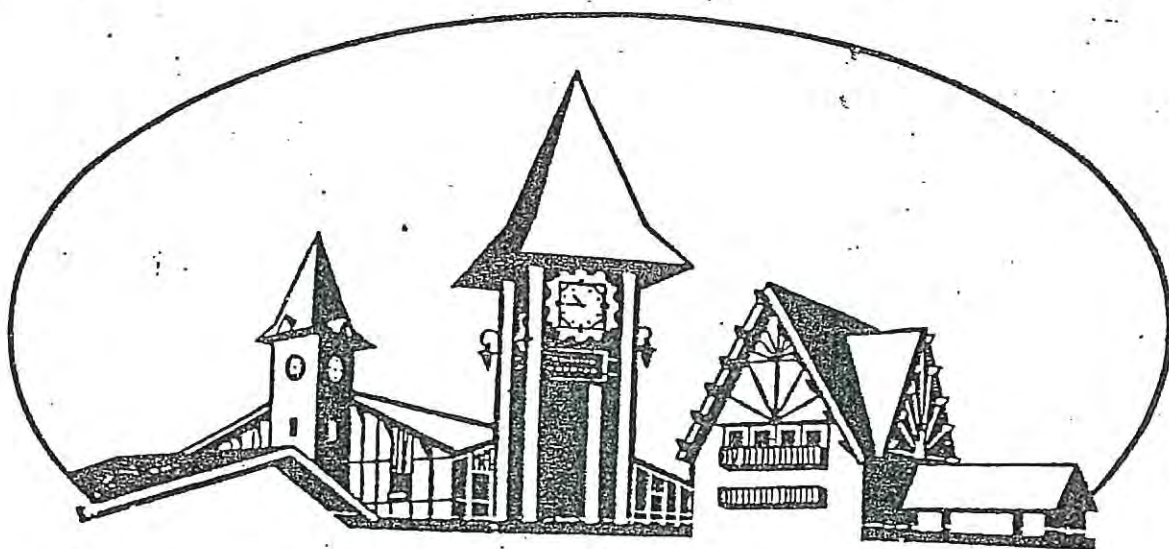


**TAX INCREMENT
FINANCING AND DEVELOPMENT
PLAN
GAYLORD DOWNTOWN
DEVELOPMENT AUTHORITY**



GAYLORD

ACKNOWLEDGEMENTS
CITY OF GAYLORD

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INTRODUCTION

The need for expanding the city's ability to undertake public improvements that strengthen the downtown area is evidenced by the lack of growth in property values and the limited private investment that has occurred. It is the purpose of this Development and Tax Increment Financing Plan to establish the legal basis and procedure for the use of tax increment revenues in accordance with Public Act 197 of 1975.

As a guide in the identification of public improvements that would stimulate private investments, the Downtown Development Authority outlined its vision for Gaylord in the future and established goals that would assist in reaching that future.

GAYLORD IN THE FUTURE

- An attractive, people oriented downtown with park areas, good lighting, landscaping, well-maintained buildings and a range of specialty shops.
- Truck traffic rerouted
- Commercial passenger airlines service.
- A range of activities available during the day and evening for visitors and residents.
- Increased use of second floor space for residential use.
- Gaylord as the retail and industrial hub of the north.
- An activity center for large groups.
- Upgrade the industrial park and recruit more industrial users.
- Strong DDA leadership working in a team with other groups to accomplish projects.
- Downtown as the focal point for community activity.
- Jobs available for young people.

To achieve that future the DDA developed the following goals:

GAYLORD DOWNTOWN DEVELOPMENT AUTHORITY GOALS

- Assure the future of the Gaylord downtown district as a viable regional commercial center and guarantee its economic well being.
- Reinforce Gaylord's downtown retail and commercial area through programs of physical redevelopment and improvements which will enhance its attractiveness and viability.
- Provide good access to downtown facilities for all types of vehicular traffic and pedestrians, particularly families, the elderly and handicapped.
- Stimulate marketing and promotional efforts to attract shoppers, tourists and new specialty retail businesses to downtown Gaylord.
- Explore all financial opportunities available for redevelopment activities and seek new sources of funding when ever possible.
- Support downtown Gaylord as a special and unique destination for visitors and residents by meeting their needs for convenient and attractive opportunities for shopping, entertainment and leisure activities.
- Support a team approach in addressing the needs of downtown Gaylord by encouraging the active participation of government and the private sector in a "Gaylord Futures" program.
- Maintain and enhance the Alpine Village theme.

Following the development of goals for the downtown district, the DDA began the process of assessing project needs by examining the strengths and weaknesses of the area. These are listed below.

STRENGTHS

- People working to implement the Alpine theme and beautify downtown.
- The small town atmosphere and the number of independent small businesses.
- Overall atmosphere and attitudes of businesses and residents.

- The second highest traffic count in the MDOT district.
- Existence of three strong anchors (bank, courthouse, Sugar Bowl)
- Good Parking in the downtown area.
- Attractive decor and friendly people at the stores in the downtown area.
- Due to its centralized location Gaylord serves as the hub of the north.
- The number of specialized stores provide variety in shopping.
- Unity, with people working together for common objectives.
- Broad statewide exposure that Gaylord receives, especially from golf opportunities.
- Pride of the people in their community.

WEAKNESSES

- Need more specialty shops rather than several stores selling same goods.
- Commercial area is scattered in five different locations. There is a need for a Master Plan for the commercial districts.
- Lack of attractive amenities downtown to draw people.
- Lack of informal leadership in the community.
- Absentee ownership and escalating rents in the downtown area.
- Location of increasing number of offices on Main Street dilutes the commercial business mix.
- Business owners are not working together (example-hours of operation).
- Area needs to be brightened and freshened up with a new coat of paint.
- Truck traffic is not compatible with a busy commercial district.
- Need better access to Main Street from parking areas.
- Snow removal problems limits access to businesses.
- No handicapped parking serving downtown area.

- Lack of staff to organize, coordinate and guide efforts and market the community.
- Lack of an accessible place for visitor information.
- Empty buildings create negative impact on the downtown area.
- Lack of a "gathering place" in the downtown area.
- No good brochure, booklet or source of information on Gaylord.

From this process came the projects for improvements described in the Development Plan. Without the public investments proposed, it is unlikely that Gaylord will reach its potential future as envisioned by DDA members.

DEVELOPMENT PLAN

DESIGNATION OF BOUNDARIES

The Development and Tax Increment Finance Districts are contained within the corporate limits of the City of Gaylord and are identical to the Downtown Development District.

Map I shows the boundaries of the Development and Tax Increment Districts.

LOCATION OF STREETS, EXISTING PUBLIC AND PRIVATE LAND USES.

Existing land uses are shown on Map II and existing zoning on Map III. The district is primarily zoned Central Commercial with only a small section south of Second street on both sides of Otsego Avenue zoned General Commercial.

1. Public Uses

Most public facilities are located east of Michigan Avenue and are primarily located on or adjacent to Main Street. These include the Court House, housing city/county offices with the Sheriff's office and jail in the southeast corner of the block, behind the courthouse. The United States Government has a post office on Main Street at the corner of Oak Avenue and at Fourth Street between S. Wisconsin and S. Illinois Avenue and a Department of Agriculture office on Michigan Avenue.

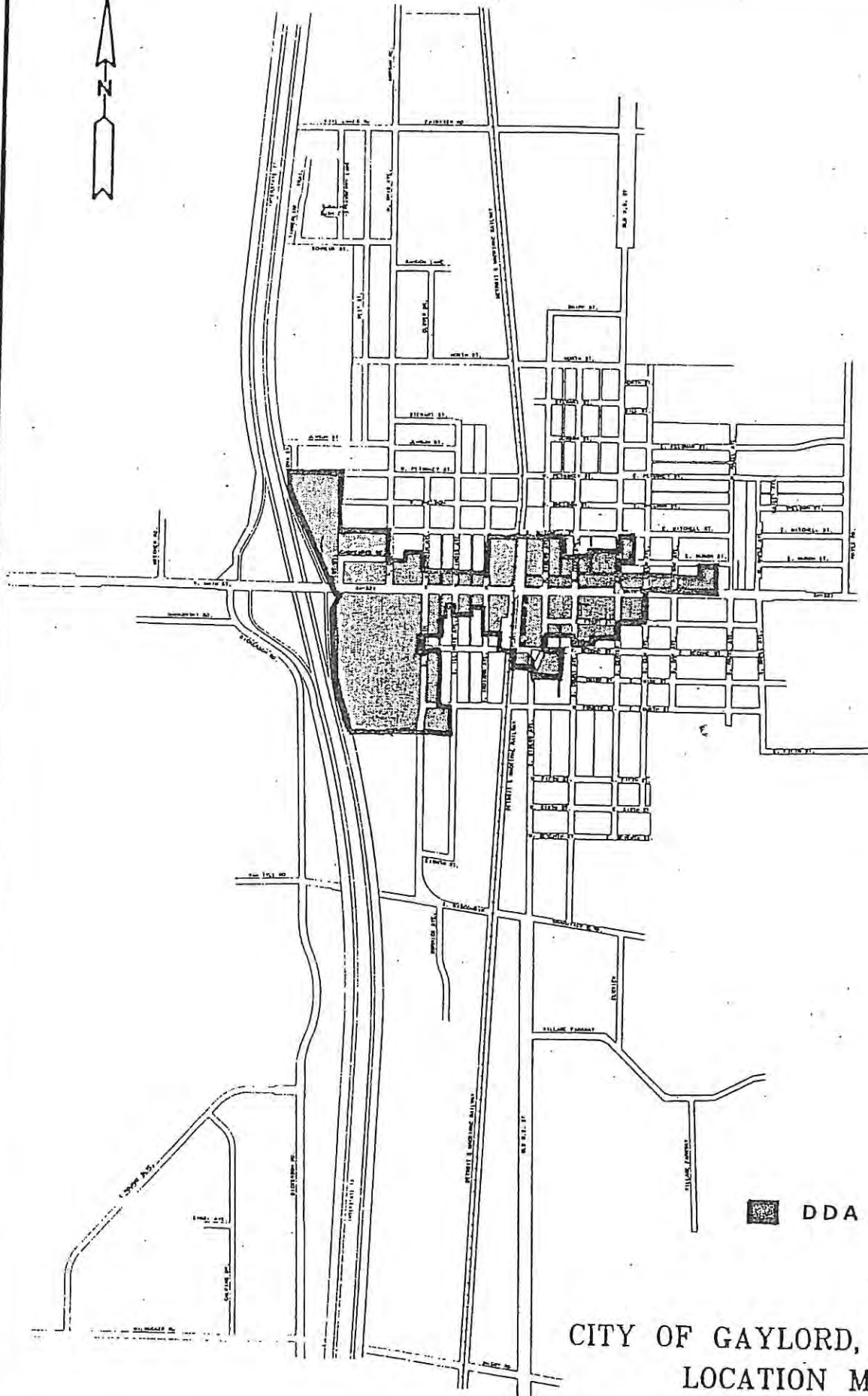
Main streets are M-32 (Main Street) running east and west, Old 27 (Otsego Avenue and Center Avenue) running north and south and I-75 running north and south and serving as the western boundary of the district.

Improved public parking facilities are adjacent to the Court House between Court and Center Avenues, south of Main Street; behind the commercial area between Otsego and Court Avenues, north of Main Street; and behind the commercial area between Court and Center Avenues, north of Main Street. Unimproved parking is located at the corner of Main Street and Center Avenue.

2. Private Uses

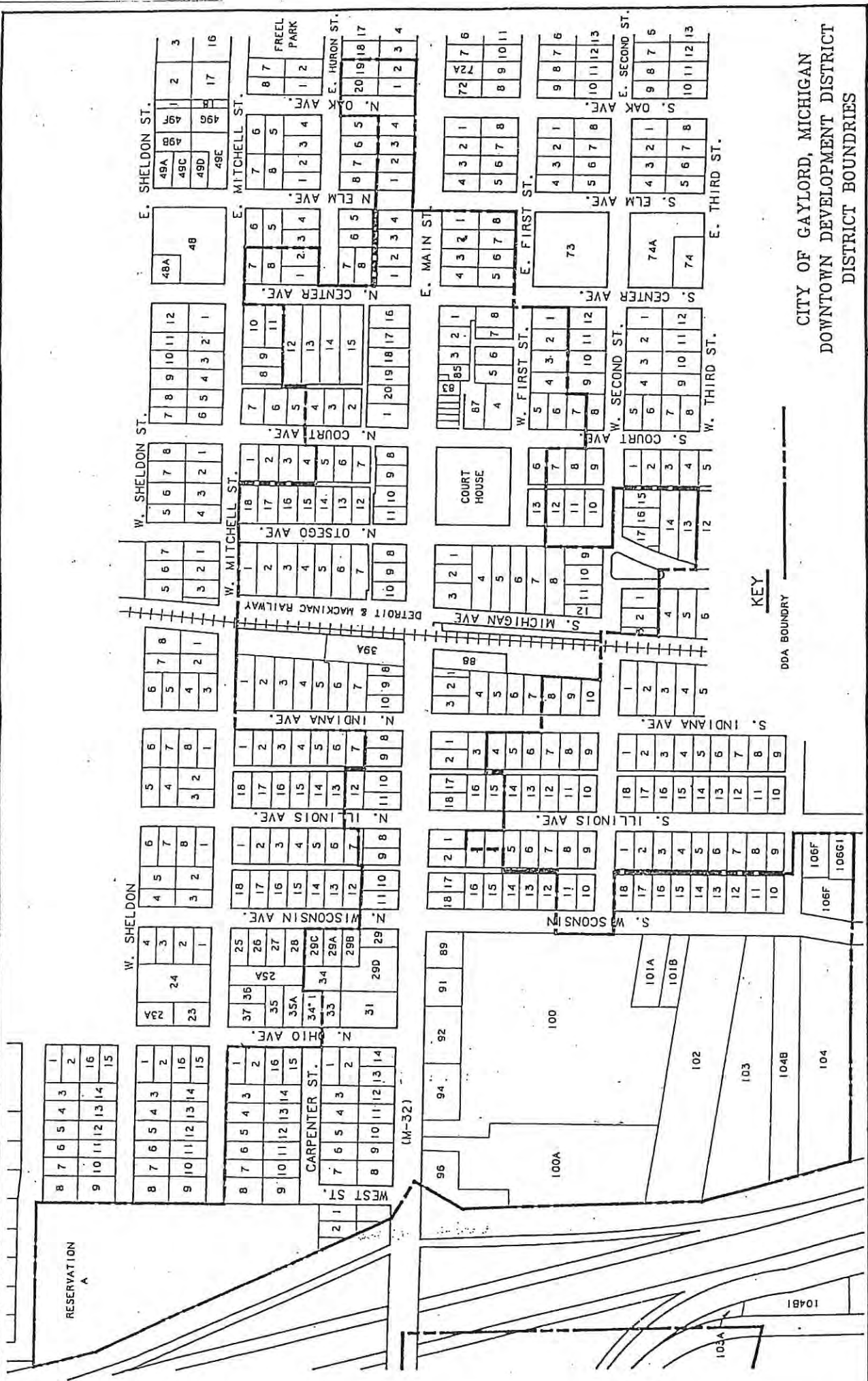
Residential - Residential land uses are relatively insignificant and are generally apartments or scattered single family housing sites, primarily in the eastern end of the Development District.

Commercial - Commercial land uses predominate, with the Development District encompassing the heart of the Gaylord Central Business District. Commercial uses include professional offices, shops and stores, banks, restaurants, new and used car dealers, motels, gas stations, and food stores.



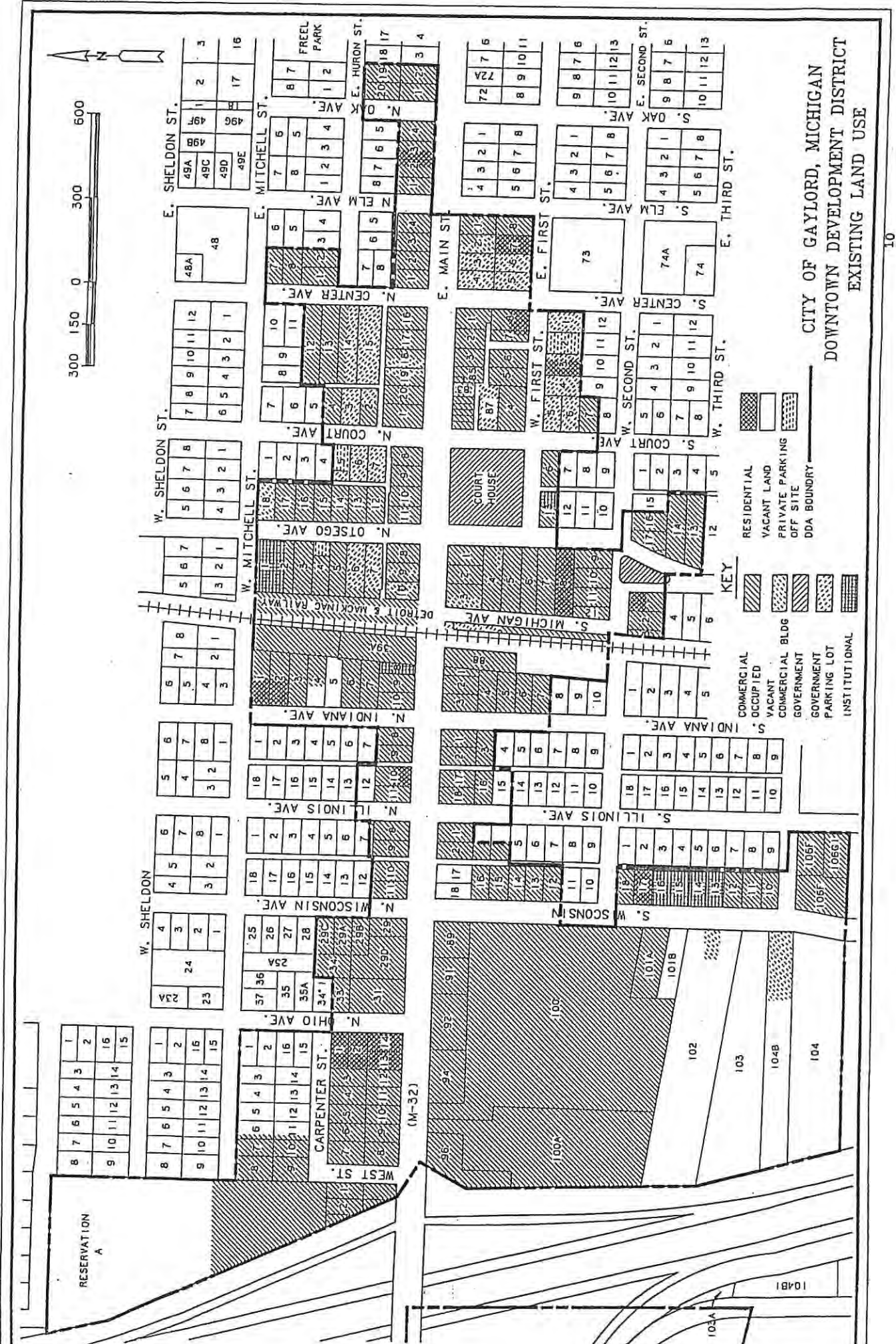
DDA Area

CITY OF GAYLORD, MICHIGAN LOCATION MAP

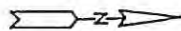


CITY OF GAYLORD, MICHIGAN
DOWNTOWN DEVELOPMENT DISTRICT
DISTRICT BOUNDRIES

KEY
DOA BOUNDARY



300 150 0 300 600



RESERVATION
A

W. SHELDON

R-2

W. SHELDON ST.

E. MITCHELL ST.

FREE
PART

8	7	6	5	4	3	2	1
9	10	11	12	13	14	15	16
8	7	6	5	4	3	2	1
9	10	11	12	13	14	15	16

37	36	25	26	27	28	29	30
35	34	23	24	25	26	27	28
33	32	21	22	23	24	25	26
31	30	19	20	21	22	23	24

18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3
18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3

18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3
18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3

18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3
18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3

18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3
18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3

18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3
18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3

18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3
18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3

18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3
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10	9	8	7	6	5	4	3
18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3

18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3
18	17	16	15	14	13	12	11
10	9	8	7	6	5	4	3

(M-32)

C-2

DETROIT & MACKINAC RAILWAY

E. MAIN ST.

E. SECOND ST.

COURT
HOUSE

W. FIRST ST.

E. FIRST ST.

E. SECOND ST.

S. WISCONSIN

S. ILLINOIS AVE.

S. INDIANA AVE.

S. MICHIGAN AVE.

S. COURT AVE.

S. CENTER AVE.

S. FLEM AVE.

S. OAK AVE.

S. SECOND ST.

W. THIRD ST.

E. THIRD ST.

C-1

R-2

KEY

- R-1 - SINGLE FAMILY RESIDENCE
- R-2 - MULTIPLE RESIDENCE DISTRICT
- C-1 - GENERAL COMMERCIAL DISTRICT
- C-2 - CENTRAL COMMERCIAL DISTRICT
- M-1 - MANUFACTURING DISTRICT

ZONING BOUNDARY

CITY OF GAYLORD, MICHIGAN
DOWNTOWN DEVELOPMENT DISTRICT
EXISTING ZONING

Industrial - There are no industrial properties within the Development District.

3. Recreational Uses

There are no recreational uses within the Development District.

4. Semi-Public Uses

Semi-public uses are limited, but include church property on S. Wisconsin Avenue between Second and Fourth Streets, the Chamber of Commerce in the southwest corner of the block housing the courthouse, and a utility office on Main Street in the block between Center and Court Avenues.

5. Educational Uses

There are no educational uses within the Development District.

6. Vacant Property

Buildings - There are presently a number of buildings that are open or with space available in the Development District. They are:

118 East Main Street
116 East Main Street
126 West Main Street
133 West Main Street
320 West Main Street
334 West Main Street
400 West Main Street
114 North Court Avenue
122 North Otsego Avenue
405 West Main Street
Alpina Plaze (adjacent to Glen's Market)
800 West Main Street
122 South Otsego Avenue

While this number varies, it is an objective of the DDA to expand marketing efforts to expedite occupancy.

Land - With the exception of the site at the corner of Center Avenue and Main Street that is being used as unimproved parking, vacant land in the district is located west of the railroad, with the largest parcels located adjacent to I-75. These sites offer prime opportunities for future commercial development.

In a retail market assessment conducted for the Gaylord DDA in October, 1989, by Design/Economics, two character areas were identified. The portion of the district east of the Detroit & Mackinac Railroad tracks is pedestrian oriented, comparison retail

with visual continuity established by building mass, scale and facades.

Commercial uses west of the railroad tracks are characterized by convenience and service uses. An uneven streetscape exists because of variety in setbacks, architectural character, curbcuts, and parking areas.

PROPOSED LAND USE

Proposed land uses are consistent with the existing commercial zoning. Emphasis will be placed on strengthening the attractiveness and visual continuity of the area by encouraging businesses to utilize the Alpine theme when renovation occurs. To complement private investments, public streetscape improvements will tie the district together, encourage pedestrian traffic, and focus on the special character of the Development District.

The Development Plan includes the following proposed land uses:

- A. Continued commercial use of properties in the district, consistent with current zoning.
- B. Development of facilities and locations for activities to attract residents and visitors to the Development District. While decisions have not yet been made on the most appropriate locations, it is the intent of the DDA to utilize locations that facilitate pedestrian traffic into the major retail area of the district on Main Street.
- C. Private commercial reuse of vacant buildings will be encouraged with the DDA providing aggressive marketing. Consideration of public infrastructure improvements to facilitate reuse will be made on a case-by-case basis.
- D. Commercial development on vacant land provides the opportunity to strengthen the economic base of the development district. The DDA will provide aggressive marketing and will consider public infrastructure improvements to facilitate commercial development on a case-by-case basis.

LEGAL DESCRIPTION

A parcel of land on part of Section 33 and 34, T31N-R3W, and part of Section 4, T30N-R3W, City of Gaylord, Otsego County, Michigan, described as BEGINNING at the NW corner of Block 7 of the Plat of Sanford W. Buck's Addition to the Village, now City, of Gaylord, as recorded in Liber 1, Page 10, Otsego County Records; thence South along the West line of said Plat of the City of Gaylord to the NW corner of Block 5 of said Plat of Sanford W. Buck's Addition to the Village, now City, of Gaylord; thence East along the North line of said Block 5 to the NE corner of said Block 5; thence South along the West line of North Ohio Avenue to the NE corner of Block 4 of said Plat of the City of Gaylord; thence East to the NE corner of Outlot 33 of the City of Gaylord; thence East along the North line of Outlot 33 to the NE corner of said Outlot 33; thence North along the Easterly line of Outlot 34-1 of the City of Gaylord to the N.E. corner of said Outlot 34-1; thence East along the North lines of Outlots 34 and 29C of the City of Gaylord to the NE corner of said Outlot 29C; thence South along the West line of Wisconsin Avenue to the SE corner of Outlot 29B of the City of Gaylord; thence East to

the SW corner of Lot 12, Block 5 of the Plat of the City of Gaylord, as recorded in Liber 1, Page 28, Otsego County Records; thence East along the South line of said Lot 12 to the NW corner of Lot 9 of said Block 5; thence North along the West line of Lot 7 of said Block 5, 16.5'; thence East parallel with the South line of said Lot 7, Block 5, to the East line of said Lot 7, Block 5; thence North along the West line of Illinois Avenue to the NE corner of said Lot 7, Block 5; thence East to the NW corner of Lot 12, Block 7, of the said Plat of the Village, now City, of Gaylord; thence East along the North line of said Lot 12 to the centerline of alley in said Block 7; thence South along centerline to a point West of the South line of Lot 7, Block 7; thence East along the South line of Lot 7, Block 7, to the SE corner of said Lot 7, Block 7; thence North along the West line of Indiana Avenue to the NE corner of said Block 7; thence East along the South line of Mitchell Street to the centerline of the alley of Block 1 of said Plat of the Village, now City, of Gaylord; thence South along the centerline of said alley of Block 1 to a point West of the SW corner of Lot 4, Block 1; thence East along the South line of Lot 4, Block 1, to the SE corner of Lot 4, Block 1; thence North along the West line of Court Avenue to a point West of the NW corner of Lot 4, Block 1 of the Plat of C.C. Mitchell's Addition to the City of Gaylord, as recorded in Liber 1, Page 53, Otsego County Records; thence East along the North line of said Lot 4, Block 1, to the centerline of the alley of said Block 1; thence North along the centerline of said alley to a point West of the NW corner of Lot 12 of said Block 1; thence East along the North line of said Lot 12, Block 1, to the NE corner of said Lot 12, Block 1; thence North along the West line of Center Avenue to the NE corner of said Block 1; thence East along the South line of Mitchell Street to the NE corner of Lot 7, Block 4, of the Plat of Marshall's Addition to the City of Gaylord, as recorded in Liber 1, Page 52, Otsego County Records; thence South along the East lines of Lots 7, 8 and 2 of said Block 4 to the SE corner of said Lot 2, Block 4; thence West along the North line of Huron Street to the SW corner of said Block 4; thence South along the East line of Center Avenue to centerline of alley in Block 1 of said Plat of Marshall's Addition to the City of Gaylord; thence East along said centerline of alley to the East line of said Block 1; thence Northeasterly to the NW corner of Lot 1, Block 2, of said Plat of Marshall's Addition to the City of Gaylord; thence East along the North lines of Lots 1, 2, 3 and 4 of said Block 2; thence North along the West line of Oak Avenue to the NE corner of said Block 2; thence East along the South line of Huron Street to the NE corner of Lot 19, Block 3, of the Plat of George A Badcon's Addition to the City of Gaylord, as recorded in Liber 1, Page 6, Otsego County Records; thence South along the East lines of Lots 19 and 2 of said Block 3 to the SE corner of said Lot 2, Block 3; thence West along the North line of Main Street to the SE corner of Block 1 of said Marshall's Addition to the City of Gaylord; thence South along the West line of Elm Avenue to the SE corner of Block 5 of the Plat of George H. Smith's Addition to the City of Gaylord, as recorded in Liber 1, Page 82, Otsego County Records, thence West along the North line of First Street to the SE corner of Block 1 of said Plat of George H. Smith's Addition to the

City of Gaylord; thence South along the West line of Center Avenue to the SE corner of Lot 1, Block 2, of said Plat of George H. Smith's Addition to the City of Gaylord; thence West along the North lines of Lots 9, 10, 11 and 12 of said Block 2 to the SW corner of Lot 4 of said Block 2; thence South along the East line of said Lot 7, Block 2, to the SE corner of Lot 7 of said Block 2; thence West along the South line of said Lot 7, Block 2, to the SE corner of Lot 8, Block 10, of the Plat of the City of Gaylord, as recorded in Liber 1, Page 28, Otsego County Records; thence North along the West line of Court Avenue to the SE corner of Lot 6 of said Block 10; thence West along the South lines of Lots 6 and 13 of said Block 10 to the NE corner of Lot 8, Block 9, of said Plat of the Village, now City, of Gaylord; thence South along the West line of Otsego Avenue to the centerline of Second Street; thence East along said centerline to a point North of the Centerline of the alley in Block 11 of said Plat of the Village, now City, of Gaylord; thence South along the centerline of said alley to a point East of the SE corner of Lot 13 of said Block 11; thence West along the South line of said Lot 13, Block 11, to the NW corner of Lot 12 of said Block 11; thence North to a point East of the SE corner of Lot 1, Block 12, of said Plat of the Village, now City, of Gaylord; thence West along the South line of Lots 1, 2 and 3 of said Block 12 to the West line of said Block 12; thence Northeasterly along the East line of Railroad Row Line to the North line of Second Street; thence West along the North line of Second Street to the SE corner of Lot 10, Block 8, of said Plat of the City of Gaylord; thence Northeasterly along the East line of said Block 8 to the SE corner of Lot 7 of said Block 8; thence West along the South line of said Lot 7, Block 8, to the SE corner of Lot 6, Block 7, of said Plat of the Village, now City, of Gaylord; thence North along the West line of Indiana Avenue to the NE corner of Lot 4 of said Block 7; thence West along the North line of said Lot 4, Block 7, to the centerline of the alley in said Block 7; thence South along the centerline of said alley to a point East of the SE corner of Lot 15 of said Block 7; thence West along the South line of said Lot 15, Block 7, to the SE corner of Lot 4, Block 6, of said Plat of the Village, now City, of Gaylord; thence North along the West line of Illinois Avenue to the NE corner of Lot 3 of said Block 6; thence West along the North line of said Lot 3, Block 6, to centerline of said Lot 3, Block 6; thence South along said centerline to the South line of Lot 4 of said Block 6; thence West along the South line of said Lot 4, Block 6, to the centerline of alley in said Block 6; thence South along said centerline to a point East of the SE corner of Lot 12 of said Block 6; thence West along the South line of said Lot 12, Block 6, to the West line of Wisconsin Avenue; thence South along the West line of Wisconsin Avenue to the South line of Second Street; thence East along the South line of Second Street to the centerline of alley in Block 15 of said Plat of the City of Gaylord; thence South along the centerline of said alley, Block 15, to the centerline of Fourth Street; thence East along said centerline of Fourth Street to the West line of Illinois Avenue; thence South along the West line of Illinois Avenue to the SE corner of Outlot 106 G1 of the City of Gaylord; thence West along the South lines of Outlots 106 G1, 106 F and 104 to the East

line of Limited Access Highway I-75; thence North along said East line of Limited Access Highway I-75 to the centerline of State Highway M-32; thence Northwesterly to the intersection of the North line of Highway M-32 and East line of said Limited Access Highway I-75; thence Northerly along the East line of said Limited Access Highway I-75 to the South line of Petoskey Street; thence East along the South line of Petoskey Street to a point North of the West line of the plat of Sanford W. Buck's Addition to the City of Gaylord; thence South to the NW corner of said Plat of Sanford W. Buck's Addition to the City of Gaylord and Point of Beginning.

EXISTING IMPROVEMENTS TO BE DEMOLISHED, REPAIRED OR ALTERED AND THE TIME REQUIRED FOR COMPLETION.

Conceptual designs and engineering plans have not been prepared for streetscape improvements nor has there been an assessment of possible reuse alternatives for vacant buildings in the Development District. Existing sidewalks, lighting, plantings and other pedestrian routes of access to the shopping area will be altered as a new streetscape design is implemented. It is also possible that selected vacant buildings may be demolished or repaired as necessary, to facilitate reuse of the site or building. A more detailed discussion of projects and an estimated time schedule are presented in the following section.

LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF THE IMPROVEMENTS AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.

The following Table I lists proposed public improvements in the Development District and identifies estimated costs and times for completion.

Cost estimates and completion dates for the projects are preliminary since the specific design, engineering and bidding proposals have not been done. In addition decisions have not yet been made on the staging or timing for streetscape improvements. Construction could occur in stages over several years, or could be completed all at once.

In addition to the projects and costs outlined here, it is the intention of the DDA to levy two mils to support a staff person, various administrative costs, a promotion program and technical assistance and training for businesses in the district. The availability of staff and administrative resources will contribute to the successful completion of the Development Plan. Anticipated revenue from the two mil levy is described in Table II.

TABLE I
PUBLIC IMPROVEMENT PROJECTS AND ESTIMATED
EARLIEST IMPLEMENTATION DATE

Downtown Improvements		\$ 1,250,000
Maintenance	1993	
Streetscape	1994	
Facilities for Community Activities	1995	
Parking	1998	
Vacant Buildings and Land		\$ 500,000
Marketing	1992	
Public Improvements	1995	

Funding reflects anticipated tax increment revenue as well as support from grants and other potential sources.

TABLE II

CITY OF GAYLORD, MICHIGAN DOWNTOWN DEVELOPMENT DISTRICT
 PROJECTION OF ASSESSED VALUES AND REVENUES FROM 2 MILL DDA LEVY
 ASSUMES A 5% GROWTH RATE IN ASSESSED VALUATION

YEAR	PROJECTED SEV (a)	PROJECTED REVENUE (b)
1991	\$17,188,300.00	\$0.00
1992	\$17,188,300.00	\$34,376.60
1993	\$18,047,715.00	\$36,095.43
1994	\$18,950,100.75	\$37,900.20
1995	\$19,897,605.79	\$39,795.21
1996	\$20,892,486.08	\$41,784.97
1997	\$21,937,110.38	\$43,874.22
1998	\$23,033,965.90	\$46,067.93
1999	\$24,185,664.19	\$48,371.33
2000	\$25,394,947.40	\$50,789.89
2001	\$26,664,694.77	\$53,329.39
2002	\$27,997,929.51	\$55,995.86
2003	\$29,397,825.99	\$58,795.65
2004	\$30,867,717.29	\$61,735.43
2005	\$32,411,103.15	\$64,822.21
2006	\$34,031,658.31	\$68,063.32
2007	\$35,733,241.23	\$71,466.48
2008	\$37,519,903.29	\$75,039.81
2009	\$39,395,898.45	\$78,791.80
2010	\$41,365,693.37	\$82,731.39
2011	\$43,433,978.04	\$86,867.96
		<u>\$1,136,695.08</u>

NOTES:

- (a) Initial SEV year is 1991. Increase is computed at a rate
 of 5% from 1993 to 2011
- (b) Projected revenue is based on the 2 mill DDA levy.

DOWNTOWN IMPROVEMENTS

Maintenance - While improvements in the Development District are important to the City's image, special maintenance needs are also critical. Additional sweeping, cleaning and trash pickup, along with planting and care of plants and trees, are required in the summer. In the winter snow removal from sidewalks and pedestrian paths to parking areas is needed. The DDA will review alternative means for providing these services and based on dependability, quality of work and cost will select an approach.

Streetscape - Improvements are proposed the length of Main Street, beginning at Oak Avenue and going west to the I-75 Freeway. Except for the portion between Oak and Elm Avenues which will be only on the North side, improvements are contemplated for both sides of Main Street. Streetscape improvements will visually tie the Development District together, provide improved pedestrian access to the retail area, and emphasize the Alpine theme.

Facilities for Community Activities - It is the DDA's intent to encourage activities that attract people to the Development District. A possible project would be the construction of a band shell. This could be located on the city-owned property on the corner of Main Street and Center Avenue. That site is presently being used for unimproved parking, but would provide a convenient location for the band shell and would encourage free pedestrian movement into the retail area. Construction of the band shell and improvements to the site would also provide a focal point for the east end of the Development District. It is anticipated that a range of events, scheduled evenings, weekends and even at noon, would bring people to the area and demonstrate that Gaylord is a place where things are happening.

Parking - This is a longer range project, but it is expected that it may become necessary to construct a parking deck. While surface lots and street parking currently generally meet the needs, these alternatives may not be adequate in the future. Surface lots also utilize prime commercial property that may be needed for new development. A site would be selected and engineering plans developed when the need for a parking deck is established.

VACANT BUILDINGS AND LAND

Marketing - The DDA will initiate an aggressive marketing program to promote the use of existing buildings and the development of vacant sites. Working with local business people and real estate agents, the DDA will identify target businesses, prepare materials promoting Gaylord and various development opportunities, and meet with potential investors to discuss specific projects. Buildings that are vacant for an extended period begin to undermine the appearance of the area. Undeveloped properties do not contribute to the economic activity of the area. Neither support the future growth of Gaylord as a regional commercial center.

Public Improvements - In selected instances private investment in vacant buildings or land may require public investments in improvements. Decisions to provide public improvements will be made on a case-by-case basis. Project and site specific information is not known at this time.

STAGES OF CONSTRUCTION AND ESTIMATED COMPLETION

To the extent now known, information on the stages of construction and estimated completion time is provided in the preceding section.

PARTS OF THE DEVELOPMENT DISTRICT TO BE LEFT AS OPEN SPACE AND CONTEMPLATED USE.

No specific sites have been designated as open space. During implementation of the Development Plan it may become appropriate, in connection with other components of the plan, to establish small "pocket parks". These would be used for passive recreation and would serve pedestrians in the Development District.

LAND DESIRED TO SELL, DONATE, EXCHANGE OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS.

While no specific sites have been designated for selling, donating, exchanging or leasing to or from the municipality, such might become appropriate in the implementation of identified projects. Terms for the exchange of property would be developed at that time.

DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES.

There are no zoning changes necessary. The Development District is zoned central commercial and general commercial, which permits the proposed land uses.

No changes in streets, street levels or intersections are proposed. Some changes in electric utilities may occur as a result of improvements in the Streetscape.

ESTIMATED COST OF THE DEVELOPMENT, PROPOSED METHOD OF FINANCING, AND THE ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING.

The estimated cost of the public improvement program as outlined in Table I is \$ 1,750,000. It is anticipated that these projects will be paid for with a combination of tax increment revenues, grant funds, and any additional funds that may be made available to the Authority for the improvements. The sale of bonds is proposed to provide financing for the downtown improvements, including streetscape, the band shell and possibly a parking deck. Over the duration of this plan, at least \$ 1,393,251 in tax increment revenue is projected. This would support a bond sale of approximately \$1 million.

Other projects will be supported on a pay-as-you-go basis.

DESIGNATION OF PERSON OR PERSONS TO WHOM ALL OR A PORTION OF THE DEVELOPMENT IS TO BE LEASED, SOLD, OR CONVEYED.

The public improvement projects proposed in the Development Plan will remain in public ownership for the public benefit.

Detailed procedures for any public/private participation to develop or renovate any vacant land or buildings along with any conveyance of property, will be established consistent with state law and city ordinances and policy. Public participation through the DDA will be to the minimum extent necessary for ensuring the success of the project.

PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING, OR CONVEYING OF ALL OR A PORTION OF THE DEVELOPMENT UPON ITS COMPLETION, IF THERE IS NO EXPRESSED OR IMPLIED AGREEMENT BETWEEN THE AUTHORITY AND PERSONS THAT ALL OR A PORTION OF THE DEVELOPMENT WILL BE LEASED, SOLD OR CONVEYED TO THOSE PERSONS.

There are no agreements, expressed or implied for the lease, sale or conveyance of any development.

All land acquisitions will be in accordance with the procedures of Public Act 344 of 1945, as amended; Public Act 87 of 1980, as amended; the Federal Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970, as amended, and Public Act 277 of 1972.

Since it is an objective of the DDA to encourage additional residential opportunities downtown, it is expected that the number of persons residing in the Development District will increase. At the time when the number of persons exceeds 100, the DDA will establish a Citizens Council to serve as an advisory body in the implementation or future modification of the Development and Tax Increment Financing Plan.

ESTIMATES OF THE NUMBER OF PERSONS RESIDING IN THE DEVELOPMENT DISTRICT AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED.

Based upon the 1990 Census it is estimated that 84 persons reside in the Development District. It is not expected that any individuals or families will be displaced as a result of the proposed Development Plan.

PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT, FOR THE PROVISION FOR RELOCATION COSTS, AND FOR COMPLIANCE WITH PUBLIC ACT 227 OF 1972.

Since there is no expectation that any resident of the Development District will be displaced, no specific relocation plan or provision for relocation costs has been prepared. In fact, the objectives of the Development Plan are to encourage expansion of second floor space for residential use and to establish the

downtown area as a focal point for community activity. If relocation of persons becomes necessary, the Authority would comply with all provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended and with Public Act 227 of 1972.

TAX INCREMENT FINANCING PLAN

FOR THE GAYLORD

DOWNTOWN DEVELOPMENT AUTHORITY

Public Act 197 of 1975, the Downtown Development Act, requires that a tax increment financing plan include a development plan and specified information regarding procedures, bonded indebtedness, duration of the program, estimated impact on taxing jurisdictions and a plan for the expenditure of projected revenue. The development plan for the Gaylord Downtown Development Authority district appears on the previous pages. The remaining information is presented below.

EXPLANATION OF THE TAX INCREMENT PROCEDURE

Tax increment financing is a financing tool for the redevelopment of business districts in which a Downtown Development Authority has been established. The act allows the utilization of increases in tax revenues on real and personal property from new private development and improvements or from normal inflationary growth to finance an approved development plan. The tax revenues may be used to secure and pay bonds issued by a municipality or a downtown development authority to finance the costs of a development program, to pay an authority's costs of operation, and to finance a development program which does not involve the issuance of bonds.

The procedures required by Public Act 197 of 1975 and utilized by the Gaylord Downtown Development Authority are as follows:

1. Having determined that it is necessary for the continued economic growth and development of the downtown area encompassed by the DDA district, the Gaylord Downtown Development Authority is preparing and submitting these Development and Tax Increment Financing Plans to the Gaylord City Council.
2. The City Council must provide information on the impact of the Tax Increment Plan to the Gaylord Area School, Otsego County and the COP Intermediate School District and provide those taxing jurisdictions the opportunity to meet with City Council on the plan.
3. The City Council must schedule a public hearing on the Plans and must provide public notice of the time, place and information on the Plan by: publishing a notice twice in a newspaper of general circulation with the first notice being at least twenty days prior to the scheduled hearing; posting a notice in twenty public locations within the development district at least twenty days prior to the hearing; and mailing a notice to all property taxpayers of record in the district at least twenty days prior to the hearing.
4. At the public hearing, the City Council must provide an opportunity for interested persons to submit comments in writing or orally and must preserve a record of the public hearing.

5. After the public hearing on the Plans, the City Council will determine whether the plans constitute a public purpose and by ordinance, approve with modifications or reject the Plans.
6. Following the adoption of the ordinance, the DDA will receive from the municipal and county treasurers that portion of the tax levy paid each year on real and personal property in the development area on "captured assessed value". Captured assessed value is defined as the amount in any one year by which the current assessed value exceeds the equalized assessed value at the time the ordinance establishing the Plans is approved.

The Gaylord DDA may use all of the captured assessed value for purposes of the Tax Increment Plan or it may enter into agreements with the Otsego County Board of Commissioners, the Gaylord Area School Board and the COP Intermediate School Board to share a portion of the captured assessed value. This Tax Increment Plan does not provide for exclusions of a portion of the captured assessed value so the total millage is 51.0850 mills as currently levied within the development district. The Plans propose that, until the projects identified in the Development Plan are completed, all of the captured assessed value will be used by the Gaylord DDA. Any surplus Tax Increment Revenue, beyond the amount needed for the purposes of the Plans, will be returned proportionately to the respective taxing jurisdictions.

When the plans are completed, the respective taxing jurisdictions will receive all of the taxes levied by them in the development district. In the interim the taxing jurisdictions will continue to receive their full tax levy on the current equalized assessed value. Only increases in the tax base in the development district will be used to finance the Plans. The temporary "investment" made by taxing jurisdictions in the form of revenue captured by the DDA will be repaid by the long-term benefit of greater taxes from a significantly stronger property tax base resulting from plan implementation.

MAXIMUM AMOUNT OF BONDED INDEBTEDNESS TO BY FINANCED

Bonded indebtedness may be incurred to finance project costs described in the Development Plan. Two types of bonds are available.

1. Tax Increment Bonds - Section 16(2) of Public Act 197 of 1975 authorizes a Downtown Development Authority to issue tax increment bonds which pledge solely the tax increment revenue and any other revenues which the authority specifically pledges in its bond authorizing resolutions. Such bonds do not pledge the full faith and credit of either the authority

or the municipality. Proceeds from the bond issue may be used to pay the costs of the projects, to pay interest until full development of the tax increment revenue, to pay financing costs related to the projects and bonds, and to fund a reasonable reserve for payment of principal and interest on the bonds. Such bonds do not require voter approval.

2. General Obligation Bonds - Section 16(1) of Public Act 197 of 1975 authorizes a municipality to issue general obligation bonds which pledge up to 80 percent of the estimated annual tax increment revenue. These bonds pledge the full faith and credit of the municipality, are subject to the municipal finance act, but do not pledge the unlimited taxing power of the municipality. There is no requirement for voter approval, but there is a right of referendum.

Projects that may be financed in whole or in part from bond proceeds are downtown improvements, including streetscape, parking and facilities to support activities downtown and marketing of vacant properties in the downtown area including any required public improvements. The maximum amount of indebtedness expected, based on estimated project costs and projected revenues, is 1 million dollars. The final value of the bond sale may vary substantially from this estimate, based on actual project costs, actual growth of tax increment revenues, whether the city's full faith and credit are pledged and the final term and interest rate. Other funding from Federal and State sources will also be solicited to support the projects outlined in the Development Plan.

If all of the projected tax increment revenues do not materialize as projected, the maximum amount of bonded indebtedness to be incurred shall be adjusted in order to be supported by the adjusted estimates of annual captured assessed value. The Authority may also recommend and the City may decide not to bond, but to utilize other borrowing in accordance with Public Act 197 of 1975 and City ordinances, or phase the improvements over the life of the Development Plan.

DURATION OF THE PROGRAM

The duration of the tax increment financing plan is twenty years, beginning upon its adoption by City Council in December, 1991, and ending December, 2011, unless this plan is amended by the Gaylord DDA and by ordinance of City Council to extend or shorten its duration. The Plans will not be discontinued until the principal and interest on any bonds issued pursuant to the Plans have been paid or funds sufficient to make the payment have been allocated for such purpose.

ESTIMATED IMPACT OF THE TAX INCREMENT FINANCING ON TAXING JURISDICTIONS WITHIN THE DEVELOPMENT DISTRICT

The Taxing jurisdictions affected by the Plans and their current tax rates are:

	<u>Millage</u>
City of Gaylord	12.79
Gaylord Area School	33.76
Otsego County	5.275
COP Intermediate School District	<u>1.26</u>
	53.085

The initial assessed valuation of property within the development district as equalized in May, 1991, is \$17,206,678. It is anticipated that, due to the state mandated tax freeze, there will be no growth in the state equalized valuation until 1993.

The annual impact on each taxing jurisdiction for the life of the Plans is described in Table III.

At the expiration of this tax increment plan all taxing jurisdictions will benefit from a tax base that has been stabilized and enhanced as a result of the Development Plan.

USE OF THE CAPTURED ASSESSED VALUE

Projections indicate an anticipated 5 percent annual growth in the state equalized valuation over the 20 year life of the Development Plan. The resultant Captured SEV is \$26,245,678 and total projected tax increment revenue is \$1,393,251 at the currently levied 53.085 mills.

Additional increases in the assessed valuation for the Development District will result from other improvements and investments. If such increases occur, tax increment revenues will be spent according to this plan to speed up the implementation of the public improvement program.

Tax increment revenues resulting from captured assessed value shall be used to:

1. Pay into all debt retirement funds for all outstanding series of bonds issued pursuant to this plan an amount equal to the interest and principal coming due prior to the next collection of taxes, less any amount on hand in the debt retirement fund.
2. Establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan to the extent required by any resolution authorizing bonds.

TABLE III

CITY OF GAYLORD, MICHIGAN DOWNTOWN DEVELOPMENT DISTRICT - IMPACT ANALYSIS ON OTHER TAXING JURISDICTIONS
 PROJECTION OF CAPTURED ASSESSED VALUES AND REVENUES
 ASSUMES A 5.0% GROWTH RATE IN ASSESSED VALUATION

YEAR	PROJECTED SEV (a)	CAPTURED SEV	PROJECTED REVENUE (b)	CITY OF GAYLORD 12.79 Mills (d)	GAYLORD SCHOOL DIST. 33.76 Mills	OTSEGO COUNTY 5.275 Mills	INTERMEDIATE SCHOOL DIST. 1.26 Mills	TOTALS AT 53.085 Mills
1991	\$17,188,300.00	\$0.00	\$0.00					
1992	\$17,188,300.00	\$0.00	\$0.00					
1993	\$18,047,715.00	\$859,415.00	\$45,622.05	\$10,991.92	\$29,011.85	\$4,533.41	\$1,082.86	\$45,622.05
1994	\$18,950,100.75	\$902,385.75	\$47,903.15	\$11,541.51	\$30,464.54	\$4,760.08	\$1,137.01	\$47,903.15
1995	\$19,897,605.79	\$947,505.04	\$50,298.30	\$12,118.59	\$31,987.77	\$4,998.09	\$1,193.86	\$50,298.30
1996	\$20,892,486.08	\$994,880.29	\$52,813.22	\$12,724.52	\$33,587.16	\$5,247.99	\$1,253.55	\$52,813.22
1997	\$21,937,110.38	\$1,044,624.10	\$55,453.88	\$13,360.74	\$35,266.52	\$5,510.39	\$1,316.23	\$55,453.88
1998	\$23,033,965.90	\$1,096,855.52	\$58,226.58	\$14,028.78	\$37,029.84	\$5,785.91	\$1,382.04	\$58,226.58
1999	\$24,185,664.19	\$1,151,698.29	\$61,137.90	\$14,730.22	\$38,881.33	\$6,075.21	\$1,451.14	\$61,137.90
2000	\$25,394,947.40	\$1,209,283.21	\$64,194.80	\$15,466.73	\$40,825.40	\$6,378.97	\$1,523.70	\$64,194.80
2001	\$26,664,694.77	\$1,269,747.37	\$67,404.54	\$16,240.07	\$42,866.67	\$6,697.92	\$1,599.88	\$67,404.54
2002	\$27,997,929.51	\$1,333,234.74	\$70,774.77	\$17,052.07	\$45,010.00	\$7,032.81	\$1,679.88	\$70,774.77
2003	\$29,397,825.99	\$1,399,896.48	\$74,313.50	\$17,904.68	\$47,260.51	\$7,384.45	\$1,763.87	\$74,313.50
2004	\$30,867,717.29	\$1,469,891.30	\$78,029.18	\$18,799.91	\$49,623.53	\$7,753.68	\$1,852.06	\$78,029.18
2005	\$32,411,103.15	\$1,543,385.86	\$81,930.64	\$19,739.91	\$52,104.71	\$8,141.36	\$1,944.67	\$81,930.64
2006	\$34,031,658.31	\$1,620,555.16	\$86,027.17	\$20,726.90	\$54,709.94	\$8,548.43	\$2,041.90	\$86,027.17
2007	\$35,733,241.23	\$1,701,582.92	\$90,328.53	\$21,763.25	\$57,445.44	\$8,975.85	\$2,143.99	\$90,328.53
2008	\$37,519,903.29	\$1,786,662.06	\$94,844.96	\$22,851.41	\$60,317.71	\$9,424.64	\$2,251.19	\$94,844.96
2009	\$39,395,898.45	\$1,875,995.16	\$99,587.20	\$23,993.98	\$63,333.60	\$9,895.87	\$2,363.75	\$99,587.20
2010	\$41,365,693.37	\$1,969,794.92	\$104,566.56	\$25,193.68	\$66,500.28	\$10,390.67	\$2,481.94	\$104,566.56
2011	\$43,433,978.04	\$2,068,284.67	\$109,794.89	\$26,453.36	\$69,825.29	\$10,910.20	\$2,606.04	\$109,794.89
		\$26,245,678.04	\$1,393,251.82	\$335,682.22	\$886,054.09	\$138,445.95	\$33,069.55	\$1,393,251.82

NOTES:

- (a) Initial SEV year is 1991, SEV is assumed to increase at a rate of 5% from 1993 to 2011
- (b) Projected revenue is based on constant millage of 53.085 Mills. The 2 mill DDA levy has been omitted.
- (c) Revenue for 1993 is assumed to be \$0 because of state mandated tax freeze.
- (d) Based on millage breakdown obtained from the Gaylord Assessor's Office, December, 1991 plus a 1.65 mill Gaylord School District tax increase passed in November, 1991

3. Pay the costs of any projects included in this Development Plan, but not funded through the issuance of bonds or from any other source.
4. Pay the costs of any additional public improvements to the development activities described in the Development Plan that are determined necessary by the Downtown Development Authority and approved by the City Council.
5. Reimburse the City for funds advanced to the Downtown Development Authority for implementation of the Development Plan.
6. Pay administration and operating costs of the Downtown Development Authority and the City for the Development District to the extent provided and approved in the annual budget of the Downtown Development Authority.
7. Any tax increment revenues in excess of those described under the preceding paragraphs would revert proportionality to the taxing jurisdictions, would be used as defined in the Development plan to expedite implementation, or would be used pursuant to any amendment of the Development and Tax Increment Financing Plans as provided for in Public Act 197 of 1975.

APPENDIX

CITY OF GAYLORD, MICHIGAN DOWNTOWN DEVELOPMENT DISTRICT
 LIST OF REAL AND PERSONAL PROPERTIES/ITEM NUMBERS AND 1991 ASSESSED
 VALUATIONS OF PROPERTY WITHIN THE PROPOSED DISTRICT

Real/Personal Property Item Number	Assessed Value for 1991
-REAL-	
100-000-001-005-00	\$9,900
100-000-001-008-00	\$63,050
100-000-001-008-01	\$51,950
100-000-001-009-00	\$216,050
100-000-001-010-00	\$42,200
100-000-001-010-01	\$40,000
100-000-001-010-02	\$39,400
100-000-001-010-03	\$86,200
100-000-001-011-01	\$58,800
100-000-001-012-00	\$25,000
100-000-001-013-00	\$78,600
100-000-001-013-01	\$27,700
100-000-001-014-00	\$19,200
100-000-001-015-00	\$30,300
100-000-001-016-01	\$5,000
100-000-001-016-02	\$21,025
100-000-001-017-00	\$58,025
100-000-001-018-00	\$26,300
100-000-002-003-00	\$70,000
100-000-002-004-00	\$39,200
100-000-002-005-00	\$13,550
100-000-002-007-00	\$12,800
100-000-002-008-00	\$57,500
100-000-002-008-02	\$83,700
100-000-002-008-03	\$66,700
100-000-002-009-00	\$41,250
100-000-002-009-01	\$26,600
100-000-002-009-02	\$32,950
100-000-002-010-00	\$33,900
100-000-002-010-01	\$23,450
100-000-002-010-02	\$40,200
100-000-003-001-00	\$15,000
100-000-003-002-00	\$13,700
100-000-003-003-00	\$14,150
100-000-003-005-00	\$14,400
100-000-003-006-00	\$33,000
100-000-003-010-00	\$153,200
100-000-004-008-01	\$128,450
100-000-004-010-00	\$84,750
100-000-004-011-00	\$50,000
100-000-005-008-00	\$139,775

100-000-005-010-00	\$114,600
100-000-006-001-00	\$90,700
100-000-006-004-00	\$13,100
100-000-006-012-00	\$23,900
100-000-006-013-00	\$42,800
100-000-006-015-00	\$40,000
100-000-006-016-00	\$25,000
100-000-006-017-00	\$39,600
100-000-007-001-00	\$178,600
100-000-007-015-00	\$54,100
100-000-007-017-00	\$73,050
100-000-008-001-00	\$51,000
100-000-008-004-00	\$27,400
100-000-008-006-01	\$61,100
100-000-009-001-00	\$28,750
100-000-009-002-00	\$45,950
100-000-009-003-00	\$160,000
100-000-009-004-00	\$75,000
100-000-009-004-01	\$50,100
100-000-009-004-02	\$14,350
100-000-009-005-00	\$48,050
100-000-009-006-00	\$125,800
100-000-009-007-00	\$130,650
100-000-009-009-00	\$12,450
100-000-009-010-00	\$55,300
100-000-009-011-01	\$4,900
100-000-009-012-01	\$21,050
100-000-010-006-00	\$116,000
100-000-010-013-00	\$24,200
100-000-010-013-01	\$5,150
100-000-011-013-00	\$100,800
100-000-012-001-00	\$15,600
100-000-012-001-01	\$18,500
100-000-012-002-00	\$18,475
100-000-015-010-00	\$7,425
100-000-015-011-00	\$78,575
100-000-015-012-00	\$14,100
100-000-015-018-00	\$41,450
101-033-000-200-00	\$43,650
101-033-000-205-00	\$10,800
101-033-000-210-00	\$10,800
101-033-000-220-00	\$17,300
101-033-000-225-00	\$196,800
101-033-000-230-00	\$74,950
101-033-000-235-00	\$24,750
101-033-000-240-00	\$4,200
101-033-000-270-00	\$244,800
101-104-000-065-00	\$53,000
101-104-000-070-00	\$19,800

101-104-000-085-00	\$33,050
101-104-000-090-00	\$80,550
101-104-000-095-00	\$14,500
101-104-000-100-00	\$14,450
101-104-000-110-00	\$61,700
101-104-000-115-00	\$22,450
101-104-000-120-00	\$10,100
101-104-000-125-00	\$187,800
101-104-000-130-00	\$126,850
101-104-000-135-00	\$202,600
101-104-000-140-00	\$154,100
101-104-000-145-00	\$138,500
101-104-000-155-00	\$1,656,500
101-104-000-160-00	\$1,428,350
101-104-000-165-00	\$16,300
101-104-000-170-00	\$7,400
101-104-000-175-00	\$22,800
101-104-000-175-01	\$13,000
101-104-000-180-00	\$17,550
101-104-000-190-00	\$23,000
101-104-000-200-00	\$23,450
101-104-000-325-00	\$18,700
101-104-000-335-00	\$121,650
101-104-000-340-00	\$28,775
103-130-000-155-00	\$74,550
103-160-003-005-00	\$187,600
103-180-003-001-00	\$862,600
103-180-003-002-00	\$70,150
103-180-004-001-00	\$12,700
103-180-004-002-00	\$25,000
103-180-004-003-00	\$12,700
103-180-004-005-00	\$152,050
103-180-004-007-00	\$101,725
103-180-004-011-00	\$77,650
103-180-004-013-00	\$60,200
103-180-005-001-00	\$6,600
103-180-005-002-00	\$6,600
103-180-005-003-00	\$7,100
103-180-005-004-00	\$17,600
103-180-005-006-01	\$111,750
103-180-005-006-02	\$4,125
103-180-005-014-00	\$6,600
103-180-005-015-00	\$6,600
103-180-005-016-00	\$6,600
103-270-001-001-00	\$62,850
103-270-001-002-00	\$37,600
103-270-001-003-00	\$67,150
103-270-001-003-01	\$17,300
103-270-001-004-01	\$19,300

103-270-001-004-02	\$18,150
103-270-001-004-03	\$8,350
103-270-001-004-04	\$10,525
103-270-002-001-00	\$27,500
103-270-002-002-00	\$15,350
103-270-002-004-00	\$77,550
103-270-004-001-00	\$78,650
103-270-004-007-00	\$54,200
103-270-004-008-00	\$25,150
103-300-001-001-00	\$37,200
103-300-001-001-01	\$44,350
103-300-001-001-02	\$72,000
103-300-001-002-00	\$153,500
103-300-001-004-00	\$82,675
103-300-001-012-00	\$135,000
103-300-001-013-00	\$19,900
103-300-001-016-00	\$92,250
103-300-001-016-02	\$40,550
103-300-001-017-00	\$37,850
103-300-001-017-01	\$86,550
103-300-001-018-01	\$60,000
103-300-001-019-00	\$16,050
103-300-001-019-01	\$31,200
103-300-001-020-00	\$74,400
103-370-001-001-00	\$81,800
103-370-001-002-00	\$25,000
103-370-001-003-00	\$749,400
103-370-001-004-00	\$34,100
103-370-001-005-00	\$10,850
103-370-001-006-00	\$31,600
103-370-001-007-00	\$7,300
103-370-001-008-00	\$18,000
103-370-002-002-00	\$6,900
103-370-002-002-01	\$4,500
103-370-002-007-00	\$48,300
103-370-005-001-00	\$28,250
103-370-005-001-01	\$39,500
103-370-005-002-00	\$29,200
103-370-005-002-01	\$14,700
103-370-005-008-00	\$18,250
103-370-005-008-01	\$68,000

TOTAL: REAL PROPERTY \$13,788,725

- PERSONAL -

104-900-001-004-00	\$3,300
104-900-001-006-00	\$5,800

104-900-001-010-00	\$10,000
104-900-001-025-00	\$500
104-900-001-030-00	\$12,000
104-900-001-035-00	\$17,500
104-900-001-041-00	\$600
104-900-001-045-00	\$3,200
104-900-001-050-00	\$10,200
104-900-001-057-00	\$40,100
104-900-001-065-00	\$8,300
104-900-001-067-00	\$13,500
104-900-001-073-00	\$4,100
104-900-001-075-00	\$7,700
104-900-001-078-00	\$31,300
104-900-001-079-00	\$4,300
104-900-001-080-00	\$2,200
104-900-001-081-00	\$50,000
104-900-001-093-00	\$1,000
104-900-001-094-00	\$1,650
104-900-001-095-00	\$1,300
104-900-002-001-00	\$1,300
104-900-002-002-00	\$3,750
104-900-002-011-00	\$9,700
104-900-002-013-00	\$77,000
104-900-002-021-00	\$5,000
104-900-002-029-00	\$5,300
104-900-002-035-00	\$2,550
104-900-002-050-00	\$14,900
104-900-002-060-00	\$45,700
104-900-002-075-00	\$2,200
104-900-003-008-00	\$25,000
104-900-003-020-00	\$8,100
104-900-003-021-00	\$700
104-900-003-024-00	\$2,450
104-900-003-032-00	\$6,800
104-900-003-060-00	\$600
104-900-003-070-00	\$1,300
104-900-003-072-00	\$2,150
104-900-003-077-00	\$2,200
104-900-003-078-00	\$19,800
104-900-003-080-00	\$17,100
104-900-003-083-00	\$1,500
104-900-003-100-00	\$2,600
104-900-003-108-00	\$3,000
104-900-003-110-00	\$63,100
104-900-003-115-00	\$8,100
104-900-004-001-00	\$21,400
104-900-004-002-00	\$10,000
104-900-004-003-00	\$105,000
104-900-004-005-00	\$13,400

104-900-004-010-00	\$3,000
104-900-004-032-00	\$3,900
104-900-004-035-00	\$2,500
104-900-004-037-00	\$900
104-900-004-040-00	\$10,100
104-900-004-045-00	\$45,000
104-900-004-050-00	\$10,000
104-900-004-055-00	\$18,100
104-900-004-060-00	\$8,900
104-900-004-062-00	\$12,200
104-900-004-065-00	\$6,100
104-900-006-002-00	\$1,250
104-900-006-011-00	\$1,300
104-900-006-013-00	\$3,500
104-900-006-036-00	\$3,000
104-900-006-045-00	\$900
104-900-007-002-00	\$15,600
104-900-007-004-00	\$9,400
104-900-007-010-00	\$1,700
104-900-007-011-00	\$4,400
104-900-007-020-00	\$20,700
104-900-007-025-00	\$10,000
104-900-007-030-00	\$13,200
104-900-007-033-00	\$14,250
104-900-007-035-00	\$1,500
104-900-007-045-00	\$47,100
104-900-007-080-00	\$8,300
104-900-007-085-00	\$10,400
104-900-007-095-00	\$55,200
104-900-007-100-00	\$503,300
104-900-007-103-00	\$2,000
104-900-007-106-00	\$6,000
104-900-007-107-00	\$8,900
104-900-008-001-00	\$850
104-900-008-004-00	\$2,900
104-900-008-006-00	\$3,000
104-900-008-013-00	\$18,300
104-900-008-016-00	\$7,500
104-900-008-017-00	\$850
104-900-008-022-00	\$4,800
104-900-008-034-00	\$1,500
104-900-008-035-00	\$20,000
104-900-008-039-00	\$7,500
104-900-008-040-00	\$321,300
104-900-008-045-00	\$25,100
104-900-009-004-00	\$20,450
104-900-009-010-00	\$8,800
104-900-010-005-00	\$7,500
104-900-010-006-00	\$5,000

104-900-010-029-00	\$3,800
104-900-010-030-00	\$9,200
104-900-010-033-00	\$2,500
104-900-010-034-00	\$1,000
104-900-011-035-00	\$5,000
104-900-012-005-00	\$88,400
104-900-012-006-00	\$9,000
104-900-012-010-00	\$52,250
104-900-012-012-00	\$3,500
104-900-012-020-00	\$2,900
104-900-012-025-00	\$9,100
104-900-013-005-00	\$5,000
104-900-013-006-00	\$2,700
104-900-013-007-00	\$3,200
104-900-013-008-00	\$500
104-900-013-009-00	\$1,000
104-900-013-025-00	\$111,900
104-900-013-030-00	\$6,800
104-900-013-071-00	\$3,900
104-900-013-083-00	\$19,200
104-900-013-088-00	\$5,000
104-900-013-090-00	\$20,400
104-900-014-020-00	\$35,000
104-900-014-025-00	\$8,400
104-900-014-035-00	\$4,000
104-900-014-045-00	\$4,000
104-900-014-055-00	\$5,700
104-900-014-057-00	\$2,300
104-900-014-066-00	\$1,300
104-900-014-069-00	\$12,000
104-900-014-072-00	\$5,000
104-900-014-073-00	\$5,400
104-900-015-045-00	\$4,000
104-900-015-050-00	\$150,000
104-900-016-001-00	\$24,600
104-900-016-004-00	\$4,400
104-900-016-008-00	\$6,000
104-900-016-010-00	\$16,800
104-900-016-013-00	\$9,050
104-900-016-037-00	\$2,000
104-900-016-040-00	\$3,000
104-900-017-005-00	\$2,200
104-900-018-008-00	\$28,100
104-900-018-010-00	\$1,700
104-900-018-033-00	\$3,000
104-900-018-035-00	\$5,000
104-900-018-040-00	\$4,400
104-900-019-005-00	\$500
104-900-019-007-00	\$2,000

104-900-019-010-00	\$10,900
104-900-019-020-00	\$1,500
104-900-019-020-01	\$1,500
104-900-019-025-00	\$18,700
104-900-019-040-00	\$36,000
104-900-019-043-00	\$6,400
104-900-019-061-00	\$2,800
104-900-019-061-01	\$10,600
104-900-019-064-00	\$300
104-900-020-005-00	\$22,900
104-900-020-008-00	\$5,000
104-900-020-009-00	\$13,300
104-900-020-012-00	\$20,000
104-900-020-050-00	\$2,000
104-900-020-065-00	\$9,700
104-900-023-015-00	\$19,100
104-900-023-020-00	\$89,800
104-900-023-025-00	\$300
104-900-023-027-00	\$25,000
104-900-023-046-00	\$2,000
104-900-023-047-00	\$6,700

-Personal Totals-	\$3,048,800
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-Act 255 Totals-	
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300-104-000-070-00	\$350,775
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1991

-Real Totals	\$13,788,725
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-Personal Totals-	\$3,048,800
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-Act 255 Totals-	\$350,775
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-TOTAL-	\$17,188,300
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TPA 9/91

FILE: DAD.wk1

**DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF GAYLORD, MICHIGAN
ord. no. 2004-1 eff. June 13, 2004**

AN ORDINANCE APPROVING AMENDMENTS TO A DEVELOPMENT PLAN AND A TAX INCREMENT FINANCING PLAN FOR THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF GAYLORD AND RATIFYING, APPROVING AND CONFIRMING THE PLAN AS AMENDED AND RESTATED

THE CITY OF GAYLORD ORDAINS:

40.201 Section 1. DEFINITIONS.

"Act 197" means Act 197 of the Public Acts of Michigan, 1975, as amended.

"Authority" means the Gaylord Downtown Development Authority, a Michigan public body corporate duly established pursuant to the provisions of Act 197 by Ordinance No. 1985-09 duly adopted by the City Council.

"City" means the City of Gaylord, Michigan.

"City Council" means the City of Council of the City duly constituted in accordance with the City Charter.

"Development Plan" means the amended and restated Development Plan prepared by the Authority pursuant to Section 17 of Act 197 and which is part of the Plan.

"Plan" means the amended and restated Development Plan and Tax Increment Financing Plan adopted by the Authority on April 26, 2004 which Plan is ratified, approved and confirmed by this Ordinance.

"Tax Increment Financing Plan" means the amended and restated Tax Increment Financing Plan prepared by the Authority pursuant to Section 14 of Act 197 and which is part of the Plan.

40.202 Section 2. PREAMBLE.

The City Council of the City previously has approved of the Authority's Development Plan and Tax Increment Financing Plan by Ordinance No. 1985-09. The Authority has submitted certain amendments to the Plan, approved by the Authority, to the City Council pursuant to the provisions of Act 197 after solicitation of public input from business and property owners within the Authority district, from other governmental units, and from residents. The City Council has conducted a public hearing on the Plan as proposed to be amended and restated, with notice thereof given in accordance with Section 18 of Act 197, has reviewed the Plan as proposed to be amended and restated, and desires to approve of the proposed amendments, make certain further amendments attached hereto as Appendix A, and ratify, approve and confirm the Plan.

40.203 Section 3. PUBLIC PURPOSE; PUBLIC INTEREST.

The City Council hereby determines upon review of the Plan as proposed to be amended and restated that the Plan, as proposed to be amended and restated, continues to constitute a public purpose, and that it is in the best interests of the public to proceed with the Plan as amended and restated in order to prevent and halt property value deterioration, to increase property tax valuation, to eliminate the causes of deterioration in property values, and to promote growth in the Authority District.

40.204 Section 4. APPROVAL CONSIDERATIONS.

The City Council hereby bases its determination respecting the Plan as proposed to be amended and restated and the ratification, approval and confirmation of the Plan as amended and restated upon the following considerations:

- (a) The City Council has considered the comments made by business owners, property owners, other governmental units and residents at the public hearing on the Plan as proposed to be amended and restated held and with notice given in accordance with the provisions of Act 197 and at other public forums.
- (b) The Development Plan as amended and restated meets the requirements set forth in Section 17(2) of Act 197 and the Tax Increment Financing Plan as amended and restated meets the requirements set forth in Section 14 of Act 197.
- (c) The proposed method of financing the projects as described in the Plan as amended and restated is feasible and the Authority has the ability to arrange the financing.
- (d) The Development Plan and the Tax Increment Financing Plan, each as amended and restated, are reasonable and it is necessary to adopt the Plan in order to carry out the purposes of Act 197.
- (e) The estimated amount of captured assessed value calculated from adoption of the Plan as amended and restated is reasonable.
- (f) The land included within the Authority's Development Area to be acquired under the Development Plan, as amended and restated, is reasonably necessary to carry out the purposes of the Development Plan, as amended and restated, and of Act 197 in an efficient and economically satisfactory manner.
- (g) The Development Plan, as amended and restated, is in reasonable accord with the Master Plan of the City.
- (h) All public services, including fire and police protection and utilities, are or will be adequate to service the project area.
- (i) All changes in zoning, streets, street levels, intersections and utilities, to the extent required under the Development Plan, as amended and restated, are reasonably necessary for the project and for the City.
- (j) The findings of the Legislature set forth in Section 1a of Act 197 are hereby made and repeated with respect to the City and the Authority District, and the

provisions of Section 1a of Act 197 are hereby incorporated herein by reference as if set out in full.

40.205 Section 5. APPROVAL OF PLAN AMENDMENTS AND PLAN.

Based on the foregoing considerations, the City Council hereby determines that it is in the best interest of the health and welfare of the City and necessary for the achievement of the purposes of Act 197 to adopt the amendments to the Plan proposed by the Authority and further amended in accordance with Appendix A hereto, which amendments are hereby approved and adopted, and the Plan, as amended and restated, is hereby ratified, approved, confirmed and readopted.

40.206 Section 6. REPEALER; RATIFICATION.

All ordinances and parts of ordinances insofar as they expressly conflict with the provisions of this Ordinance be and the same hereby are repealed, but only to the extent of such express conflict, and each section of this Ordinance, and each subdivision of any section thereof, is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of the Ordinance of which it is a part. All prior ordinances and resolutions respecting the creation of the Authority are ratified, approved and confirmed.

40.207 Section 7. EFFECTIVE DATE.

This Ordinance shall become effective immediately upon publication.

Plan expires 2031.

GAYLORD DOWNTOWN DEVELOPMENT AUTHORITY

**Resolution Approving Amendment To Development Plan
And Tax Increment Financing Plan**

Minutes of a regular meeting of the Board of Directors of the Gaylord Downtown Development Authority, County of Otsego, Michigan, held in the Authority offices on the 9th day of December, 2003, at 7:30 o'clock a.m., Eastern Standard Time.

PRESENT: Members Bob McNamara, Dr. Rich Hoyner, David Miller, Gladys Solokis,
Bruce Brown, Barb Kaly, Dan Bebble, Toni Brown, Kathy Lubelan, Andy Driver

ABSENT: Members Diana Roney, Ken Ducker, Vern Cavitch

The following preamble and resolution were offered by Member David Miller and supported by Member Andy Driver:

WHEREAS, the City of Gaylord, County of Otsego, State of Michigan (the "City") has previously established the Gaylord Downtown Development Authority (the "Authority") pursuant to the provisions of Act 197, Public Acts of Michigan, 1975, as amended ("Act 197"); and

WHEREAS, the Authority exercises its powers within the Downtown District designated by the City (the "District"); and

WHEREAS, the Authority previously has approved a Development Plan and Tax Increment Financing Plan (the "Plan") for the Development Area described in the Plan; and

WHEREAS, the City Council previously has approved of the Plan pursuant to Ordinance duly adopted; and

WHEREAS, it is necessary to amend the Plan at this time in accordance with the requirements of Act 197.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. It is hereby determined that it is necessary for the achievement of the purposes of Act 197 and in the best interest of the public to approve the amendments to the Plan attached hereto as Exhibit A (the "Plan Amendment"), to enable the Authority to carry out its purposes more effectively.

2. The Plan Amendment is hereby approved and adopted. The Authority Executive

Director is hereby directed to transmit a copy of the Plan Amendment together with a certified copy of this Resolution to the City Council for further action as contemplated by Act 197.

3. Prior to the public hearing to be held by the City Council with respect to the Plan, the Authority shall fully inform the City, the County of Otsego, and the COP-ISD
[list other taxing jurisdictions whose taxes will be captured under
the Plan] (each being a taxing authority subject to capture pursuant to the Plan), and any other such taxing entity, of the fiscal and economic implications of the Plan, and the Chairperson of the Authority or the Authority Executive Director is authorized and directed to mail such information to the members of the aforesaid bodies by certified mail, postage prepaid.

4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution shall be, and the same hereby are, rescinded, but only to the extent of such conflict.

AYES: Bob McNamara, Dr. Rich Hoyner, David Miller, Gladys Solokis,

Bruce Brown, Barb Kaly, Dan Bebble, Toni Brown, Kathy Lubelan, Andy Driver

NAYS: None

RESOLUTION DECLARED ADOPTED.

Sherrie Burns Schuster
Secretary

Barb Kaly

I HEREBY CERTIFY that the foregoing is a true and complete copy of a Resolution adopted by the Board of Directors of the Gaylord Downtown Development Authority, County of Otsego, Michigan, at a regular meeting held on December 9, 2003, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

Sherrie Burns Schuster
Secretary

Barb Kaly

EXHIBIT A

**AMENDED AND RESTATED DEVELOPMENT PLAN AND PLAN
AMENDMENT**

[Attach Plan as amended or show text of all amendments]

DELIB:2369246.1\032580-00021

CITY OF GAYLORD DOWNTOWN DEVELOPMENT AUTHORITY
COUNTY OF OTSEGO, STATE OF MICHIGAN

SCHEDULE OF PROJECTED TAX INCREMENT REVENUES AND DEBT SERVICE REQUIREMENTS

Tax Levy	Initial Assessed Valuation	(1) Projected Taxable Value	Captured Value	PROJECTED REVENUES (2)				TOTAL	(3) Debt Service Requirements	Amount Available for Debt Service	2001 Actual Debt Service	Surplus
				City of Gaylord	Millage	County of Osago						
2002	16,998,663	24,916,263	7,917,600	126,682	199,081	65,091	380,854	209,738	181,116	109,963	71,153	
2003	16,998,663	25,414,588	8,415,925	134,655	211,611	69,188	415,454	203,175	212,279	107,225	105,054	
2004	16,998,663	25,922,880	8,924,217	142,787	224,391	73,367	440,546	221,488	219,058	104,338	114,720	
2005	16,998,663	26,441,338	9,442,675	151,083	237,428	77,629	466,140	213,313	228,712	101,300	127,412	
2006	16,998,663	26,970,164	9,971,501	159,544	250,724	41,103	451,371	229,988	200,647	98,225	102,422	
2007	16,998,663	27,509,568	10,510,905	168,174	264,287	43,326	475,788	245,100	211,500	120,075	91,425	
2008	16,998,663	28,059,759	11,061,096	176,978	278,121	45,594	500,693	233,600	222,571	115,775	106,766	
2009	16,998,663	28,620,954	11,622,291	185,957	292,232	47,907	526,086	221,900	233,864	136,375	97,489	
2010	16,998,663	29,193,373	12,194,710	195,115	306,625	50,267	552,007	210,000	245,362	130,750	114,632	
2011	16,998,663	29,777,241	12,778,578	204,457	0	52,648	257,105	0	0	0	257,105	
2012	16,998,663	30,372,786	13,374,123	213,986	0	55,101	269,087	0	0	0	269,087	
2013	16,998,663	30,980,241	13,981,578	223,705	0	57,604	281,309	0	0	0	281,309	
2014	16,998,663	31,599,846	14,601,183	233,619	0	60,157	293,776	0	0	0	293,776	
2015	16,998,663	32,231,843	15,233,180	243,731	0	62,761	306,492	0	0	0	306,492	
2016	16,998,663	32,876,480	15,877,817	254,045	0	65,417	319,462	0	0	0	319,462	
2017	16,998,663	33,534,009	16,535,346	264,566	0	68,126	332,691	0	0	0	332,691	
2018	16,998,663	34,204,690	17,206,027	275,286	0	70,889	346,185	0	0	0	346,185	
2019	16,998,663	34,888,783	17,890,120	286,242	0	73,707	359,949	0	0	0	359,949	
2020	16,998,663	35,586,559	18,587,896	297,406	0	76,582	373,988	0	0	0	373,988	
2021	16,998,663	36,298,290	19,299,627	308,794	0	79,514	388,309	0	0	0	388,309	
2022	16,998,663	37,024,256	20,025,593	320,409	0	82,505	402,915	0	0	0	402,915	
2023	16,998,663	37,764,741	20,766,078	332,257	0	85,556	417,813	0	0	0	417,813	
2024	16,998,663	38,520,036	21,521,373	344,342	0	88,668	433,010	0	0	0	433,010	
2025	16,998,663	39,290,437	22,291,774	356,668	0	91,842	448,510	0	0	0	448,510	
2026	16,998,663	40,076,246	23,077,583	369,241	0	95,080	464,321	0	0	0	464,321	
2027	16,998,663	40,877,770	23,879,107	382,066	0	98,382	480,448	0	0	0	480,448	
2028	16,998,663	41,695,326	24,696,663	395,147	0	101,750	496,897	0	0	0	496,897	
2029	16,998,663	42,529,232	25,530,569	408,489	0	105,186	513,675	0	0	0	513,675	
2030	16,998,663	43,379,817	26,381,154	422,098	0	108,690	530,769	0	0	0	530,769	
2031	16,998,663	44,247,413	27,248,750	435,980	0	112,265	548,245	0	0	0	548,245	

(1) Based on 2000 Projected taxable Valuation increased by two (2) percent per year.

(2) Based on "Schedule of Tax Rates," Beginning in 2011 the tax rates are the same as 2010.

(3) Based on actual Debt Service Requirements on the 1994 Limited Tax Development Bonds.

RJB
GAYLORD0004DDAREVENUES
02/27/03REVISED

607 Shelby, Suite 600, Detroit, Michigan 48226-3206
PHONE: (313) 961-8222 FAX: (313) 961-8220

The information contained herein was derived from sources generally recognized as reliable and does not make any representations as to correctness or completeness and has in no way been altered except to the extent that some information may be summarized, and is in no way intended to be a solicitation for orders.

**CITY OF GAYLORD
COUNTY OF OTSEGO, MICHIGAN**

**NOTICE OF PUBLIC HEARING
ON THE APPROVAL OF AN ORDINANCE AMENDING
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN
FOR THE GAYLORD DOWNTOWN DEVELOPMENT AUTHORITY**

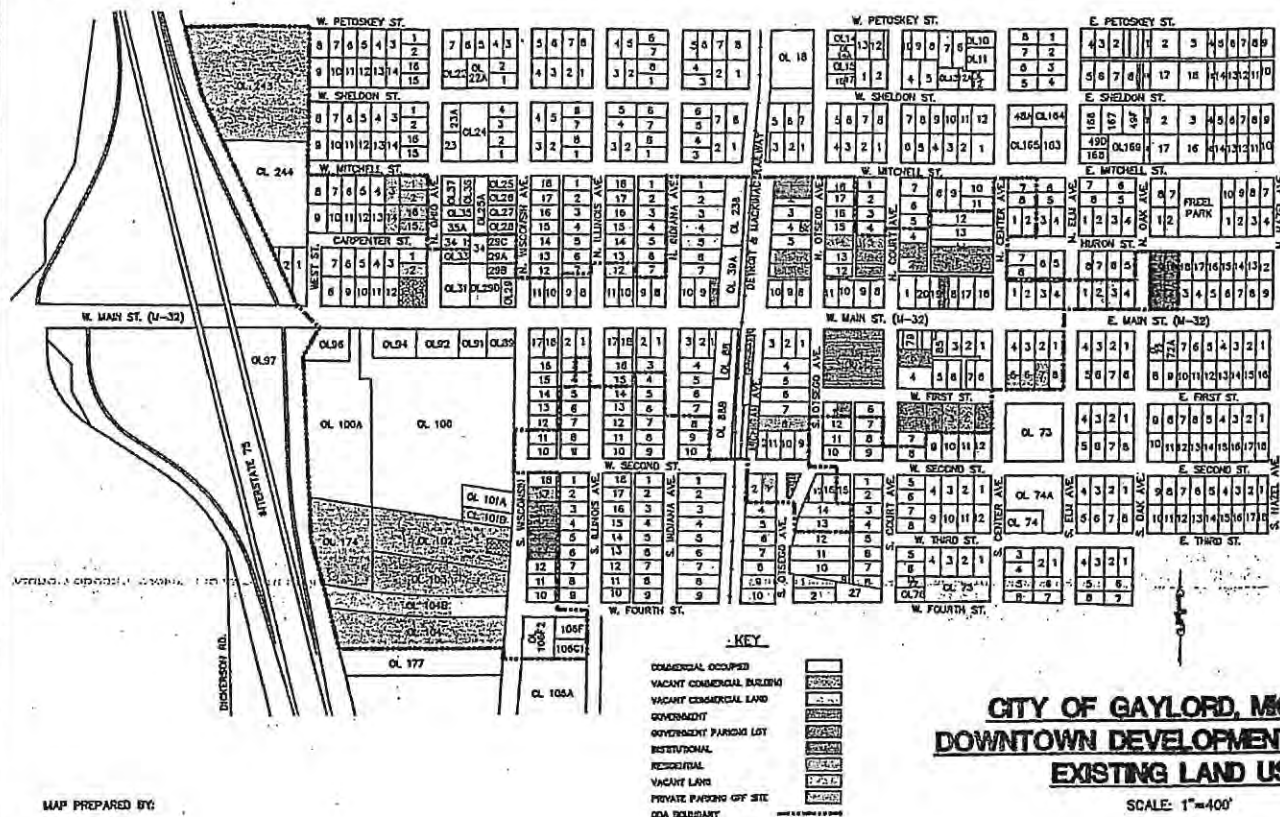
TO ALL INTERESTED PERSONS IN THE CITY OF GAYLORD:

PLEASE TAKE NOTICE that the City Council of the City of Gaylord, Michigan, will hold a public hearing on Monday, the 26th day of April, 2004, at 7 o'clock p.m., Eastern Standard Time, in the

Council Chambers in City Hall, located at 225 West Main Street, Gaylord, Michigan, to consider the adoption of an ordinance approving an amendment to the Development Plan and Tax Increment Financing Plan for the Gaylord Downtown Development Authority pursuant to Act 197 of the Public Acts of Michigan of 1975,

as amended.

The boundaries of the development area which is the subject of the Plan is generally described as follows:



**CITY OF GAYLORD, MICHIGAN
DOWNTOWN DEVELOPMENT DISTRICT
EXISTING LAND USE**

SCALE: 1"=400'

Maps, plats, the Development Plan and the Tax Increment Financing Plan and the proposed amendments are available for public inspection at the office of the City Clerk, Gaylord City Hall, at the foregoing address, during regular business hours.

All aspects of the Development Plan and Tax Increment Financing Plan will be open for dis-

cussion at the public hearing, and all interested persons shall have an opportunity to be heard. The City Council also shall receive and consider communications in writing with reference thereto. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the Development Plan and Tax Increment Financing Plan.

THIS NOTICE is given by order of the City Council of the City of Gaylord, Michigan, in accordance with the requirements of Act 197 of 1975, as amended.

REBECCA CURTIS
City Clerk