

CITY OF NILES  
DOWNTOWN DEVELOPMENT AUTHORITY

DOWNTOWN DEVELOPMENT

AND

TAX INCREMENT FINANCING PLAN

Amended and Restated October 26, 1998

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**SECTION I**

## INTRODUCTION

### A. **Purpose of Downtown Development Authority Act and the Downtown Development and Tax Increment Financing Plan .**

This Amended and Restated Downtown Development and Tax Increment Financing Plan have been prepared pursuant to the provisions of Act No. 197 of the Michigan Public Acts of 1975, as amended, MCLA § 125.1651 et. seq. (the "Act").

The Act was enacted to provide a means for local units of government 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 in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; and to authorize the use of tax increment financing.

Tax increment financing is a government financing program which contributes to economic growth and development by dedicating 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 thereby facilitating economic growth and development. Tax increment financing mandates the transfer of tax increment revenues by municipal and county treasurers to authorities created under the Act in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth. MCLA 125.1651a.

The Act seeks to accomplish its goals by providing local units of government with the necessary legal, monetary and organizational tools to eliminate property value deterioration and to promote economic growth through publicly initiated projects undertaken cooperatively with privately initiated projects.

The way in which a downtown development authority makes use of the tools made available under the Act depends on the problems and priorities of each community. The Development and Tax Increment Financing Plan, as amended, have been developed in accordance with the purposes of the Act based on the problems and

priorities as perceived by the Downtown Development Authority of the City of Niles (hereinafter sometimes referred to as the "DDA" or the "Authority").

The Downtown Development and Tax Increment Financing Plan is intended to describe the goals and objectives of the Niles Downtown Development Authority for redevelopment of the downtown and outline the steps necessary for achieving these goals. It is intended that the Plan become the basis for all future development/redevelopment projects in the downtown. After it has been adopted, the Downtown Development Plan should be all of the following: (1) a long range guide for evaluating proposals for physical changes and for scheduling improvements in the center business district; (2) a framework for developing policies for zoning ordinances, building codes, and other public codes and ordinances; (3) a guide for making recommendations and establishing priorities in the downtown capital improvement program; (4) a foundation for conducting more specific and detailed studies of the central business district and for assessing possible improvements and developments; and (5) a source of information and a statement of policy which is useful to citizens and businessmen in making private investment decisions.

The improvement projects undertaken in connection with this Plan will enhance the retail environment of the downtown, as well as provide for the necessary recreational open space, office development and other mixture of land uses necessary in a thriving downtown business district.

**B. Creation of Downtown Development Authority of the City of Niles and the Downtown District .**

On June 11, 1979, the City Council held a public hearing on the establishment of the Downtown Development Authority and the proposed Downtown District. On June 11, 1979, the City Council of the City of Niles adopted Ordinance No. 251 to establish the downtown development authority and to designate the boundaries of the Downtown District.

The Downtown Development Authority was given all the powers and duties prescribed for a downtown development authority under the Act. The City Council also designated the boundaries of the Downtown District within which the DDA may legally work. The original boundaries of the Downtown District are shown on Map A.

**C. Approval of the Downtown Development and Tax Increment Financing Plan.**  
The DDA prepared a Downtown Development and Tax Increment Financing Plan and recommended it to the City Council. On September 12, 1988, the City Council approved the Downtown Development and Tax Increment Financing Plan.

**D. Expansion of Downtown District and Amendments to the Downtown Development and Tax Increment Financing Plan .**

On April 27, 1998, the City Council adopted an ordinance approving the expansion of the boundaries of the Downtown District. Lake Michigan College adopted a resolution exempting its millage from capture in the expanded portion of the Downtown District. Berrien County and Niles Community Library adopted resolutions allowing their general millage to be captured for a period of ten calendar years from and including the date of such resolutions, which were passed on April 9, 1998 and April 7, 1998, respectively. Berrien County has exempted from capture all of its currently existing and subsequently created special millages.

The original Downtown Development and Tax Increment Financing Plan is being amended and restated in this document by the DDA Board for the purpose of expanding the boundaries of the downtown district, updating the Downtown Development Plan with respect to certain improvements in the development area, and extending the term of the Tax Increment Financing Plan.

On October 26, 1998, the DDA and the City Council held a meeting of the taxing jurisdictions for the purpose of affording reasonable opportunity for each taxing jurisdiction to express their views and recommendations regarding the Tax Increment Financing Plan.

The public hearing required by Act 197 was held on October 26, 1998, following notice as required by the Act. On October 26, 1998, the City Council adopted an ordinance approving the Amended and Restated Development and Tax Increment Financing Plan.

## SECTION II

### DEVELOPMENT PLAN

#### A. **Boundaries of the Property to which the Development Plan Applies .**

For purposes of designating development areas and for establishing a Tax Increment Financing Plan, the Act defines a "Downtown District" as an area in a business district which is specifically designated by ordinance of the governing body of the municipality and which is zoned and used principally for business. The Act also defines a "Development Area" (sometimes also referred to as a "Project Area") as meaning "that area to which a Development Plan is applicable." The boundaries of the original Downtown District and Development Area are set forth on Map A, and a legal description of the original Downtown District and Development Area is set forth in Exhibit 1.

On April 27, 1998, the boundaries of the Downtown District and Development Area were expanded to include the following properties:

#### Area 1

Commencing at a point of the St. Joseph River and south R/W line of Pokagon St. extended thence northeasterly along the south R/W line of Pokagon to the intersection of the centerline of Second St., thence south to the intersection of the centerline of Second St. and the centerline of Dey St., thence east to the centerline of Fifth St., thence north to the centerline of Pokagon St., thence east to the east R/W line of Eighth St., thence southeasterly to the centerline of Central St. and Eighth St., thence south to the centerline of Wayne St., thence west to the centerline of Fifth St., thence south to the south property line of 11-71-4510-0105-01-1 extended, thence West along the south property line of 11-71-4510-0105-01-1 to the east property line of 11-71-4510-0085-00-2, thence south along the east property line to the south property line of 11-72-0750-0066-01-2 thence west along the south property line to the centerline of Third St., thence north along the centerline of Third St. to the centerline of Wayne St., thence southwesterly along the centerline of Wayne St. to the centerline of Front St., thence north to the centerline of the Amtrak Bridge, thence southwesterly to the intersection of the east

side of the St. Joseph River and Amtrak, thence northerly along the St. Joseph River to the P.O.B.

Area 2

Commencing at a point at the southeast corner of 11-72-0750-0001-01-6, thence west along the south line to the centerline of Third Street, thence north along the centerline of Third St. to the centerline of Cass St., thence east along the centerline of Cass St. to the east line of 11-72-3110-0023-01-9 extended, thence south to the P.O.B.

Area 3

Commencing at the southeast corner of 11-72-0-750-0001-01-6, thence east to the centerline of Fifth St., thence south to the intersection of 11-72-3050-0140-00-0 extended thence east to the west R/W line of Eighth St., thence south to the north property line of 11-72-3050-0224-00-9 extended, thence east along said property line to the northeast corner of 11-72-0840-0065-01-3, thence south to the north R/W line of Cedar St., thence east to the west R/W line of Tenth St., thence south to the north property line of 11-72-3050-0224-00-9 extended, thence east to the west R/W line of Eleventh St., thence south to the south R/W line of Broadway extended, thence east to the west R/W line of Twelfth St., thence southwesterly following the west R/W to the intersection of the north R/W of Main St. and the west R/W of Twelfth St., thence southeasterly to the southeast R/W of Eleventh St., thence southwesterly along the said R/W to the north R/W line of Maple St. thence west along said R/W to the southwest corner of 11-73-2730-0019-03-0 thence north along said lot line to the south east corner of 11-73-0840-0007-01-8, thence easterly to the southeast corner of 11-73-0840-0154-01-1, thence west along said lot to the centerline of Ninth St., thence north to the south R/W line of Main St., thence northwesterly along said R/W to the centerline of Fifth St., thence north along said centerline to the centerline of Sycamore St., thence west 167.5', thence north to the P.O.B.

#### Area 4

Commencing at a point of intersection of the centerline of the east side of the Broadway Bridge and the east side of the St. Joseph River, thence southwesterly to the intersection of the centerline of Parkway, thence south to the intersection of the centerline of Parkway and the south property line of 11-74-0990-0001-00-9, thence west along the south property line to the centerline of State St., thence north along the centerline of State St. to the centerline of Main St., thence east along the centerline of Main St. to the intersection of Main St. centerline and the Main St. Bridge centerline, thence northeast along the Centerline of Main St. Bridge to the intersection of the east bank of the St. Joseph River, thence southerly along the bank of the river to the P.O.B.

#### Area 5

Commencing at a point of intersection of the centerline of Fifth St. and the south property line of 11-72-4560-0053-00-4 extended, thence west along said property line to the centerline of Third St., thence north to the centerline of Broadway, thence east to the P.O.B.

The revised boundaries are shown on Map B and a legal description of the revised Downtown District and Development Area is set forth as Exhibit 2.

#### **B. General Description of Development Area .**

The boundaries of the Development Area to which the Development Plan applies is the same as the boundaries of revised Downtown District and may be generally described as being within the boundaries of the St. Joseph River on the West, Pokagon Street on the North, Fifth Street on the East and the Niles City Limits on the South. The Development Area also includes property east of Fifth Street along Main Street to Twelfth Street and Maple Street. In addition, the Development Area also includes an area west of the St. Joseph River bounded generally by Main Street on the North, State Street on the West and Emmons Street on the South.

The City Council may expand the Development Area in the future in accordance with the requirements of the Act.

## C. Redevelopment Projects .

1. Downtown Development Goals.
  - a. Determine the market strengths and weaknesses of the downtown, and develop a plan which will build on existing strengths and overcome or eliminate weak areas.
  - b. Promote development which emphasizes retail growth in the downtown with the appropriate mix of accompanying land uses and open space.
  - c. Implement extensive use of the logo previously established and approved by the City Council to create marketing materials, and for use on all informational signs within the development district.
  - d. Create a flexible tax increment financing plan that will allow for changes in the development strategy as the flow of tax increment revenues becomes apparent.
  - e. Encourage utilization of all available economic development tools to help guarantee sufficient revenues to fund development.
  - f. Select project areas where public improvements are likely to encourage additional private development and thus larger tax increment revenues (the “ripple effect”).
  - g. Coordinate and stage land acquisition so that existing land use will remain for a maximum period of time before any redevelopment takes place.
  - h. Minimize front-end costs. Where possible, reserve large expenditures until the latter part of the project when the Authority may be able to capture and leverage the maximum tax increment.
  - i. Since property tax abatements are not practical under tax increment financing, write down land costs as an inducement to business location.

j. Time development so that the tax base is frozen at the lowest possible level.

k. Review current strategy regularly and make necessary adjustments.

## 2. DDA Project Objectives.

The City of Niles is seeking to strengthen the market position of its downtown and adjacent areas. The downtown business district has suffered from the development of large regional malls within its regional market area, as well as an economic restructuring of the local economy which resulted in a loss of local downtown retailers. In recent years, the economic climate has become much more favorable to business and industry, and as a result, there has been a steady economic growth in the Michigan region, which includes the City of Niles and the surrounding townships.

The purpose of this plan and its projects are threefold: First, to assess the market strengths and needs of the downtown; second, to create a physical environment favorable to economic redevelopment and provide incentives for that redevelopment, and third, to provide for a marketing and promotion vehicle which will promote the downtown, both locally and throughout the region. The projects outlined in this plan are designed to remove impediments to development, encourage development of existing physical and economic potentials, and reshape portions of the area as needed in accordance with sound principles of planning and design. It is anticipated that these projects will create a more attractive and viable environment for retail business and related activities in the downtown.

The overall project objectives are as follows: (1) determine the market strengths and weaknesses of the downtown and deal with them accordingly; (2) reinforce the City's existing retail, commercial and service activity areas through programs of physical redevelopment and improvements; (3) provide a means of economic expansion in a physically limited area; (4) establish the downtown area as a viable retail center and guarantee its economic well being; (5) encourage mixed use development in areas surrounding the retail core which will support the retail core; and (6) assure the success of redevelopment projects through continuing programs which will facilitate, compliment and, complete these efforts.

### 3. DDA Redevelopment and Design Objectives.

In addition to overall project objectives, the City of Niles has specified redevelopment and design objectives for the Downtown Development Area: (1) focus all new development and/or redevelopment on the existing asset of the St. Joseph River where appropriate; (2) achieve functional and aesthetic integration of new development in the redevelopment area with existing downtown development; (3) articulate movement and add character to the development district and give downtown a human dimension; (4) consolidate and intensify the Downtown District as a specialized shopping environment; (5) improve pedestrian access and strongly connect the principal activity centers and parking areas; (6) develop guidelines for an overall streetscape system and create a visual “theme” for the downtown; (7) encourage land uses which will include the following: (a) compatibility and unity of architectural treatment; (b) consideration for the relationship of land uses and building front designs to those surrounding areas; and (c) promotion of other measures contributing to the aesthetic enhancement of the area; and (8) eliminate structures which are incompatible and detract from the economic welfare and appearance of the downtown.

Redevelopment activities necessary to accomplish these objectives will include the following: (1) construction of new pedestrian paths and open landscaped areas which will become the focal points to which redevelopment will relate; (2) provision of new public facilities, utilities, landscaping and other features necessary to adequately serve and enhance the general area; (3) establishment of design objectives and development controls for the Redevelopment Area so that overall objectives for this area and its environs may be adequately realized and redevelopment will harmonize with the adjoining central business district and the City as a whole; (4) the vacation of existing public rights-of-way to include streets and alleys as necessary to assemble land for redevelopment purposes; and (5) acquisition and clearance of substandard and blighting structures and assembly of land into functionally adaptable parcels in both shape and size for ready disposition and reuse.

The redevelopment projects described in this Plan are intended to provide the framework for all future development and redevelopment in the downtown. They are designed to accomplish the goals and objectives of the DDA which were detailed in preceding sections in this Plan. These objectives will be achieved

through a series of activities which will identify the correct market series of activities which will identify the correct market niche for the downtown, and then guide physical redevelopment which will strengthen and enhance the physical viability of the downtown. The result of the redevelopment activities described below will be the visual and physical connection of a number of focal points which exists in the downtown. Pedestrian travel and walkways will be enhanced. An overall "streetscape" concept for the district will unify the downtown and create an attractive environment for development. Guidelines will be prepared which will unify new architectural development with existing buildings, and encourage correct architectural rehabilitation of existing buildings.

4. Description of Projects:

- a. Market Study: Continue to develop market studies as needed. It is imperative that the market niche of the downtown be determined prior to the construction of physical redevelopment activities. Although a general future land use scenario was described earlier in this report, a market study is necessary to determine the demand in square footage for various types of activities, and also to ascertain the best combination and positioning of activities in the downtown. Areas to be documented in the study should include need for (a) retail space, (b) office space, (c) housing, and (d) open space/recreation demand.
- b. Acquisition of Property: The City is one of the major landholders in the redevelopment area. However, the parcels which are in private ownership must be acquired or accommodated into the redevelopment plan. Land must be acquired to provide for new commercial (retail), office, and recreational development.
- c. Provision of New Residential Space: The area east of the St. Joseph River north of Cass Street will be rezoned to provide new space for residential development which will focus on the river. The City and the DDA will work with prospective developers to implement the goals and objectives of this plan, and provide incentives for redevelopment.
- d. Provisions of Public Utilities and Facilities: Projects will be implemented to provide public utilities and facilities as needed throughout the development area as incentives for public/private

joint ventures in the development area as incentives area. All new utilities will be installed underground to enhance the visual aesthetics of the redevelopment area. Improvements will include streets, street repaving, sidewalks, special lighting, landscaping and provision of service access and parking as needed.

- e. Streetscape Improvements: Streetscape improvements similar to those existing on Main Street (raised planters, special brick sidewalks, contoured curbs, and other landscaping) will be continued along Front Street, Second Street, Third Street, and Fourth Street in the development district in order to visually unify the downtown. These types of improvements will also be incorporated in any new development which will occur in areas which are now vacant or underdeveloped. In addition, new development and redevelopment will make use of street brick to identify pedestrian paths and access and also to connect such development with the existing retail core in the downtown. Special low level lighting will be used throughout the district to unify the district and encourage pedestrian traffic.
- f. Improvements to Parking Areas, Alleyways and Rear Entrances: Projects will be implemented to improve parking areas through the provision of screening, landscaping, and pedestrian connections. Improvements will include the construction of planters in "wasted" areas between alleys and sidewalks, special lighting, and the use of special paving and for sidewalk treatment to delineate pedestrian access. Property owners in the downtown will be encouraged to improve their rear entrances where possible through the provisions of financial incentives for rehabilitation. In addition, projects will be implemented to enhance alleyways through the use of banners where appropriate, special lighting, construction of special pedestrian surfaces incorporating the use of street pavers and other decorative material, and interesting and attractive courtyard spaces where possible.
- g. Design and Rehabilitation Standards: Design and rehabilitation standards will be developed for the district which will provide parameters for development and redevelopment in the downtown development district. Guidelines will be developed which will guide rehabilitation of existing buildings, and also will insure compatibility

of new construction with existing architectural styles in the downtown.

- h. Storefront/Facade Improvements & Building Rehabilitation: A program will be implemented to encourage property owners in the downtown development district to improve their storefronts and facades, and to rehabilitate their buildings to encourage use of second and third story. Improvements will be encouraged which conforms to the rehabilitation guidelines herein and others which will be developed in conjunction with this plan. A known impediment to development has been the extra costs associated with the provision of handicapped accessible facilities to allow access to the upper floors. The City, through the DDA, will offer low interest loans as a financial incentive to provide barrier free access as required, as well as encourage facade improvements and other rehabilitation activities.
- i. Marketing & Promotion: A marketing and promotion vehicle will be developed through the DDA for the downtown. Through the marketing and promotion arm of the DDA, events will be arranged to draw shoppers to the downtown and community events, with a focus on the downtown, will be aggressively promoted. The DDA logo will be used on all marketing material so that consumers can identify the DDA with special events and marketing materials.
- j. Increased Residential Density in Downtown Niles: Increased density in the downtown area is expected to be beneficial to the city in a number of ways. The increased population would provide an improved customer base for downtown businesses. The overall safety of the city would be improved with the increased density, particularly in the park area. New residential units are proposed to be located along Front Street that will help to provide "eyes on the park" and improve park safety.

The increased residential density is proposed to be achieved by several methods. A view of Riverfront Park will be maintained at all times by preserving the existing visual corridors toward the river and the stepping down of building heights where feasible. New housing could be constructed both on the former utility authority site and on private parcels of land. Multi-family units would be developed

downtown. Apartments will be located roughly across from each other on Second Street. Multi-use of buildings with residences on the second and third floor will be encouraged.

Development of the publicly owned land could be implemented in several ways. The city could sell the property to a private developer, with the sale conditional on certain requirements on the type of residences to be built. This would be dependent on finding a developer interested in the site. The city could establish a housing authority or some other quasi-independent organization to construct, market and sell/rent the units, or the city could enter into a partnership with a builder, with the city retaining ownership of the project but the developer acting as general contractor to build and market the dwelling units. The cost of constructing the units would vary, with somewhat lower costs associated with methods in which the city acts more as the general contractor themselves, reducing some overhead. It also, however, increases the city's risk.

The combination of commercial uses on the ground floor and residential uses on upper floors are proposed on Main Street and Front Street. Many existing structures on Main Street have the potential to accommodate both uses. Most upper floor areas presently sit vacant or are used for storage. A mix of commercial and residential uses is an efficient way to increase residential density in the city. This concept provides an additional source of income (rents) for the property owner and relatively low cost rental housing for the urban resident, and increases the number of potential customers for downtown businesses. It is proposed that some of the new buildings along Front Street will also have commercial uses on the ground floor and residential uses on upper floors.

- k. Increased Commercial Development in Downtown Niles: Increased commercial development is proposed downtown in order to strengthen the city's tax base and to draw more people downtown. This is to be achieved through the construction of new commercial buildings and the renovation/reuse of buildings that presently are vacant. Commercial infill is proposed for the east side of Front street near Main Street. Two large vacant structures on Front Street are to be reused, possibly as an antique market, farmer's market or conversion into a series of small shops and boutiques. A new

restaurant is proposed south of the proposed reused commercial structure on Front Street near the recently completed parking lot in the park.

1. Improved Streetscapes in Downtown Niles: The downtown is proposed to become more pedestrian in nature with the development of wider sidewalks, benches and landscaping. These sidewalk improvements will provide consistency both from an aesthetic and a safety perspective. It is felt that if both the east-west and north-south pedestrian pathways are improved, the alternate routes available to the pedestrian will increase and the visit downtown will be more interesting. The journey from the parking lot to the commercial shops would become more pleasant, encouraging more people to visit the downtown.

It is proposed that new development will improve the urban landscape by creating a sense of enclosure on Second Street and on Front Street south of Howard Street. Second Street will be strengthened by the construction of new two story multi unit residential buildings at the southwest corner of Howard Street and the southeast corner of Cass Street. This massing will improve each intersection, which presently are characterized as being open and "cold", and create a more consistent streetscape along Second Street.

The intersections of Second Street and Sycamore Street and Third Street and Sycamore Street are presently characterized by barren, open parking lots. Both intersections are to be strengthened with landscaping of the parking lots themselves as well as landscaping and benches along the sidewalk to unify the areas north and south of Sycamore Street, and provide a consistent streetscape along Second and Third Streets..

The streetscape improvements along the street are an activity normally carried out by the municipality or DDA, or a combination of both. The city may be able to get MDOT assistance for work along Front Street, particularly if MDOT is scheduling improvements along the street. It would be difficult for the city to require the proposed improvements to existing parking lots, although they could modify their zoning requirements so that any redevelopment of the parking lots would require landscaping.

The River Front Square building presently faces Main Street and backs onto the St. Joseph River. Its relationship to the downtown and the river is proposed to be improved by the painting of a mural on the back of the building to enhance the view along the footpath immediately south of the bridge, and reconfiguring the building to establish an open arcade to provide a view of the river and a pedestrian link with the footpath.

Any modifications to the existing River Front Square building would need to be made by the owner, unless the city wished to purchase the site. Some of the proposed pedestrian connections to the rear of the building could be undertaken by the city, but without the arcade or rear store entrances for shoppers, there is not much point in doing so.

The overall character of Main Street is proposed to be strengthened with facade improvements. Design standards and guidelines can be adopted to ensure consistency throughout the entire downtown. Development of the guidelines could be undertaken by the city and DDA. Facade improvements can be funded through a partnership between the local banks, the DDA and the City. Taken together, design standards relating to new development and improvements to existing structures are expected to strengthen the character of downtown Niles as a whole and draw more visitors into the city.

- m. Riverfront Park Improvements: It is proposed that a roadway will be constructed through Riverfront Park from Front Street to Ferry Street. This would increase accessibility to the park and in turn improve park safety because of the increased number of people using the park. A boulevard configuration was chosen to keep traffic speeds down and maintain an unobtrusive park feeling to the roadway.

The northern portion of Riverfront Park is proposed to remain open and will be used as recreational open space and possibly an alternative site for a weekly farmer's market. The annual Niles Riverfest could be held in this area, as well as other festivals and organized activities. A walking/biking trail will continue northward through the abandoned industrial site along the abandoned railway right-of-way.

A drop off site for the area is proposed to be incorporated into the new roadway, to reduce the need for adjacent parking. Pedestrian connections with the residences across Front Street are also provided.

Recreational facilities are proposed for the area of the park to the south of this open space. These would include a large 'Kids Kingdom' style playground facility that would increase the recreational opportunities available to young children and families. This facility could also draw visitors to the park not only from within the city but from surrounding areas, and increase the number of visitors into Niles.

A restaurant is proposed to be developed in the park just south of the proposed roadway. It could include an outdoor patio and will act as another draw for visitors to the park. It will also improve overall safety in the park because of its location. Development of the restaurant would be by the private sector.

The sightlines along Howard, Cass, Ferry and Sycamore Streets towards the river could be enhanced by the development of four "Four Flags" vistas in Riverfront Park as recommended by architecture students from the University of Notre Dame. Each vista will have a flagpole flying one of the city's "Four Flags", and will be landscaped with plantings and benches and also illuminated at night.

It is hoped that the improvements to Riverfront Park will draw visitors to the downtown area and eventually attract commercial development downtown, thereby strengthening the overall commercial base of the city. While people attending structured day-long festivals in the park may not necessarily visit commercial uses while the festival itself is ongoing, the increase of visitors to the park on a day-in, day-out basis may also increase the number of visitors to the commercial downtown on a daily basis.

- n. Raising Developable Land Along Front Street: There are two areas along Front Street which have great development potential but lie within the flood plain:

- (a) The block east of Front Street, the boundary formed by the northern flood plain limit, Second Street, Howard Street and the west side of Front Street.
- (b) The area west of Front Street, the boundary formed by the proposed new roadway in the park on the north and west, Front Street on the east and Ferry Street on the south.
- o. Fishing Pier in Riverfront Park: The city will explore the possibility of developing a floating fishing pier/canoe launch on the St. Joseph River as an alternative to constructing a boat launch.
- p. Fifth Street Improvements: The redevelopment of the residential basin downtown is interrelated to improvements to the Fifth Street corridor. The attractiveness of the downtown as a residential area is affected by changes to the Fifth Street area. It is expected that improvements to Fifth Street together with residential development on the city-owned property downtown will act as a "critical mass" to trigger development in surrounding areas. These may be the investments necessary to permit the overall revitalization of downtown Niles.
- q. Building Rehabilitation Program: The DDA may allocate up to \$200,000 for short term advances for approved building rehabilitation contracts.
- r. Pedestrian-Friendly Areas: All public areas in the district should be developed or redeveloped as "pedestrian friendly" whenever practical. Special attention should be paid to landscaping issues to soften the streetscape and vistas. Additionally, underground sprinkling systems should be incorporated in these sites to protect the investment and reduce maintenance costs. Whenever possible, new installations of utilities, *i.e.*, water, gas, electricity, cable television, etc. should be underground.
- s. DDA Administration: It is recognized that the development, maintenance and implementation of the Amended and Restated Development Plan and Tax Increment Financing Plan will require significant staff and outside resources such as engineers, attorneys, financial advisors, marketing and similar contributions.

#### **D. Existing Public and Private Land Uses .**

The Development Area contains a variety of public and private land uses including office, commercial, industrial, residential, community facility and public street areas. The location of these land uses is shown on Map C. Provided below is a more detailed description of the character and extent of the public and private land uses within the Development Area.

Existing Land Use: The primary type of land use in the Development Area is commercial/retail, followed by commercial/service and non-retail use. The commercial center of the district is located along Main Street, between Front and Fourth Streets, and from the south side of Main Street north to Howard Street along Front and Second Streets. The retail area also has office and professional space within it. North of Howard Street the existing land use is primarily public/service use, i.e., the public works buildings and yards owned by the City and also the Dial-A-Ride Terminal. There is a large vacant parcel adjacent to the St. Joseph River at the northwest corner of the development area which is also owned by the City. There are several scattered residences in the development district. Three of these are located along Water Street, and the others are located on Third Street north of Ferry Street (if Ferry were to intersect Third St.). The existing open space in the district is located along the St. Joseph River, and includes the Old Kuert Concrete property, which is now owned by the City. There are a number of vacant buildings throughout the Development Area.

- a. Existing Public Land Uses. Existing public land uses in the area to which the Development Plan applies include the following:

In all, there are approximately 94.67 acres of land currently in public use. This represents approximately 58% of the total Development Area. Of this, 8.98 acres or 5% are for charitable use and 33.89 acres or 21% are for recreational use.

- b. Existing Private Land Use. Existing private land uses in the area to which the Development Plan applies include the following:

- (1) Commercial. There are a total of 200 parcels within the Development Area devoted to commercial purposes such as restaurants, grocery stores, auto sales and services, banks, salons, pharmacies, and various clothing and household shops. These 200

parcels represent approximately 28% of all parcels within the Development Area.

- (2) Residential. There are a total of 66 residential lots within the Development Area, representing about 7.89% of all parcels. A mixture of single-family and multi-family residential properties have been developed on these lots.
- (3) Industrial. There are six parcels within the Development Area used for industrial purposes. These represent 6.99% of all the parcels.
- (4) Vacant Land. There are 40 privately-owned vacant parcels within the Development Area. These represent 6.62% of all the parcels within the Development Area.

In all, there are approximately 69.88 acres of privately-owned land, which comprises 42% of the total Development Area.

The location and extent of existing streets and other public facilities and the existing public and private land use in the Development Area is set forth on Map C.

#### **E. Proposed Public and Private Land Uses .**

The proposed public and private land uses which will result from the Development Plan and other planned development activities are described below. Primarily, the Authority has focused on the St. Joseph riverfront by developing a large parcel into a park. This area is roughly bounded on the north by the Amtrak bridge, on the west by the river, on the east by Front Street, and on the south by Fort Street.

1. Proposed public land uses include the following:

Since the initial adoption of the Development Plan, the DDA has made several improvements within public land areas in the Development Area. These improvements include Riverfront Park, Amphitheatre, Riverwalk, greenscape, downtown streetscape and the bike trail.

The DDA also intends to complete the following projects affecting public land uses:

There are many projects described in paragraph C.4. that are in progress or are yet to be undertaken. These are primarily in or near the Riverfront Park area. The projects includes the boat/fishing pier, the Kids' Park, additional roadways and drop-off area, and continuation of the bike trail.

2. Proposed private land uses include the following:

Private development of rental and owner-occupied housing units, commercial, retail and office space should be encouraged. Historic building preservation and rehabilitation should be encouraged through the creation of a historic area. The interest of the Authority is to place people in the District, both as residents and workers during the day, thus creating economic vitality. Special efforts should also be made to create quality entertainment venues and restaurants that will make the District vital in the evening and weekend hours. Areas for this type of development include the east side of Front Street, as well as Second, Third, Fourth and Fifth as north-south streets. East-west streets proposed for private development include Main, Cedar and Sycamore.

**F. Property Acquisition .**

The DDA may acquire, either through purchase or otherwise, such land and other property, real or personal, or rights or interests therein, which the Authority determines is reasonably necessary to achieve the purposes of the Act.

The DDA has determined that the taking of privately owned properties may be necessary in order to accomplish the land use and economic development objectives of the Plan. The City of Niles may take private property for the purpose of transfer to the Authority, and may transfer the property to the Authority for use in an approved development, on terms and conditions the City deems appropriate, and the use shall be considered necessary for public purposes and for the benefit of the public.

**G. Existing Improvements to be Demolished, Repaired or Altered .**

The DDA may acquire properties that are not consistent with the development in the area and demolish buildings.

The DDA may enter into building rehabilitation contracts to improve land and to reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, and repair any building within the development area, including multi-family dwellings, and any necessary appurtenances thereto, for the use of any public or private person or corporation. Pursuant to such contracts, the DDA may advance up to \$20,000 for any one business for payment of an approved project. The amounts advanced shall be repaid to the DDA in approximately equal monthly or quarterly

installments over a period of not to exceed 2 years, and all amounts must be repaid prior to the termination of the Development and Tax Increment Financing Plan. Such contracts shall be adequately secured by a mortgage, security agreement, assignment of rents, and/or guaranties as determined by the DDA. The aggregate amount of DDA funds outstanding at any time pursuant to this building rehabilitation program shall not exceed \$100,000. All funds to support this program shall come exclusively from tax increment revenues.

**H. Location, Extent, Character, and Estimated Cost of the Public Facilities for Property to Which the Development Plan Applies, and Estimated Time Required for Completion .**

Presented in the following table is a summary description of the location, extent, character and estimated cost of improvements to be undertaken and financed by the DDA and an estimate of the time required for their completion.

**SUMMARY OF PROPOSED IMPROVEMENTS  
DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF NILES**

<u>Proposed Improvement</u>	<u>Estimated Cost</u>	<u>Estimated Completion Period</u>
1. Market Studies	\$25,000	1998-2018
2. Design Concept Model	5,000	1998-2008
3. Request for Development Proposals	20,000	1998-2018
4. Acquisition of Property	160,000	1998-2018
5. Provision of New Residential Space	75,000	1998-2018
6. Provision of Public Utilities and Facilities	150,000	1998-2018
7. Streetscape Improvements	400,000	2003-2018
8. Improvements to Parking Areas, Alleyways and Rear Entrances	100,000	1998-2008

9. Design and Rehabilitation Standards	10,000	1998-2003
10. Graphic Communications	40,000	1998-2018
11. Storefront Facade & Building Improvements	200,000	2003-2018
12. Marketing & Promotion	70,000	1998-2018
13. Increased Residential Density	100,000	1998-2018
14. Marketing to Private Commercial Developers	40,000	1998-2018
15. Riverfront Park Improvements	300,000	1998-2008
16. Raising Developable Land	25,000	1998-2008
17. Boat Dock/Pier	125,000	1998-2008
18. Fifth Street Improvements	100,000	1998-2008
19. Building Rehabilitation Program	100,000	1998-2008
20. DDA Administration	<u>40,000</u>	1998-2008
TOTAL	\$2,085,000	

## I. Planned New Development .

The objectives of this Plan are to encourage new private sector development. Several major projects have resulted, in part, from the improvements contained in this Plan, including Riverfront Park development and the Gough & Gough apartment complex. It is expected that as the proposed projects are implemented, additional private sector interest in the development area will be generated, ultimately resulting in new private investment.

1. Future Land Use: Generally, the retail core of the downtown will be centered at the intersection of Front and Main Streets, with significant physical redevelopment occurring along Front Street. Adjacent to the retail core, along Second Street, extending north, will be an office/professional

district which will serve the retail core and also act as a buffer between the downtown area and existing non commercial uses. The area immediately adjacent to the riverbank will be preserved as open space and will be accessible to the public. The area just north of the Main Street bridge will serve as a community activity center in the downtown. The portions of the development district north of Cass Street will be devoted to a mixture of residential uses whose focus will be the St. Joseph River. The area along the St. Joseph River will be used as passive recreational open space, with activities focused on the fish ladder and the development of Fort St. Joseph.

2. New Facility Installation: The construction of new street improvements, utilities, public and private parking facilities, building renovation and other physical features shall be undertaken in accordance with quality design, construction, and improvement standards required by the City.

#### **J. Existing and Planned Open Space .**

There are no plans to expand or improve the existing recreation center in the Development Area. The projects proposed by the DDA will not create or expand any open space in the City of Niles.

Existing open space shall be preserved along the east bank of the St. Joseph River and shall be accessible to the public. This area shall provide recreational space as well as provide a focus for redevelopment and other downtown activities. A downtown focus area will be located along the river at the north side of the Main Street bridge. South of the bridge will be a recreational area, with facilities focusing on the fish ladder and the recreation of Fort St. Joseph at the southern end of the Development area.

#### **K. Description of Desired Zoning Changes .**

The existing zoning for the area is set forth on the attached Map D.

1. Zoning Changes: The entire development district is currently zoned GB, General Business, with the exception of a parcel at the northeast corner of the intersection of Howard and Front Street, which is zoned Highway Business, and the block bounded by Howard and Cass, and Second and Third Streets. This block is zoned R-2, multi-family. Only a small portion of this block is in the Development District. Proposed Zoning changes would include a division of the existing general business district into a

downtown retail district, which would permit only retail activity on the first floor of all structures, an office/professional district which would be located adjacent to the retail core, an open space concervacy district along the river, and SF and MF residential in the north part of the district. The entire area would allow PUD's as a special use if the proposed PUD is amenable to the developmental goals and objectives of the City and the DDA.

2. Right of Way Variation: It is possible that some rights-of-way in the development area may be vacated or created in conjunction with specific development projects, if it is determined to be in the public interest.

#### **L. Development Cost Estimates and Financing .**

The total cost of completing all activities, projects and improvements included in the Downtown Development Plan is estimated to be approximately \$2,085,000. The costs include expenditures for activities associated with the accomplishment of each of the projects described in the Development Plan, plus administrative expenses and contingencies.

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

1. Contributions to the Authority for the performance of its functions.
2. Revenues from any property, building or facility sold, owned, leased, licensed, or operated by the Authority or under its control.
3. Tax increment revenue to be received pursuant to the Tax Increment Financing Plan.
4. Interest on investments.
5. Proceeds of tax increment bonds.
6. Proceeds of revenue bonds.
7. Federal, state and foundation grants, including grants from the Michigan Department of Transportation.

8. Money obtained from development agreements with property owners benefitting from public improvements.
9. Special assessments collected by the City of Niles for public improvements or maintenance of improvements constructed by the DDA.
10. Money obtained from any other legal source approved by the City Council of the City of Niles.

The proceeds to be received from the tax increment revenues in the Development Area 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.

**M. Identification of Private Interests .**

At the time of adoption of this Plan, there are no private interests, parties or person identified to whom land for development will be sold, leased or conveyed.

In the event the DDA acquires property within the Development Area, it may convey such property to presently undetermined private parties for redevelopment for appropriate retail or commercial uses. The conveyance of such property shall be conducted in accordance with the following paragraph.

**N. Proposed Land Disposition Terms and Bidding Procedures .**

The terms under which land designated for development will be sold, leased or otherwise conveyed to private development interests shall be determined by the DDA, subject to approval by the Niles City Council.

The procedures by which bids to purchase such property will be received and awarded will be in accordance with existing procedures and practices currently used by the City of Niles in disposing of other City-owned property.

The DDA and the Niles City Council will reserve the right to select the development proposal and/or the developer whose proposal for purchase best meets the intent of this Development Plan and the best interests of the DDA and the City.

**O. Estimates of the Number of Persons Residing on the Property to Which the Plan Applies and the Number of Families and Individuals to be Displaced .**

There are more than 100 persons residing in the Development Area. Consequently, in accordance with Act 197, a Development Area Citizens Council has been appointed. No displacement of families in the Development Area is contemplated.

**P. Plan for Establishing Priority for Relocation of Displaced Persons .**

Since no persons will be displaced from the Development Area by any of the proposed projects, it is not necessary to prepare a plan for establishing priority for displaced persons.

**Q. Provision for the Costs of Relocating Displaced Persons .**

Since no persons will be displaced, it is not necessary to provide for costs of relocating displaced persons. In the event any future projects involve the relocation of displaced persons, provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, shall be made in accordance with the standards and provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 USC §§ 4601-4655.

**R. Compliance with Act 227 of the Michigan Public Acts of 1972 .**

This Development Plan meets the requirements of Act 227 of the Michigan Public Acts of 1972, as amended, in that there are no displaced persons or businesses.

**SECTION III**

**TAX INCREMENT FINANCING PLAN FOR THE  
DOWNTOWN DEVELOPMENT AUTHORITY DEVELOPMENT AREA  
OF THE CITY OF NILES**

This Tax Increment Financing Plan is established to make possible the financing of all or a portion of the costs associated with the carrying out and completion of those activities and improvements contained in the officially adopted Downtown Development Plan for the Downtown Development Authority of the City of Niles, as may be amended from time to time.

**A. Tax Increment Financing Procedure .**

The tax increment financing procedure outlined in the Act requires the adoption by the City of Niles of a Downtown Development Plan and Tax Increment Financing Plan. Following adoption of the ordinance approving the Development Plan and Tax Increment Financing Plan, the municipal and county treasurers are required by law to transmit to the DDA that portion of the tax levy of all taxing jurisdictions paid each year on the captured assessed value of all real and personal property included in the Tax Increment Financing Plan. A tax increment financing plan may be modified if the modification is approved by the City of Niles following the same modifications and public hearing procedures as were required for adoption of the original Plan.

At the time the Tax Increment Financing Plan is adopted, the "initial assessed value" is determined. The 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 ordinance establishing the Tax Increment Financing Plan is approved, as shown by the most recent assessment roll for which equalization has been completed at the time the ordinance is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. Property for which a specific local tax is paid in lieu of property tax shall not be considered exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of property tax is determined as provided below.

"Specific local tax" means a tax levied under Act No. 198 of the Michigan Public Acts of 1974, being Sections 207.551 to 207.572 of the Michigan Compiled Laws,

the Commercial Redevelopment Act, Act No. 255 of the Michigan Public Acts of 1978, being Sections 207.651 to 207.668 of the Michigan Compiled Laws, Act No. 189 of the Michigan Public Acts of 1953, being Sections 211.181 to 211.182 of the Michigan Compiled Laws, and the Technology Park Development Act, Act No. 385 of the Michigan Public Acts of 1984, being Sections 207.701 to 207.718 of the Michigan Compiled Laws. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the Michigan State Tax Commission shall prescribe the method of calculating the initial assessed value and current assessed value for which a specific local tax was paid in lieu of a property tax.

Presented in Exhibit 3 is a schedule of the initial assessed values of all real and personal property in the original Development Area determined as of December 31, 1987 and the current taxable value determined as of December 31, 1997. Presented in Exhibit 4 is a schedule of the initial assessed values of all real and personal property added to the Development Area at the time this Amended and Restated Plan was approved, determined as of December 31, 1997.

**B. Procedure for Preparing Tax Rolls for Property in the Development Area .**

In order to provide for a more efficient and proper means of accounting assessed values on personal property in the Development Area, the City of Niles will, by adoption of this Plan, establish a tax report filing system requiring owners of personal property to file on a yearly basis a separate report to the City Assessor of possessions located within the boundaries of the Development Area.

Presented in Exhibit 5 is the procedure for preparing tax rolls for the Development Area.

**C. Estimates of Captured Assessed Values and Tax Increment Revenues .**

The tax increment revenues or "captured assessed value" means the amount in any one year by which the current assessed value of the project area, including the current assessed value of property for which specific local taxes are paid in lieu of property taxes, exceeds the initial assessed value. The amount of tax increment that is transmitted to the DDA by the municipal and county treasurers is generally that portion of the tax levy of all taxing jurisdictions paid each year on the captured assessed value.

The DDA is not authorized to capture tax increment revenues from any ad valorem taxes or specific local taxes attributable to the levy by the State of the six mill education tax pursuant to Act No. 331 of the Michigan Public Acts of 1993, as amended, or taxes levied by any local or intermediate school district. This restriction applies to both the original and expanded Development Area. With respect to the expanded Development Area only, the DDA is not authorized to capture any tax increment revenues from any ad valorem or special local taxes attributable to the levy of taxes by Lake Michigan College, or the levy of any currently existing or subsequently created special taxes levied by Berrien County. In addition, with respect to the expanded Development Area only, Berrien County and the Niles Community Library have exempted their general millage from capture starting in 2008.

The DDA shall expend the tax increments received for the development program only in accordance with the Tax Increment Financing Plan. Tax increment revenues in excess of the estimated tax increment revenues or in excess of the actual cost of the Plan to be paid by the tax increment revenues may be retained by the DDA only for purposes that, by resolution of the DDA Board, are determined to further the development program in accordance with the Tax Increment Financing Plan. The excess revenue not so used shall revert proportionately to the respective taxing jurisdictions. These revenues shall not be used to circumvent existing property tax laws or a local charter which provides a maximum authorized rate for the levy of property taxes.

The City of Niles may terminate the Tax Increment Financing Plan if it finds that the purposes for which the Plan was established are accomplished. However, the Tax Increment Financing Plan may not be terminated until the principal of and interest on any bonds issued under the Act have been paid or funds sufficient to make that payment have been segregated and placed in an irrevocable trust for the benefit of the holders of the bonds.

A schedule of the estimated tax increment revenues to be realized from increases in real and personal property values and from increases in Act 198 assisted industrial facilities exemption property values for the period from 1998 through 2018 are set forth in Exhibit 6. These estimates are based on the December 31, 1997 taxable value of the Development Area. The projected revenue after 1998 is based on appreciation only, except that the projections for 1999 in the area to be added to the Development Area are based on an assumption of 1% growth plus an increase in taxable value of \$238,439 due to the current Rite Aid project. The millage rates levied by the local taxing jurisdictions within the Development Area

in 1998 were applied to the captured assessed totals for ad valorem real and personal property. Under this Tax Increment Financing Plan, the entire tax increment amount is to be utilized by the DDA, subject to the limitations described above. The DDA may also enter into agreements with local taxing jurisdictions to share a portion of the captured assessed value.

**D. Use of Tax Increment Revenue .**

The tax increment revenue paid to the DDA by the municipal and county treasurers is to be disbursed by the DDA from time to time in such manner as the DDA may deem necessary and appropriate in order to carry out the purposes of the Development Plan, including but not limited to the following:

1. The principal, interest and reserve payments required for any bonded indebtedness to be incurred in its behalf for purposes provided in the Development Plan.
2. Cash payments for initiating and completing any improvements or activity called for in the Development Plan, including lease payments.
3. Any annual operating deficits that the DDA may incur from acquired and/or leased property in the Development Area.
4. Interest payments on any sums that the DDA should borrow before or during the construction of any improvement or activity to be accomplished by the Development Plan.
5. Payments required to establish and maintain a capital replacement reserve.
6. Payments required to establish and maintain a capital expenditure reserve.
7. Payments required to establish and maintain any required sinking fund.
8. Payments to pay the costs of any additional improvements to the Development Area that are determined necessary by the DDA and approved by the City of Niles.
9. Any administrative expenditure required to meet the cost of operation of the DDA and to repay any cash advances provided by the City of Niles.

This may include quarterly payments to the City to support overhead expenses.

The DDA may modify the priority of projects and payments at any time if, within its discretion, such modification is necessary to facilitate the Development Plan then existing and is permitted under the terms of any outstanding indebtedness.

Revenues to support these costs shall be derived from any of the following sources, or a combination of these sources:

1. Donations to the Authority for performance of its functions.
2. Proceeds from the Tax Increment Financing Plan.
3. Proceeds from a special assessment district created as provided by law.
4. The issuance of one or more series of revenue bonds which may be supported by a limited tax pledge if authorized by resolution of the Niles City Council or, if authorized by the voters of the City of Niles, the unlimited tax, full faith and credit of the City of Niles;
5. Tax increment bonds which are secured by tax increment revenue to be received from property within the Development Area and any other permitted designated revenues and which may be secured by a limited tax pledge of the City of Niles if authorized by resolution of the Niles City Council or, if authorized by the voters of the City of Niles, the unlimited tax, full faith and credit of the City of Niles;
6. Funds borrowed from the City of Niles at rates and terms to be agreed upon.
7. Cash.
8. Money obtained from any other lawful source.

Tax collections expected to be generated by the captured assessed value of property within the Development Area are expected to be adequate to provide for payment of principal and interest on bonds or funds borrowed from the City of Niles.

The amounts of bonded indebtedness or indebtedness to be incurred by the DDA and/or the City of Niles for all bond issues or loans, including payments of capitalized interest, principal and required reserve, shall be determined at the time such bonds or other indebtedness is to be incurred. The Niles City Council must approve any bonds or indebtedness which pledge the full faith and credit of the City of Niles. At the time of adoption of this Amended and Restated Plan, the DDA estimates that the maximum aggregate amount of bonded indebtedness which may be incurred during the term of the Amended and Restated Tax Increment Financing Plan is approximately \$1,500,000, including project costs and issuance expenses.

**E. Operating and Planning Expenditures .**

All operating and planning expenditures of the DDA and the City of Niles, as well as all advances extended by or indebtedness incurred by the City or other parties, are expected to be repaid from tax increment revenues. The costs of the Tax Increment Financing Plan are also anticipated to be paid from tax increment revenues as received.

**F. Duration of Plan .**

This Amended and Restated Tax Increment Financing Plan extends the duration of the Plan through the collection of the December 2018 tax levy. The term of the Plan may be modified from time to time by the City Council of the City of Niles upon notice and upon public hearing and amendments as required by the Act. The Authority may enter into agreements with taxing jurisdictions to share the tax increment revenues generated by the Tax Increment Financing Plan.

**G. Impact on Assessed Values and Tax Revenues of Other Taxing Jurisdictions .**

The overall impact of the Development Plan is expected to generate increased economic activity in the Development Area, the City of Niles and Berrien County at large. This increase in activity will, in turn, generate additional amounts of tax revenue to local taxing jurisdictions through increases in assessed valuations of real and personal property and from increases in personal income due to new employment within the Development Area, the City of Niles, and other neighboring communities and throughout Berrien County. The projections set forth in Exhibit 6 are based on appreciation only. As identified earlier, the expected increases in assessed valuation for property and new construction in the Development Area have been estimated for the 1999 through 2018 tax years.

For purposes of determining the estimated impact of this Tax Increment Financing Plan upon those taxing jurisdictions within the Development Area, estimates of captured assessed values were used along with 1998 tax millage allocations to determine tax increment revenue amounts that would be shifted from these jurisdictions to the DDA to finance the project activities called for in the Amended and Restated Development Plan.

#### **H. Reports .**

The DDA shall submit annually to the City of Niles and the State Tax Commission a financial report on the status of the tax increment financing account. The report shall include the following:

1. The amount and source of revenue in the account.
2. The amount in any bond reserve account.
3. The amount and purpose of expenditures from the account.
4. The amount of principal and interest on any outstanding bonded indebtedness.
5. The initial assessed value of the project area.
6. The captured assessed value retained by the Authority.
7. The tax increment revenues received.
8. The number of jobs created as a result of the implementation of the tax increment financing plan.
9. Any additional information the City of Niles or the State Tax Commission considers necessary.

The report shall be published in a newspaper of general circulation in the municipality.

## EXHIBITS

1. Legal description of original development area
2. Legal description of expanded development area
3. 1987 Base Year and 1998 Taxable Values of Property in the original Development Area
4. 1997 Base Year and 1998 Taxable Values of Property Added to the Development Area in 1998
5. Procedure for Preparation of Assessment Rolls for the Downtown Development Authority
6. Schedules of Estimated Tax Increment Revenues and Projected Impact on Taxing Jurisdictions Based on 1998 Millage Levies

## MAPS

- A. Original Boundaries of Downtown District and Development Area
- B. Boundaries of Downtown District and Development Area, as expanded on May 18, 1998
- C. Existing Land Use Map
- D. Zoning Map

## EXHIBIT 2

## LEGAL DESCRIPTION OF EXPANDED DEVELOPMENT AREA

Commencing at the centerline of Fifth St. and Main St.; thence south along the said centerline of Fifth St. to the intersection of Fifth St. centerline and the south property line of 11-72-4560-0053-00-4 extended; thence west along said property line to the east boundary of the former C.C.C. and St. L. railroad right-of-way; thence south along said east boundary of said railroad to the south boundary of Lot No. 11-73-2700-0009-01-6; thence east to the west boundaries of the lots fronting on Third St. and on Bond St.; thence south along west lot boundaries to the former railroad right-of-way; thence south along the east boundary of said former railroad right-of-way to its intersection with the centerline of Michigan extended to the west; thence east along the centerline of Michigan St. to the east side of Bond St.; thence south along said east right-of-way boundary of Bond St. to its intersection with the centerline of Fort St.; thence west along said centerline of Fort St. to the east waterline of the St. Joseph River; thence north along the said east waterline of the St. Joseph River to the intersection of the centerline of the Broadway Bridge; thence southwest to the intersection of the centerline of Parkway; thence south to the intersection of the centerline of Parkway and the south property line of 11-74-0990-0001-00-9; thence west along said property line to the centerline of State St.; thence north along the centerline of State St. to the intersection of Main St. centerline and the Main St. Bridge centerline; thence northeast along the centerline of the Main St. Bridge to the intersection of the east waterline of the St. Joseph River; thence north along the said waterline of said River to the north-south right-of-way line of Pokagon St. extended; thence northeasterly along said right-of-way to the intersection of the centerline of Second St.; thence south to the centerline of Dey St.; thence east to the centerline of Fifth St.; thence north to the centerline of Pokagon St.; thence east to the east right-of-way line of Eighth St.; thence southeasterly to the centerline of Central St. and Eighth St.; thence south to the centerline of Wayne St.; thence west to the centerline of Fifth St.; thence south to the south property line of 11-71-4510-0105-01 extended; thence west along the south property line to the east property line of 11-71-4510-0085-00-2; thence south along the east property line to the south property line of 11-72-0750-0066-01-2; thence west along property line to the intersection with the westerly boundary extended of lot 63, H. B. Hoffman's Addition; thence south along said westerly boundaries to a point which is 10 feet north of the southwest corner of lot 64, H. B. Hoffman's Addition; thence

west to the centerline of Second St.; thence south along said centerline to the centerline of Cass St., thence east along said centerline to the southeast corner extended of lot 11-72-3110-0023-01-9; thence south to the southeast corner of lot 11-72-0750-0001-01-6; thence east to the centerline of Fifth St.; thence south down said centerline to the intersection of the north lot line of 11-72-3050-0140-00-0 extended; thence east to the west right-of-way line of Eighth St.; thence south to the north property line of 11-72-3050-0224-00-9 extended; thence east along said property line to the northeast corner of 11-72-0840-0065-01-3; thence south to the north right-of-way line of Cedar St.; thence east to the west right-of-way line of Tenth St.; thence south to the north property line of 11-72-3050-0224-00-9 extended; thence east to the west right-of-way line of Eleventh St.; thence south to the south right-of-way line of Broadway extended; thence east to the west right-of-way line of Twelfth St.; thence southwesterly following the west right-of-way to the intersection of the north right-of-way of Main St. and the west right-of-way of Twelfth St.; thence southeasterly to the southeast right-of-way of Eleventh St.; thence southwesterly along said right-of-way to the north right-of-way line of Maple St.; thence west along said right-of-way to the southwest corner of 11-73-2730-0019-03-0; thence north along said lot line to the southeast corner of 11-73-0840-0007-01-8; thence easterly to the southeast corner of 11-73-0840-0154-01-1; thence west along said lot to the centerline of Ninth St.; thence north to the south right-of-way line of Main St.; thence northwesterly along said right-of-way to the point of beginning.

EXHIBIT 3

1987 BASE YEAR AND 1998 TAXABLE  
VALUES OF PROPERTY IN THE ORIGINAL  
DEVELOPMENT AREA

EXHIBIT 4

1997 BASE YEAR AND 1998 TAXABLE VALUES  
OF PROPERTY ADDED TO THE  
DEVELOPMENT AREA IN 1998

**EXHIBIT 5****PROCEDURE FOR THE PREPARATION OF ASSESSMENT ROLLS FOR THE  
DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF NILES****PREPARATION OF BASE YEAR ASSESSMENT ROLL****A. Real Property**

In accordance with the boundaries set for the Downtown Development Authority development area, the assessor shall list the individual parcels by permanent parcel number and assessed value opposite the owner of said real property.

Properties (building improvements) qualifying for Acts 198 and 255 shall also be listed in a separate itemization by certificate number, address and the valuation for the initial assessed value placed opposite the holder of said certificate.

**B. Personal Property**

In accordance with the boundaries set for the Downtown Development Authority development area, the assessor shall list the individual parcel account number, and place the initial assessed value on the roll for the personal property located within the project area opposite the name of the taxpayer.

Personal property qualifying for Act 198 shall also be listed in a separate itemization by certificate number, address and taxpayer, and the respective assessed valuation for that personalty located within the development area, placed on the assessment roll.

**C. Copies of Roll, Receipt of**

The assessor shall submit copies of the assessment roll containing the initial assessed value to the City Treasurer, County Treasurer, Downtown Development Authority, and all other taxing jurisdictions levying property taxes within the Downtown Development Authority development area.

D. Notice of Assessments; Hearing on Development Area

Those property owners and/or taxpayers listed on the aforesaid base year assessment rolls within the boundaries of the development area are the source of subsequent assessment and hearing notices, mailing addresses pertaining to the development area and also for compliance with MCLA 211.24c (Notices of Assessment Changes).

**PREPARATION OF ANNUAL PROJECT AREA ASSESSMENT ROLL AND TAX ROLL**

Each year within fifteen days following the final state equalization of property, the assessor shall prepare an updated base year assessment roll. The updated base year assessment roll shall show the information required in the initial base year assessment roll and the captured assessed value for the current year. Copies of this annual development area assessment roll shall be submitted to the treasurers of those political subdivisions and agencies levying property taxes within the development area.

**TAX ROLL AND TAX STATEMENTS**

Tax roll and tax statements will provide:

1. Base year assessment and respective tax levy.
2. Captured assessment and respective tax levy.
3. Valuation changes creating revenue losses that are to be subsequently absorbed in the development area net total levy. Distribution is to be made by the City Treasurer to the Downtown Development Authority no later than April 15th following the date of levy.