the following:

(a) Perform any necessary or desirable site improvements to the land, including, but not limited to, installation of temporary or permanent utilities, temporary or permanent roads and driveways, silt fences, perimeter construction fences, curbs and gutters, sidewalks, pavement markings, water systems, gas distribution lines, concrete, including, but not limited to, building pads, storm drainage systems, sanitary sewer systems, parking lot paving and light fixtures, electrical service, communications systems, including broadband and high-speed internet, site signage, and excavation, backfill, grading of site, landscaping and irrigation, within the development area for the use, in whole or in part, of any public or private person or business entity, or a combination of these.

(b) Incur expenses and expend funds to pay or reimburse a public or private person for costs associated with any of the improvements described in subdivision (a).

(c) Make and enter into financing arrangements with a public or private person for the purposes of implementing the board's powers described in this section, including, but not limited to, lease purchase agreements, land contracts, installment sales agreements, sale leaseback agreements, and loan agreements.

Background and Need for the Plan

The City of Grand Rapids City Commission adopted Resolution Number 81409 after a formal public hearing on May 15, 2012. That resolution legally formed the North Quarter Corridor Improvement Authority for the business districts of Cheshire Village, Creston, and a portion of Monroe North. On July 10, 2012, the City Commission appointed members to the Corridor Improvement Authority for the North Quarter. In this resolution, it was determined that a CIA was necessary to:

- (a) Correct and prevent deterioration in these business districts
- (b) Encourage historic preservation
- (c) Promote economic growth

The specific goals of the CIA are to:

- (a) Encourage the recruitment and retention of businesses and employment
- (b) Provide direction for desired land use and development within the district

- (c) Improve the overall business climate of the district and deter economic decline
- (d) Expand the tax base for the district and for the city
- (e) Enhance the visual aspects of the district while preserving its unique qualities

On December 4, 2012, after being prepared and recommended by the North Quarter CIA, the City Commission approved the Tax Increment Finance and Development Plan (the "Plan") of the North Quarter CIA, via Commission Proceeding Number 82001. The Plan included all of the items required by law, including a detailed explanation of the tax increment financing procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program. The Plan also contained a statement and projection of the estimated impact of tax increment financing on the assessed values of all the taxing jurisdiction in which the development area is located.

The initially approved plan is now being amended as provided in Act 57, Section 602(m), which states:

(m) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the resolution establishing or amending the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. The initial assessed value may be modified once during the term of the tax increment financing plan through an amendment as provided in section 618(4) after the tax increment financing plan fails to generate captured assessed value for 3 consecutive years due to declines in assessed value. Property exempt from taxation at the time of the determination of the initial or amended assessed value shall be included as zero. For the purpose of determining initial or amended assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in section 603(e).

The North Quarter CIA has experienced three consecutive years of negative captured assessed value and is therefore eligible to have the initial value modified through an amendment to its Plan as approved by the City Commission of the City of Grand Rapids.

Plan Development Process

For many years, North Quarter volunteer stakeholders have worked on a variety of initiatives. Residents, property owners, business owners, nonprofit organizations, and other stakeholders met regularly to articulate their vision for the North Quarter. Their goals are thriving business districts, safe neighborhoods, quality public spaces, and enhanced private development. The North Quarter Steering Committee met between 2010 and 2012 and determined that a Corridor Improvement District was a reasonable option to begin to implement that vision.

This area has a history of development plans that begin in 2003 with a business owner survey in the Cheshire Village business district. In 2004, Michigan State University Urban and Regional Planning Practicum students created a Commercial Revitalization Report for the Creston business district with the help of many stakeholders. In 2007, two separate plans were created with the help of Creston Neighborhood Association, the Creston Neighborhood Master Plan for Our Community (in March) and the Creston Business District Work Plan (in October). These were created after multiple stakeholder and neighborhood work sessions to revitalize both the neighborhood and the commercial corridor. The North Quarter Steering Committee was formed as a direct result of the Creston Business District Work Plan and met monthly for nearly two years leading up to the establishment of the CIA. In March 2010, the Steering Committee first approached Neighborhood Ventures to prepare a Corridor Improvement District feasibility study which was completed in August of that same year. The outcome was that a CID was a viable option for revitalization and economic growth in the North Quarter.

A North Quarter Corridor Improvement District Proposal was developed and a request to create a Corridor Improvement Authority was delivered to the Grand Rapids City Commission in February of 2012. The resolution to create the CID was approved by the City Commission in May and the CIA was appointed in July. The Development Plan and Tax Increment Financing Plan were a direct result of stakeholder involvement in district revitalization plans that spanned nearly a decade.

The original Plan remains largely relevant for the CIA. The purpose of the amendment to the Plan is to establish a new initial taxable value as permitted by Act 57 which will allow the CIA to begin capturing tax increment revenues to fund its projects. In addition to amending the initial taxable value, the North Quarter board reviewed and updated its project list, and amended the Plan to reflect the recodification of Act 280 into Act 57. Finally, the Amended Plan also extends the duration of tax capture for 30 years, or until 2049.

Development Plan

Benefits of the Corridor Improvement District and Authority

The North Quarter Corridor Improvement Authority recognizes the benefits to the district and to the City of Grand Rapids. The mission of the Authority is, “to create and sustain a vibrant culture of activity and investment in the Cheshire, Creston and North Monroe Neighborhoods.” This Amended Development Plan is a formal document to outline the priorities and goals of the Authority. The Corridor Improvement District Proposal and request to create a Corridor Improvement Authority states that a CID:

- (a) Utilizes TIF to complete improvement projects according to the approved TIF plan while leveraging other dollars such as earned income and private, state, federal and philanthropic monies for district improvements
- (b) Generates a clear plan to improve the district, implemented by an empowered neighborhood stakeholder-government partner framework – a proven national method for success
- (c) Creates access to additional programs and incentives to businesses such as special approval of liquor licenses within city development districts
- (d) Establishes a cohesive district which fosters business investment from existing entrepreneurs and attracts complementary new business growth
- (e) Encourages job creation, which produces more jobs for neighborhood residents and generates additional income tax revenue
- (f) Encourages surrounding property improvements, increasing values of neighboring properties thus generating more property tax revenue
- (g) Promotes greater interest in mixed-use development, broadening business location and residential housing options and increasing the tax base
- (h) Brings more people into the district to shop for goods and services, thus generating more repeat customers for neighborhood businesses and increasing sales tax revenue
- (i) Stimulates new commercial development in a neighborhood where additional private sector investment opportunity exists
- (j) Improves the climate of community and economic development for residents and businesses alike
- (k) Contributes to a healthy neighborhood which has the potential to decrease crime or the perception of crime, and increase public safety
- (l) Creates an improved commercial core and public space that is appealing to neighborhood residents encouraging “pride in place” and visitor attraction
- (m) Retains and empowers residents who can access jobs, goods and services in a walkable or transit oriented neighborhood
- (n) Creates an outreach and coordination mechanism at the neighborhood level for City-financed projects
- (o) Creates a public-private partnership with the City that enhances community neighborhood input to improve the district

Legal Basis of the Plan

This Development Plan and Tax Increment Financing Plan is prepared pursuant to requirements of Sections 621 and 618, respectively, of Act 57 of 2018. It addresses the geographic area of the Corridor Improvement District as established by the City Commission. A descriptive map, resolutions establishing the CID and forming the CIA and Ordinance, including the legal description describing the CID are contained in the appendices.

Development Plan Requirements

This section of the Development Plan provides specific information required in Section 621 of the Act 57. It consists of information requested in subsections 2(a) through 2(r).

Section 621. 2(a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

The CIA is the same as the boundary established by City Commission Resolution Number 81409 adopted on May 15, 2012 and with the proposed area encompassing Monroe Avenue and Taylor Avenue from Colfax Street south to Coldbrook Street, Coldbrook Street east to Plainfield Avenue, and Plainfield Avenue north to Beechwood Street. A copy of the boundary map is contained in Appendix F.

Section 621. 2(b) The location and extent of existing streets and other public facilities within the development area, designating 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 shall include a legal description of the development area.

The CIA boundary is the same as the boundary established by City Commission Resolution Number 81409 adopted on May 15, 2012. The parcel area represented at the time of adoption was comprised of 50.72% Commercial, 29.38% Industrial, 5.60% Residential, and 14.30% Institutional.

The legal description is as follows:

Commencing at parcel number 41-13-13-430-002 on the east side of Monroe Avenue and parcel number 41-13-13-476-001 on the west side of Monroe Avenue and including all lots and parcels abutting Monroe Avenue southward to parcels 41-13-24-227-013 on the east side of Monroe Avenue and parcel 41-13-13-476-013 on the west side of Monroe Avenue.

Commencing at the intersection of Leonard Street and Monroe Avenue including all lots and parcels abutting Leonard Street eastward to parcel 41-14-18-382-018 on the north side of Leonard Street and 41-14-19-103-001 on the south side of Leonard Street.

Commencing at parcel number 41-14-18-303-026 on the east side of Taylor Avenue and parcel number 41-13-13-430-004 on the west side of Taylor Avenue and including all lots and parcels abutting Taylor Avenue southward to parcels 41-14-19-101-006 on the east side of Taylor Avenue and parcel 41-13-24-229-008 on the west side of Taylor Avenue.

Commencing at the intersection of Monroe Avenue and Coldbrook Street including all lots and parcels abutting the north side of Coldbrook Street eastward to parcel 41-14-19-102-013 on the north side of Coldbrook Street.

Commencing at the intersection of Leonard Street and Ionia Avenue including all lots and parcels abutting Ionia Avenue southward to parcel 41-13-24-227-008 on the west side of Ionia Avenue and 41-13-24-229-013 on the east side of Ionia Avenue.

Commencing at the intersection of Plainfield Avenue and Coldbrook Street including all lots and parcels abutting Plainfield Avenue northward to parcel 41-14-07-279-011 on the west side of Plainfield Avenue and 41-14-08-154-001 on the east side of Plainfield Avenue.

Commencing at the intersection of Plainfield Avenue and Caledonia Street including all lots and parcels abutting the north side of Caledonia Street westward to parcel 41-14-18-307-040 on the north side of Caledonia Street.

Commencing at parcel number 41-14-18-306-012 on the north side of Quimby Street and parcel number 41-14-18-307-022 on the south side of Quimby Street including all lots and parcels abutting Quimby Street eastward to parcels 41-14-18-332-011 on the north side of Quimby Street and parcel 41-14-18-334-016 on the south side of Quimby Street.

Also including the following parcels: 41-14-18-334-015 on Spencer Street, 41-14-18-307-042 on Coit Avenue, 41-14-07-477-001 on Eleanor Street, 41-14-07-477-002 on Edgewood Avenue, and 41-14-07-431-030 on Halena Street.

See district map in Appendix F

See district parcel list in Appendix E

Section 621. 2(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.

A description of specific improvement projects that are contemplated within the development area is contained in the project schedule and budget at the end of this section. The cost and time estimates included in the project schedule and budget are estimates only and may be revised by the Authority board without amending this Plan.

Section 621. 2(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.

A description, including cost estimate and schedule of implementation, for each improvement project that will be completed within the area is contained in the project schedule and budget at the end of this section. The cost and time estimates included in the project schedule and budget are estimates only and may be revised by the Authority board without amending this Plan.

Section 621. 2(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

A description, including cost estimate and implementation schedule for each specific improvement project that will be completed within the area is contained in the project schedule and budget at the end of this section. The time estimates included in the project schedule are estimates only and may be revised by the Authority board without amending this Plan.

Section 621. 2(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

This plan contemplates the addition of pocket parks, the addition of a community center, and the enhancement of bus shelters, etc. Tables 1 through 4 on subsequent pages include the project descriptions.

Section 621. 2(g) A description of any portion of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and proposed terms.

A description, including real estate contemplated for acquisition and/or disposition (including cost estimates, terms and schedule for implementation) for each specific improvement contemplated within the development area is contained in the project schedule and budget at the end of this section. There is no known or identified property or real estate as of the adoption of this Plan that is necessary to complete the streetscape improvements set forth in this Plan. However, the CIA may wish to sell, donate, exchange, or lease property in the future. The Authority board reserves the right to sell, donate, exchange or lease property in the future to the extent determined necessary by the Authority board without further amendment to this Plan.

Section 621. 2(h) A description of desired zoning changes and changes in streets, street levels, intersections, traffic flow modifications, or utilities.

The intersection at Leonard and Plainfield is currently being evaluated for potential modifications. Other than this intersection, zoning changes, street layout adjustments, street level modifications, intersection and utilities changes are not contemplated at this time; except as may be proposed in the project schedule and budget at the end of this section.

Section 621. 2(i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange financing.

A description, including cost estimate for individual projects and method of financing is contained in the project schedule and budget at the end of this section. The total cost of completing all activities, projects and improvements proposed by the Authority Development Plan and to be undertaken and financed by the Authority is estimated to be **\$1,305,000**, which includes administrative expenses and contingencies. A breakdown of the estimated cost and estimated schedule for completion for each of those activities and projects is set forth in the project schedule and budget at the end of this section.

The scope of the items and improvements and the projected schedule for completion for those items and improvements described in this Plan are estimates only and may be revised from time to time by the Authority board without amending this Plan; provided, however, that such items and improvements must be completed within the term of this Plan, unless the term is amended in accordance with Act 57. Further, estimated costs for any items or improvements may be increased or decreased by the Authority board without amending this Plan based upon then-current pre-construction or pre-bid estimates of cost, as well as revised estimates of cost resulting from the receipt of bids. All operating and planning expenditures of the Authority and the City, as well as all advances extended by or indebtedness incurred by the City or other parties for improvements identified above that have been completed, are in progress, or yet to be completed, are expected to be repaid from tax increment revenues. The costs of the Plan are also anticipated to be paid from tax increment revenues as received.

The Authority expects to finance these activities from any one or more of the following sources:

- Future tax increment revenues
- Interest on investments
- Donations received by the Authority
- Proceeds from State and Federal Grants
- Proceeds from any property building or facility that may be owned, leased, licensed, operated or sold by the Authority
- Special assessments as may be approved by the City Commission

The proceeds to be received from tax increment revenues in the CID plus the availability of funds from other authorized sources will be sufficient to finance all activities and improvements to be carried out under this Plan.

Section 621. 2(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.

Information concerning the names of persons for whom benefits may accrue are unknown at this time as final development plans and projects have yet to be prepared. Therefore, such information is unavailable.

Section 621. 2(k) The procedure 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 to these persons.

The CIA Board has no publicly announced commitments for the acquisition or sale of property as it has no property under supervisory responsibility of the CIA at this time. The CIA in conjunction with the City Commission may discuss policies to explore acquisition of tax reverted property should properties within the CIA District become available for acquisition by the City through tax reversion procedures.

It is not a priority of the CIA to acquire private property unless it advances a public improvement project or is necessary for economic development purposes. Any property acquired or held by the CIA, to be sold, leased, or otherwise conveyed to private development interests shall be sold, leased, or otherwise conveyed in accordance with local municipal policy, terms, and conditions to be established by the CIA, and state law, if applicable. At the time of the adoption of this plan, no private parties have been identified to whom land for redevelopment will be sold, leased, or otherwise conveyed; however, the CIA may convey such property to presently undetermined private parties for redevelopment for appropriate uses.

Section 621. 2(l) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

As of the most recent decennial census (2010), the estimated population of the surrounding neighborhoods of Creston and Belknap Lookout was 28,448. No relocation of families or individuals is anticipated within the scope of the proposed Development Plan or Tax Increment Finance Plan.

Section 621. 2(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

No relocation of families or individuals is anticipated within the scope of the proposed Development Plan or Tax Increment Financing Plan.

Section 621. 2(n) Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incidental to the transfer of title, in accordance with the standards and provisions of the uniform relocation assistance and real property acquisition policies act of 1970, Public Law 91-646, 84 Stat. 1894.

No relocation of families or individuals is anticipated within the scope of the proposed Development Plan or Tax Increment Financing Plan.

Section 621. 2(o) A plan for compliance with 1972 PA 227, MCL 213.321 to 213.322.

No relocation of families or individuals is anticipated within the scope of the proposed Development Plan or Tax Increment Financing Plan.

Section 621. 2(p) The requirement that amendments to an approved development plan and tax increment plan must be submitted by the authority to the governing body for approval or rejection.

In accordance with Act 57, the Authority reserves the right to amend this Plan to add new improvement projects, extend the duration of the Plan, or for other lawful purposes. Any amendments to the Plan shall be approved by the Authority and the Grand Rapids City Commission in accordance with the requirements of Act 280.

Section 621. 2(q) A schedule to periodically evaluate the effectiveness of the development plan.

An annual report shall be submitted to each entity for which taxes are captured addressing use of CIA funds during the past budget year, status of implementation of the program of work set forth in the Development Plan and proposed CIA activities for the ensuing year. Any changes from this Development Plan will be addressed and changed by action of the City Commission as part of this annual review of CIA activities. Amendments to the Development Plan and Tax Increment Financing Plan would be completed in compliance with notification and public hearing procedures of Section 622 prior to action of the City Commission.

Section 621. 2(r) Other material which the authority, local public agency, or governing board considers pertinent.

This Development Plan contemplated the use of tax increment financing. The Authority will comply with the City Commission's Policy on Corridor Improvement Authorities and Districts, as amended.

Exemption of Inflationary Valuation Increase from TIF Capture

Pursuant to Section 618 (1), the CIA may exclude from the tax increment financing plan captured growth in property value resulting solely from inflation. The CIA, by the terms of the agreement with the City, and the formation ordinance will capture inflationary growth with the following stipulations:

“In a year in which the inflation rate as defined in, and calculated pursuant to, Section 34d of the General Property Tax Act, Act 206 of the Public Acts of Michigan of 1893, as amended (MCL 211.34d) exceeds 5%, the City Commission may direct that the captured assessed value upon which tax increment revenues are calculated pursuant to a Corridor Improvement Development Area Plan be capped at the amount of captured assessed value attributable to “additions” as defined in State Tax Commission Bulletin No. 3 of 1995 as currently interpreted by applicable law, plus taxable value attributable to the uncapping of prior taxable value plus not more than 105% of the prior year's captured assessed value.”

-City Commission Policy 900-49, rev. 01/27/09

Other Exemptions or Tax Sharing

Pursuant to Section 618(3) and this Plan, the CIA may enter into agreements with the taxing jurisdictions levying ad valorem property taxes that would otherwise be subject to capture to exempt these taxes from capture, in whole or in part.

The North Quarter CIA will capture taxes levied against real property, and no other taxes (i.e. personal property tax). Therefore, tax increment revenues will be derived only from *ad valorem* real property tax, and any *specific local tax* that is levied against real property in lieu of *ad valorem* taxes that are permitted to be captured by the Authority pursuant to Section 603(e) of Act 57, (i.e. taxes levied pursuant to Act 198 of 1974, Act 255 of 1978, Act 385 of 1984 and Act 189 of 1953, as of the time of approval of this Plan). Any other tax levied against personal property, whether industrial, commercial, a specific local tax, or otherwise, is specifically exempted from capture under this Plan.

Further, a tax levy approved, after the date of approval of this plan, by the electors of the taxing unit levying the tax (i) for the sole purpose of repaying bonds, notes or other debt identified in the ballot proposal, (ii) for a specified purpose other than the payment of general operating expenses and for a specific time period identified in the ballot proposal, provided, the levying of the tax has not resulted in the reduction of the taxing unit's general operating

millage except to the extent that such reduction is required by the State Constitution or statutory requirements, and (iii) for use to pay for specific capital improvements and for a specific time period identified in the ballot proposal, provided the levying of the tax has not resulted in the reduction of the taxing unit's general operating millage except to the extent such reduction is required by the State Constitution of statutory requirements shall be exempt from the capture of tax increment revenues, *provided, however*, in the case of an elector approved renewal of a tax levy that was subject to capture on the effective date of this Plan Amendment and which would be exempt from capture as provided above, only the portion of the tax levy above the previously approved levy is exempt from the capture of tax increment revenues.

Finally, upon approval of the original Plan by the City, the City provided notice to the taxing units as required by MCL 125.4618(5). Kent County and Grand Rapids Community College (GRCC) have both previously passed resolutions exempting their tax levies from capture under this Plan, such resolutions taking effect in 2013, and remaining in effect until such time as a resolution rescinding the action is submitted; therefore, neither Kent County nor GRCC taxes are included in the projections attached to this Plan.

Development and Tax Increment Financing Plan Schedule and Budget

The duration of this plan is a 30-year period. On the following pages specific projects addressing CIA goals are described. Each project includes estimated cost and time of completion. The schedule begins in the year 2018 and ends in the year 2048. Projects have been listed based on estimated time of completion.

Intent to Update and Extend Duration or Terminate Plan

On or before the year 2048, the authority will consider action to update and extend the duration of the Development Plan and Tax Increment Financing Plan or make recommendations to terminate the plans and rescind City Resolution 81409 creating the authority. Rescission of the resolution would dissolve the authority and eliminate the accompanying tax increment financing district; provided, however, that in accordance with Act 57, the authority shall not be dissolved if there is outstanding indebtedness of the authority.

Reimbursement of Excess Tax Capture

If CIA revenues exceed the anticipated needs of all projects listed in the development plan and budget, excess revenue shall revert proportionately to the respective taxing bodies (Section 619(2)).

Project Descriptions

This Development and Tax Increment Financing Plan arranges projects in the four categories used by the National Main Street Model (Design, Economic Restructuring, Organization, and Promotions/Marketing) and provides for a general timeframe for completion.

Design. Design enhances the character of the corridor through physical change. Research shows the significant daily traffic count along the corridor. Stakeholders have identified exploring how to incorporate new and innovative features to slow traffic, encourage people to stop and visit, and ultimately invest in the district. Furthermore the aesthetics of the North Quarter are important to stakeholders. There is a current lack of greenery, trees, and public spaces throughout the commercial corridors. Stakeholders would like to see an inviting district that is a destination place.

Economic Restructuring. Economic restructuring re-establishes the neighborhood business district as the commercial core of the community. Commercial property code enforcement, filling vacant buildings, façade improvement, and infill development on vacant parcels are essential to a healthy district. Strong businesses and a viable business mix are also critical. Stakeholders would like to see business recruitment programs and a revolving micro-loan fund in place to assist with this effort. They believe that offering business incentives and enhancing cooperative marketing and branding are key to attracting new business and development to the district.

Organization. Organization ensures that the work of commercial corridor revitalization is accomplished through fundraising and volunteer development. Organizational activities can be carried out by the Corridor Improvement Authority. It is suggested by the North Quarter CID Steering Committee that the Authority Board will function in the organizing role similar to that used in the Main Street model and form committees for promotions, design, and economic restructuring.

Promotions/Marketing. Promotions reinforce the commercial corridor as the social core of the neighborhood and strengthen a positive image. Currently, business owners in the North Quarter have been participating in many of the events that the North Quarter Marketing Committee has planned and promoting themselves as a district through small cooperative marketing initiatives, including partnering in 2011 with the Creston Car Show. However, the North Quarter currently lacks the funding and stability necessary for sustainable events and marketing. Marketing and branding a district is essential to draw in a strong customer base, helping businesses thrive and creating a unique gathering place for residents and visitors. It has been stressed by neighborhood stakeholders that a comprehensive strategy should be developed and implemented to assist in creating a thriving North Quarter. Critical components of this strategy would be the intentional positive promotion of the North Quarter to Grand Rapids and the region in general through a variety of opportunities for cooperative marketing.

The following tables summarize the various projects and activities proposed, including an estimated cost and completion date for each. As noted previously, the costs and completion dates are estimates only and are subject to change without further amendment to this Plan. These dates and estimates may vary because of private investment decisions, financing opportunities, market shifts or other factors.

Table 1: Projects Anticipated in Design

Project	Estimated Cost	Estimated Completion
Short Term Projects		
Install bike racks	\$10,000	2019-2020
Encourage transparency of store-front windows	\$1,500	Ongoing
Purchase and install recycling containers	\$5,000	2019-2022
Create and implement a greening plan	\$10,000	ongoing
Create and implement corridor signage plan	\$5,000	ongoing
Improve crosswalks (ADA access, flashing signals)	\$10,000	2021-2023
Become dog-friendly with clean-up stations and dog park	\$5,000	2021-2022
Bury certain utilities	\$20,000	2021-2020
Connect corridor with Grand River	\$20,000	2021-2020
Gather information on options for traffic calming measures	\$2,000	ongoing
Work with community on bike lanes/shared lanes options	\$5,000	2022-2023
Work with business owners and community banks on façade improvement program	\$2,000	2020-2022
Fund street planters	\$15,000	2020-2022
Electricity for islands	\$25,000	2020-2022
Increase connectivity to the Downtown Business District	\$20,000	ongoing
Implement safe walking to routes to school	\$3,000	2020-2022
Enhance handicap parking and create handicap accessibility on sidewalks	\$5,000	2020-2022
Medium Term Projects		
Create and mount North Quarter banners on poles (general, seasonal, event based, etc.)	\$15,000	2019-2022
Gather information on options for traffic calming measures	\$2,000	ongoing
Work with business owners and community banks on façade improvement program	\$2,000	2020-2022
Enhance bus stops/shelters and public benches	\$5,000	2022-2023
Plan and create to implement any other advances in transportation	\$5,000	2022-2023
Install wayfinding signage and district kiosks	\$10,000	2022-2023
Place enhanced trash receptacles on sidewalks	\$10,000	2022-2023
Install historic markers and coordinate other preservation initiatives	\$10,000	2022-2023
Work with local artists to introduce more public art	\$5,000	Ongoing
Improve parking lots (permeable paving, rain gardens, signage)	\$10,000	2021-2023
Improve crosswalks (ADA access, flashing signals)	\$10,000	2021-2023
Add district wide compost bins	\$10,000	2021-2023
Become dog-friendly with clean up stations and dog park	\$5,000	2021-2022
Connect corridor with Grand River	\$20,000	2020-2021
Purchase and install recycling containers	\$5,000	2019-2022
Create space for community garden	\$3,000	2019-2021
De-pave certain resting areas within the corridor	\$10,000	2020-2023
Long Term Projects		

Add ornamental street lighting	\$30,000	2020-2025
Analyze surface treatments for street and sidewalk	\$5,000	2020-2043
Incentivize developers to build infill buildings	\$20,000	2020-2043
Create community amphitheater	\$75,000	2020-2030
Build pocket parks and public fountains	\$25,000	2020-2043
Install public drinking fountains/underground irrigation for planters/green space	\$25,000	2020-2043
Build public restrooms with diaper changing stations in parks	\$50,000	2025-2030
Evaluate snow melt system/heated sidewalks	\$5,000	2020-2043
Evaluate suspended crosswalk over Plainfield	\$5,000	2020-2043
Create public plaza at Coit and Quimby	\$35,000	2020-2043
Develop courtyard adjacent to VanBelkum Library	\$15,000	2020-2043
Work with ITP to develop BRT or light rail plan along Plainfield	\$5,000	2020-2043
Develop additional boulevards along main corridors	\$30,000	2020-2043
Develop support for infrastructure	\$25,000	2020-2025
Develop plan to build museum/historical presence	\$5,000	2020-2043
Install outdoor speaker systems	\$5,000	2020-2043
Decorate walkways	\$2,000	2020-2043
Develop strategic plan to implement mixed income housing	\$5,000	2020-2043
Plan for any other district infrastructure improvements	\$50,000	2020-2025
Add district-wide compost bins	\$10,000	2021-2023
Install historic markers and coordinate other preservation initiatives	\$10,000	2022-2023
Work on free district-wide Wi-Fi and utilize any other technologies	\$5,000	ongoing
Create Monroe North to Plainfield bike path connector and signage	\$15,000	2020-2022
Develop master signs to establish district identity and boundaries	\$3,000	2020-2021
Develop courtyards/seating areas throughout the corridor	\$10,000	2022-2023

Table 2: Projects Anticipated in Economic Restructuring

Project	Estimated Cost	Estimated Completion
Short Term Projects		
Begin strategic business recruitment and retention initiatives	\$5,000	ongoing
Create inventory of existing businesses	\$2,000	2019-2022
Plan business open houses	\$2,000	2019-2022
Medium Term Projects		
Construct business incubator space	\$10,000	2022-2020
Recruit grocery store/co-op/market	\$5,000	2022-2020
Recruit businesses for viable business mix	\$5,000	ongoing
Develop revolving business micro-loan fund	\$50,000	2022-2020
Develop relocation plan for businesses	\$2,000	ongoing

Long Term Projects		
Discuss strategic property acquisition	-	2020-2043
Work with local land bank on commercial property redevelopment	-	2020-2043
Offer business build-out grants	\$50,000	2020-2043
Convert vacant property to commercial or mixed-use	\$100,000	2020-2043
Discuss demolition/abatement programs	-	2020-2043

Table 3: Projects Anticipated in Organization

Project	Estimated Cost	Estimated Completion
Short Term Projects		
Gather information in traffic study	\$2,000	2019-2022
Invest in volunteer recruitment/management/recognition	\$1,000	ongoing
Enhance fundraising and grant writing efforts	\$2,000	ongoing
Make decisions about special development area liquor licenses	-	ongoing
Contract out ongoing project administration services	\$25,000	ongoing
Develop corridor maintenance plan (including Business Improvement District)	\$5,000	2019-2020
Create business directory	\$3,500	2019-2020
Hire outside consultant(s) for any other activity	\$25,000	ongoing

Table 4: Projects Anticipated in Promotions/Marketing

Project	Estimated Cost	Estimated Completion
Short Term Projects		
Create general marketing and branding strategy, including logo	\$10,000	2019-2020
Invest in pedicabs/alternative modes of transportation	\$10,000	2019-2022
Create business brochure and map for marketing	\$5,000	2019-2020
Create business directory	\$1,000	2019-2020
Develop website	\$5,000	2019-2020
Utilize trolley or shuttle for district-wide events	\$2,000	ongoing
Collaborate with community events such as ArtPrize	\$1,000	ongoing
Coordinate with Grand Rapids Public School events	\$1,000	ongoing
Implement cooperative advertising strategies	\$5,000	ongoing
Work with external organizations in joint marketing (example: Chamber of Commerce)	\$2,000	ongoing
Medium Term Projects		
Promote idea of Farmers Market	\$2,000	2022-2020
Develop bike rental program	\$10,000	2022-2020
Plan charity events and festivals	\$10,000	2022-2020
Plan events that connect neighbors with businesses	-	ongoing

Long Term Projects		
Invest in public marquee	\$25,000	2020-2043
Purchase trolley or work to develop streetcar corridor	\$50,000	2020-2043
Work with community on public community center	\$50,000	2020-2043

Other Sources of Financing

The CIA expects to finance these activities from one or more of the following sources:

1. Future tax increment revenues
2. State or Federal grants
3. Interest on investments
4. Donations received by the CIA
5. Proceeds from any property, building or facility owned, leased or sold by the CIA
6. Moneys obtained through development agreements with property owners benefiting from adjacent open space and other public improvements
7. Moneys obtained from other sources approved by the Grand Rapids City Commission

The revenue to be received from tax increment financing in this Development Area plus the availability of funds from other authorized sources will be sufficient to finance the activities and improvements to be carried out under this plan.

Tax Increment Financing Plan

This tax increment financing plan is established to make possible the financing of all or a portion of the costs associated with the activities and projects contained in the Development Plan for the North Quarter Corridor Improvement District.

Tax Increment Financing Plan.

The Corridor Improvement Authority Act requires the CIA to address three legislative requirements in the Tax Increment Financing Plan. These provide information about funds anticipated to be received by the CIA and its impact upon taxing jurisdictions. These requirements are found in Section 618(1) of the Act and states that “if the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 621...”

Specifically, the Tax Increment Financing Plan must include, pursuant to Section 618(1) of the Act:

1. A detailed explanation of the tax increment procedure,
2. The maximum amount of bonded indebtedness to be incurred, and
3. The duration of the program.

1. Detailed explanation of the Tax Increment Financing Procedure

Act 57 of 2018, as amended, authorizes tax increment financing (TIF). TIF makes it possible for a district to essentially capture tax revenues that are derived from the increase in value of property, which has benefitted from development projects within said district. The revenue is used to finance further development within the district. The North Quarter CIA has determined that, in order to finance the activities described in the Development Plan, a tax increment financing plan must be adopted. The theory of utilizing TIF is that tax revenue will increase within a district where development is taking place. That increase in development will generate an increase in the tax revenues within that district. Therefore, it is appropriate to use this increase in tax revenue to reinvest into the district to encourage continued development.

The tax increment financing procedure as outlined in Act 57 requires the adoption by the City, by resolution, of a Development Plan and a Tax Increment Financing Plan. Following the adoption of that resolution, the city and county treasurers are required by law to transmit to the CIA that portion of the tax levy of all taxing bodies paid each year on the “Captured Assessed Value of all real property located in the Development Area.” The tax amounts to be transmitted are hereinafter referred to as “Tax Increment Revenue”. The “Captured Assessed Value” is defined by the Act as “the amount in any 1 year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes ... exceeds the initial assessed

value...” The “initial assessed value” is defined by the Act as the “assessed value, as equalized, of all the taxable property within the boundaries of the Development Area at the time the resolution establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted...”

It is the goal of the CIA to use the tax increment revenues in the development district for the number of years necessary to complete the projects outlined in the Development Plan.

The CIA shall submit a report on the tax increment financing account showing the revenue received and the amount and purpose of expenditures from the account. Reports will also be required showing the initial assessed value of the development district, the amount of captured assessed value, and the tax increment revenues retained by the CIA. The report shall be submitted to the Grand Rapids City Commission and contain such additional information as the City Commission deems necessary.

An opportunity will be made available to the County Board of Commissioners and other taxing jurisdictions to meet with the City Commission to discuss the fiscal and economic implications of the proposed financing and development plans. The tax increment financing plan may be modified by the City Commission upon notice and after public hearings. The governing body may abolish the tax increment financing plan when it finds that the purpose for which it was established is accomplished.

2. The maximum amount of bonded indebtedness to be incurred

According to City policy 900-49, as amended, the CIA does not anticipate bonding. Below is the current financial position of the North Quarter CIA.

Description of Current Financial Position

Current Assets: The North Quarter CIA fund balance at the time of preparation of this analysis is \$11,207 consisting of pooled cash and investments.

Anticipated Revenue: The CIA district contains 273 individual real property parcels. The 2018 taxable value for all real property is \$31,427,838. This is the initial assessed value to which all future assessments will be compared to determine the tax capture for the district. A detailed projection table for the 30-year period is included in Appendix G.

Expenses: The CIA will be responsible for all expenses for each project listed in the Development Plan using TIF funding. Other sources of funding may be leveraged from time to time in addition to the TIF.

3. Duration of the CIA and Tax Increment Financing District.

This Tax Increment Financing Plan establishes a budget for a 30-year period. This is reflected in the Development Plan's projects estimated completion dates, Tables 1 through 4.

4. Estimated Impact of the Tax Increment Financing Plan

Adoption of this Tax Increment Financing Plan will initially result in the use of all revenues derived from increases in assessed value of the real property of the Development District for purposes of the Development Plan. As soon as adequate increments have been generated to pay for the development projects, excess tax increment will be returned to the taxing jurisdictions.

Appendix G: Projections and Taxing Jurisdiction Impact Tables, provided by the City of Grand Rapids, demonstrates the current millage levied by each jurisdiction, the anticipated growth in assessed value, the resulting tax increment revenues to be generated during the life of the Plan, and the estimated fiscal and economic implications on taxing jurisdictions resulting from the implementation of the Plan and capture of millage by the Authority.

The Authority proposes to strengthen the Development District and arrest the current stagnation and deterioration in property values. This is to be accomplished by using the additional tax revenues generated in the Development District to make public improvements and induce private redevelopment.

Several taxing bodies currently receive property tax revenue from the property within the Development District. They will continue to receive tax revenues on the initial assessed value of this property throughout the duration of the Plan. When this plan is terminated, these taxing jurisdictions will receive property tax revenues from all taxable property located within the Development District, including new development and appreciation in value stimulated by the development projects and inflation.