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Proposed — September 11, 2017

Village of Lawrence

Van Buren County, Michigan

Local Development Finance Authority

And Tax Increment Plan

Restated, Amended and Extended

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L DFA Plan

1) Public Purpose of the Development Plan Using Tax Increment Financing

The Village of Lawrence created a Local Development Finance Authority in 1995 in order to stimulate economic development with the following specific objectives intended to be accomplished.

1. Increasing the tax base of the Village of Lawrence by stimulating new development in the village and by encouraging expansion of existing businesses and thereby preventing economic stagnation.
2. Developing a mechanism that can be used to construct important public improvements essential to health, safety and general welfare of the residents of Village of Lawrence. The improvements are providing water, drainage, sanitary sewer service, natural gas, electrical distribution and public street access for vacant land that is not presently accessible. These improvements allow for future development in the area.
3. Improving the quality of life of residents by attracting additional businesses as a consequence of the economic development. The Village of Lawrence accordingly has prepared this plan to identify the process and expected activities to be undertaken in order to achieve this public purpose.

2) Proposed Development Program and Impact

The Village of Lawrence Local Development Finance Authority is presenting this plan and the activities to be undertaken in order to achieve the stated public purpose.

A. A DESCRIPTION OF THE PROPERTY TO WHICH THE PLAN APPLIES IN RELATION TO THE BOUNDARIES OF THE AUTHORITY DISTRICT AND LEGAL DESCRIPTION OF THE PROPERTY, SEC. 15(2) (a).

The Development comprises of a portion of the 264 acres of property conditionally transferred to the Village under the P. A. 425 agreement. The district includes only the area designated for industrial development, since commercial and residential uses are contemplated for the remaining acreage as part of a planned unit development.

B. DESIGNATION OF BOUNDARIES OF THE PROPERTY TO WHICH THE PLAN APPLIES IN RELATION TO HIGHWAYS, STREETS OR OTHERWISE. SECTION 15 (2) (b).

The development plan applies to the designated LDFA district, within which the authority shall exercise its powers and only eligible activities will be located are as follows:

C. LOCATION AND EXTENT OF EXISTING STREETS AND PUBLIC FACILITIES IN THE VICINITY OF THE PROPERTY TO WHICH THE PLAN APPLIES: THE LOCATION, CHARACTER, AND EXTENT OF THE CATEGORIES OF PUBLIC AND PRIVATE LAND USES THEN EXISTING AND PROPOSED FOR THE PROPERTY TO WHICH THE PLAN APPLIES, INCLUDING RESIDENTIAL, RECREATIONAL, COMMERCIAL, INDUSTRIAL, EDUCATIONAL, AND OTHER USES. SECTION 15(2) (c) .

STREETS : A roadway would ultimately be extended from CR 215 through the site along the utility corridor eventually diverting from a North—South direction to the East to connect with CR 365 about 800 feet North of 1—94 right—of—way. Interim phasing of the roadway has permitted the connection to CR 365 as well as an interior street to serve within the district.

PUBLIC FACILITIES: Watermains, sanitary sewers, storm sewers, underground electric utilities, and other utilities have been extended into the Authority District. These have been extended approximately .75 mile to service the district. The current high-pressure extension dead-ends in the business park. The goal is to loop the water/sewer extension back to the Village low pressure zone.

CURRENT LAND USES: The property, now known as the Lawrence-Crandall Business Centre (LCBC), has been certified as a certified business park with the State of Michigan

PROPOSED LAND USES:

The 75 acre LDFA District has been developed as part of a planned unit development (PUD) which will include commercial and residential uses on the other portions of the 264 acres, in addition to the light industrial use within the LCBC district. Two lots, of a combined 6.55 acres, have been set aside to the Village of Lawrence to provide economic stimulus and new business growth.

3) Description of improvements made in the development area:

Utilities and roadways added to the LDFA district in the LCBC under the tax increment finance plan are:

- An extension of water and sewer services along a North South roadway that essentially bisects the parcel.
- A North—South roadway diverting East West to connect with CR365.
- A main entrance roadway into the industrial park.
- A high-pressure 250,000 gallon water tower.
- Other utilities constructed include water main, sanitary sewer along the constructed roadways.
- Storm sewer on streets as they are constructed.
- There are extensions of electrical and gas utilities to the district to serve the park.

4) Description of improvements to be made in the development area:

Infrastructure needs for the LDFA district in the LCBC include:

- high speed internet
- street lights
- looping the existing water/sewer system to the Village low-pressure zone.

These improvements are needed to be competitive with other industrial and commercial sites.

5) THE LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF IMPROVEMENTS:

There is an immediate need to provide high-speed internet to the LDFA district in the LCBC. This is one of the initial questions raised by prospective tenants.

Street lighting, including entrance lighting, would improve the character and safety of the LCBC.

The cost of these improvements is not known, but the estimated costs of the projects are as follows:

ESTIMATE OF COSTS.

Street Lighting	\$ 150,000.00
High Speed Internet	\$ 100,000.00
Looping High/Low Pressure Water System	\$ 200,000.00
Current Debt for the LCBC	\$ <u>582,653.00</u>
 Total Estimated cost of improvements and debt	 \$1,032,653.00

NOTE: The above information was based on preliminary design. Exact cost will be determined during final design and preparation of construction plan.

6) STATEMENT OF CONSTRUCTION STAGES AND TIME OF COMPLETION:

The construction and the completion of the proposed projects will be dependent on the availability of the various federal and state funding sources, and the urgency dictated by the potential businesses that would be locating within the LDFA district.

7) DESCRIPTION OF OPEN SPACE AND CONTEMPLATED USES.

There is designated open space within the LDFA district, known as the Robert Brausch Jr. Memorial Park. The LDFA district in the LCBC has primarily been developed as an industrial park.

8) DESCRIPTION OF LANDS WHICH THE AUTHORITY WILL SELL, DONATE, EXCHANGE LEASE TO/OR FROM THE MUNICIPALITY OF PROPOSED TERMS.

The LDFA district boundary has been transferred to the Village of Lawrence. The authority has the right to buy and/or accept properties as gift and to dispose of properties as may be deemed appropriate.

9) DESCRIPTION OF ZONING.

The LDFA district is part of an overall planned unit development (PUD) and it has been designated as light industrial. No change is desired or anticipated at this time.

10) ESTIMATE OF COSTS FOR DEVELOPMENT AREA PROJECTS :

The total estimated cost for the proposed public improvements to be constructed by the authority within the LDFA district is \$450,000.00. It is proposed to finance these developments with a combination of funds from the following source.

- Revenue from the sale of property within the LDFA district .
- Available Federal & State grants .
- Tax Increment revenues
- Bank loans and/or bonded indebtedness as allowed by the law.

The ability of the authority to arrange financing is determined in the increment financing plan. The authority will try to minimize bank loans, therefore proposed improvements will be done when necessary and when funds are available.

11) DESIGNATION OF BENEFICIARIES OF THE INVESTMENTS:

- The Village of Lawrence will be the only direct beneficiary of the project investments because all components of the project will be the property of the Village of Lawrence. None of the public improvements will be conveyed to any private person, party or corporation.
- There will be indirect private beneficiaries of the proposed improvements. These will be Quality Assured Plastics, American Cooler and other developers that will be locating in the district. The Authority is not presently aware of any major commitment that would involve an indirect beneficiary.
- The Village is also expected to be a beneficiary by increased economic activity and ultimate increased property values in the long run.

12) PROCEDURES FOR CONVEYING PROPERTY:

All of the public improvements will be conveyed by the authority to the Village of Lawrence upon the payment of any loans secured to install any improvements. During the period, improvements will be the responsibility of the Village of Lawrence. Because the improvements are not being conveyed to any private interests, there will be no bidding procedures involved in this conveyance.

13) ESTIMATE OF NUMBER OF PERSONS RESIDING IN THE DEVELOPMENT AREA AND NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED:

There are no residences and/or persons currently located in the development area. Therefore there are no families and/or individuals were displaced.

14) PLAN FOR RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT:

A displacement/ relocation plan is not necessary because no one was displaced as a result of the development.

15) PROVISION FOR THE COST OF RELOCATING PERSONS:

Not applicable. No relocation will be necessary.

16) PLAN FOR COMPLIANCE WITH ACT 227 OF 1972:

A plan for relocation of displaced persons and compliance with Act 227 of 1972 is not necessary because there is no displacement in the proposed development plan.

LDFA TAX INCREMENT FINANCING PLAN
VILLAGE OF LAWRENCE
VAN BUREN COUNTY, MICHIGAN

1) INTRODUCTION:

This plan has been prepared to meet the requirements of Act 450, Public Acts of Michigan of 1980, as amended. It has been prepared for approval to the Village Council, Village of Lawrence according to the provisions of the act.

2) STATEMENT

This plan will result in the development of captured taxable value which could not otherwise be expected because:

- The Village of Lawrence has formulated a development plan for the entire TIFA district.
- Assessed value within the TIFA district is initially low because there is presently little development in the district. The value is expected to increase with additional development.

3) CAPTURED ASSESSED VALUES AND ANTICIPATED REVENUES:

The estimated 2016 State equalized valuation of the property in the TIFA project district was \$1,012,422.

Anticipated revenue is estimated on the table page.

4) PROCEDURE :

- The total initial assessed value of the property within the tax increment district has been estimated to be \$1,012,422 based on the tax assessment roll.
- Each year after the annual assessment roll has been certified and equalized, the Village Assessor shall submit to the Village Treasurer an accounting of the SEV of all properties that are within the Tax increment district.
- The Village Treasurer shall, in the course of preparing the tax notices, separate the accounting of taxes due the various taxing units and due the local development finance authority by both the Village and Township tax collections.
- Upon collection of taxes by the treasurers, the revenues collected due to the tax increment shall be turned over to the LDFA Authority Treasurer on a regularly scheduled basis
- The LDFA Authority makes payments on incurred expenses.

- The Authority shall submit annually to the Village Council a financial report on the status of the tax increment financing plan. The report shall include the following:
 - (a) The amount and source of tax increment received.
 - (b) The amount and purpose of expenditures of tax increment revenues.
 - (c) The initial assessed value of the development area.
 - (d) The captured assessed value retained by the authority.
 - (e) Any additional information the Village Council considers necessary.

- In the event that there is surplus tax increment revenues after the completion of the project, the Village shall distribute the surplus proportionately to the respective taxing bodies.

5) PAYMENTS :

The current operation and planning expenditures, as well as the debt incurred during construction of the LCBC are listed in the project cost under Section 4 of the development plan. At the beginning of the project, payments of these costs may be covered by a loan, a bond and/or tax increment revenues

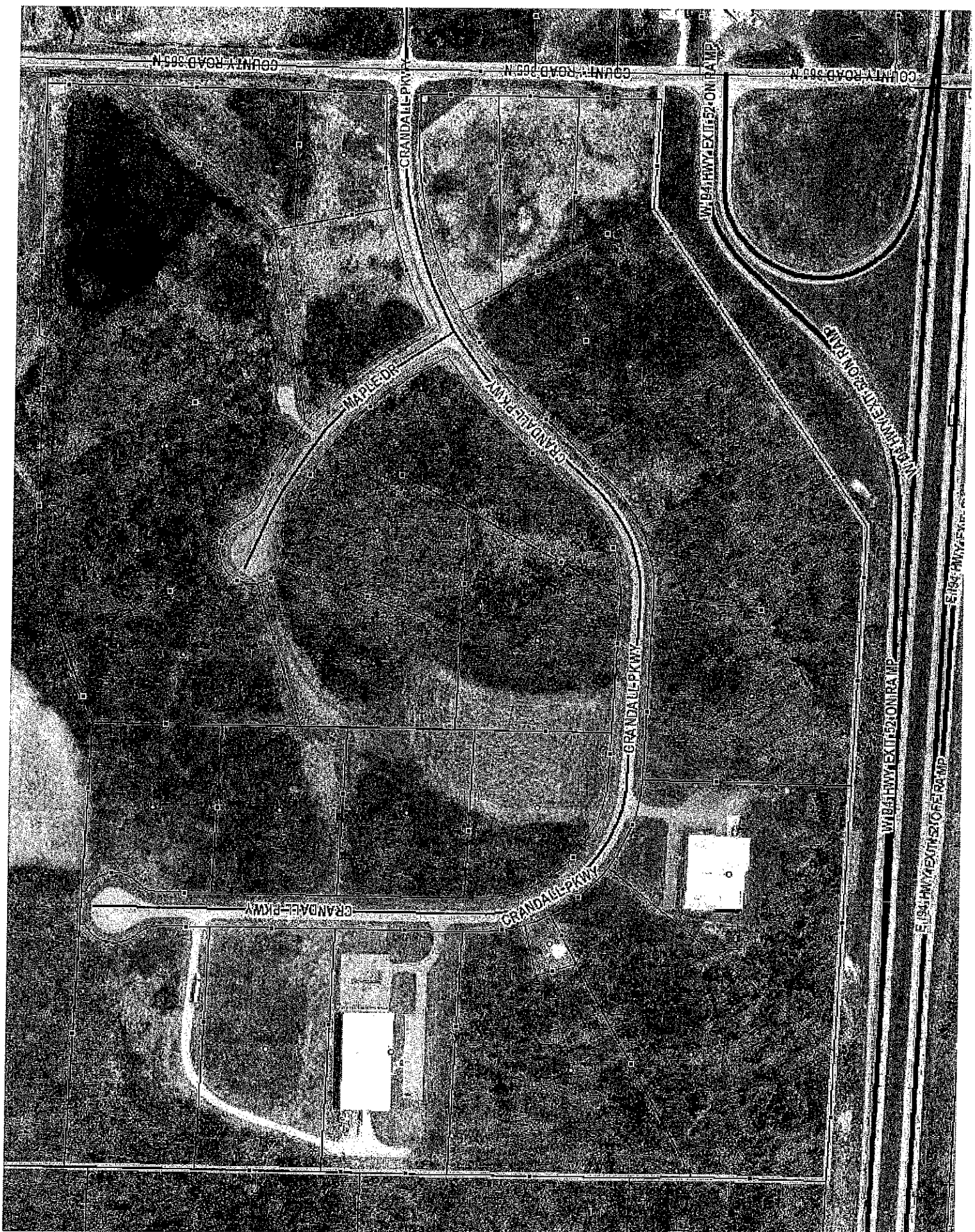
6) DURATION OF THE DEVELOPMENT AND TAX INCREMENT PLAN:

The duration of the development plan is 20 years.

7) IMPACT OF TAXING JURISDICTIONS:

<u>Taxing Jurisdiction</u>	<u>Millage</u>
Village of Lawrence	15.4875
Township of Lawrence	5.3000
County of Van Buren	7.1721
Intermediate School District	5.9728

Lawrence LDFA Map



**Estimate of Captured Taxable Value
Lawrence Local Development Finance Authority**

Year	(1)	(2)	(3)	(4)	(5)
	Taxable Value	New	December 31 Taxable Value	Captured Value	Captured Tax
1999			\$303,500*		
2017	\$1,012,422	\$30,373	\$1,042,795	\$739,295	\$25,086
2018	\$1,042,795	\$31,284	\$1,074,078	\$770,578	\$26,148
2019	\$1,074,078	\$32,222	\$1,106,301	\$802,801	\$27,241
2020	\$1,106,301	\$33,189	\$1,139,490	\$835,990	\$28,367
2021	\$1,139,490	\$34,185	\$1,173,675	\$870,175	\$29,527
2022	\$1,173,675	\$35,210	\$1,208,885	\$905,385	\$30,722
2023	\$1,208,885	\$36,267	\$1,245,151	\$941,651	\$31,952
2024	\$1,245,151	\$37,355	\$1,282,506	\$979,006	\$33,220
2025	\$1,282,506	\$38,475	\$1,320,981	\$1,017,481	\$34,526
2026	\$1,320,981	\$39,629	\$1,360,611	\$1,057,111	\$35,870
2027	\$1,360,611	\$40,818	\$1,401,429	\$1,097,929	\$37,255
2028	\$1,401,429	\$42,043	\$1,443,472	\$1,139,972	\$38,682
2029	\$1,443,472	\$43,304	\$1,486,776	\$1,183,276	\$40,151
2030	\$1,486,776	\$44,603	\$1,531,379	\$1,227,879	\$41,665
2031	\$1,531,379	\$45,941	\$1,577,320	\$1,273,820	\$43,224
2032	\$1,577,320	\$47,320	\$1,624,640	\$1,321,140	\$44,829
2033	\$1,624,640	\$48,739	\$1,673,379	\$1,369,879	\$46,483
2034	\$1,673,379	\$50,201	\$1,723,581	\$1,420,081	\$48,187
2035	\$1,723,581	\$51,707	\$1,775,288	\$1,471,788	\$49,941
2036	\$1,775,288	\$53,259	\$1,828,547	\$1,525,047	\$51,748

NOTES:

*	Represents base values established when LDFA first established
1	Represents estimated taxable value of Local Development Finance Authority district for respective years
2	Represents projected increase in taxable value resulting from inflation and appreciation. New construction not assumed.
3	Figure represents the sum of Columns 1 and 2
4	Figures represent the difference between Column 3 values, for respective years, and original base value of \$303,500
5	Figures represent the estimated tax capture based on the figures in Column 4 multiplied by the initial 2017 millage of 33.9324

