

**HASTINGS LOCAL DEVELOPMENT FINANCE AUTHORITY
BROWNFIELD REDEVELOPMENT AUTHORITY**
August 25, 2022 Communication

To: LDFA/BRA Members and Staff

From: Dan King – Community Development Director

Date: **August 19, 2022**

Subject: **Information regarding the August 25, 2022 regular meeting**

Meeting will be held in the Council Chambers Second Floor of City Hall

We have included the Restated LDFA Plan from 2017. We will be discussing the plan components and progress from the inception of the LDFA in the late 1990's to date.

We look forward to seeing you all at the meeting Thursday morning.

Respectfully,

Dan King

**HASTINGS LOCAL DEVELOPMENT FINANCE AUTHORITY
AND BROWNFIELD REDEVELOPMENT AUTHORITY**

AGENDA

Meeting Thursday August 25, 2022

MEETING AT CITY HALL

1. Call to Order/Roll Call. (Meeting starts at 8:00 a.m.)
2. Pledge to the Flag
3. Approval / Additions / Deletions to Agenda
4. Approval of Minutes: June 23, 2022 Meeting
5. Public Hearing: None
6. Receive Financial Statements:
7. Old Business
 - A. LDFA Restated Plan from 2017 *
8. New Business: None
9. Public Comments and Communications Concerning Items Not on Agenda
10. LDFA/BRA Board comments
11. Adjourn

* Denotes Attachment

Local Development Finance Authority (LDFA)
DRAFT MINUTES
June 23, 2022

Meeting was called to order at 8:16 a.m. by Cowan

1. Roll Call

Present: Cowan, Davis, Gibson, Haas, Resseguie, Mayor-Pro-Tem; Westerveld
Absent: Krueger, Neil, Schneiderhan, Tossava
Others Present: King, Ponsetto

2. Pledge of Allegiance

3. Approval of the Agenda

Motion by, Haas, second by Davis, to approve agenda as presented

All ayes, motion carried

4. Approval of Minutes

Motion by Gibson, second by Haas, to approve the minutes as presented

All ayes, motion carried

5. Public Hearing- None

6. Receive Financial Statements –

King said the financial statement showed interest earned and the biggest expense was electric for the semi parking lot

Motion by, Gibson, second by Haas, to accept the financial statement as presented

7. Old Business-

A. Enterprise Drive Parcel Sales Update-

King said the Parcel 6 on Enterprise Drive was sold a couple months ago to a company from Wayland and the sale of Parcel 6A was closed Friday, June 17, to a Hastings company

B. LDFA Restated Plan for 2017-

King presented the LDFA Restated Plan for 2017 and said that it was for the board's review for discussion during its July meeting

8. New Business –

A. PA 57 of 2018 Informational Meeting-

King presented the overview of the LDFA's accomplishments, projects, and investments for the 2021 – 2022 fiscal year

9. Public Comments and Communications Concerning Items Not on the Agenda –

None

10. LDFA Members Comments –

The board discussed the semi parking lot and allowed uses

Westerveld resigned from the board

11. Adjournment-

Motion by, Haas, second by Westerveld, to adjourn

All ayes, motion carried

Meeting adjourned 8:50 a.m.

Brent Cowan
Vice-Chair

Marjorie Haas
Secretary

Prepared by Sandra Ponsetto, City of Hastings

LDFA Budget 2022/2023					
				7-1 to 7-31	
Revenue		Budget	Previous Periods	Current Period	YTD
250-100-404-000	Tax Capture	\$27,500.00			\$0.00
250-100-654-000	Electricity Use Fee	\$150.00			\$0.00
250-100-573-000	LCSA Share	\$12,000.00			\$0.00
250-100-667-000	Rentals	\$7,000.00			\$0.00
250-100-665-000	Investment/Interest	\$50.00			\$0.00
250-100-693-000	Sale of Capital Assets	\$0.00			\$0.00
Total Revenues		\$46,700.00	\$0.00	\$0.00	\$0.00
Expenditures					
250-728-751-000	Supplies	\$100.00			\$0.00
250-728-803-000	Administrative Services	\$3,000.00			\$0.00
250-728-806-000	Legal Services	\$2,000.00			\$0.00
250-728-807-000	Contractual Services	\$0.00			\$0.00
250-728-867-000	Title Fees/Insurance	\$1,500.00			\$0.00
250.728.869.000	Survey Services	\$2,000.00			\$0.00
250-728-879-020	Website	\$250.00			\$0.00
250-728-900-000	Printing and Publishing	\$0.00			\$0.00
250-728-915-000	Memberships	\$0.00			\$0.00
250-728-920-000	Electric	\$700.00			\$0.00
250-728-929-000	Grounds Repair/Maintenance	\$1,000.00			\$0.00
250-728-955-000	Promotions/Marketing	\$0.00			\$0.00
Total Charges and Services		\$10,550.00	\$0.00	\$0.00	\$0.00
Capital Outlay					
250-728-971-000	Land				\$0.00
Total Exp. & Cap Outlay		\$10,550.00	\$0.00	\$0.00	\$0.00
Net Increase (Decrease)		36,150.00			0.00

CITY OF HASTINGS
LOCAL DEVELOPMENT FINANCE AUTHORITY

DEVELOPMENT PLAN

AND

TAX INCREMENT FINANCING PLAN

Amended and Restated June 12, 2017

HASTINGS CITY COUNCIL

Dave Tossava, Mayor
Bill Redman, Mayor Pro TEM
Theresa Maupin-Moore
Al Jarvis
Brenda McNabb-Stange
Don Bowers
Don Smith
Bill Cusak
John Resseguie

**CITY OF HASTINGS
LOCAL DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS**

City of Hastings Representatives

Dave Tossava, Mayor
Clint Neil, Chair
Larry Warren, Vice Chair
Marjorie Hass, Secretary
William Westerveld
Dale Krueger III
VACANT

Barry County Representative

Howard Gibson

Kellogg Community College Representative

Colin McCaleb

**CITY OF HASTINGS ADMINISTRATIVE STAFF
AND LEGAL COUNSEL**

CITY MANAGER

Jeff Mansfield

LEGAL SERVICES

Varnum, Riddering, Schmidt & Howlett
Stephanie Fekkes

VISION
Develop, Support and Promote.

MISSION
To promote economic development and create jobs in the City of Hastings.

SECTION I

INTRODUCTION

A. Purpose of Local Development Finance Authority Act.

The Local Development Finance Authority Development Plan and Tax Increment Financing Plan have been prepared pursuant to the Local Development Financing Act, Act No. 281 of the Michigan Public Acts of 1986, MCLA ' 125.2151 et. seq. (the "Act"). A copy of the Act and the amendments thereto are set forth in Exhibit 1. The Act was enacted to provide a means for local units of government to eliminate the conditions of unemployment, underemployment, and joblessness and to promote economic growth in the community served by the local unit of government.

The Act encourages local development to prevent conditions of unemployment and promote economic growth; provides for the establishment of local development finance authorities and prescribes their powers and duties; provides for the creation of a board to govern an authority and prescribes its powers and duties; provides for the creation and implementation of development plans; authorizes the acquisition and disposal of interests in real and personal property; permits the issuance of bonds and other evidences of indebtedness by an authority; prescribes powers and duties of certain state officers and agencies; and authorizes and permits 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 tax base resulting from the economic growth and development to certain public facilities and structures or improvements of the type designed and dedicated to public use and thereby facilitates certain projects which create economic growth and development. Tax increment financing mandates the transfer of tax increment revenues by city, village, township, school district, and county treasurers to authorities created under the Act in order to effectuate the legislated government programs to eliminate the conditions of unemployment, underemployment and joblessness and to promote state economic growth. MCLA 125.2151.

The Act seeks to accomplish its goals by providing local units of government with the necessary legal, monetary and organizational tools to eliminate the conditions of unemployment, underemployment and joblessness and to promote economic growth

through publicly initiated projects undertaken cooperatively with privately initiated projects.

The way in which a local development finance authority makes use of the tools made available under the Act depends on the problems and priorities of each community. The Development Plan and Tax Increment Financing Plan have been developed in accordance with the purposes of the Act based on the problems and priorities as perceived by the Local Development Finance Authority of the City of Hastings (hereinafter sometimes referred to as the "LDFA" or the "Authority"), and is submitted to the City Council of the City of Hastings for its approval.

B. Creation of Local Development Finance Authority of the City of Hastings and the Authority District.

On February 8, 1993, the City Council of the City of Hastings adopted a Resolution of Intent to Establish a Local Development Finance Authority. The Resolution provided for a public hearing to be held on the proposed resolution creating the Authority and designated the boundaries of the Authority District. The public hearing was held on February 8, 1993, at which time the City Council of the City of Hastings adopted a Resolution Creating the Local Development Finance Authority and Designating the Boundaries of the Local Development Finance Authority District. A copy of the Resolution is attached as Exhibit 2.

The Local Development Finance Authority was given all the powers and duties prescribed for a local development finance authority under the Act. The City Council also designated the boundaries of the Authority District within which the LDFA may legally work. A legal description of the original boundaries of the Authority District can be found in Exhibit 2.

After creation of the Local Development Finance Authority, the City Council of the City of Hastings approved the appointment of seven of the members of the LDFA Board.

C. Activities of the Local Development Finance Authority of the City of Hastings.

The first meeting of the LDFA Board was held on July 22, 1997. At this meeting, the LDFA elected officers, approved bylaws, and approved the Local Development Finance Authority Development Plan and Tax Increment Financing Plan and recommended it to the City Council. On August 24, 1998, the City Council held a public hearing and meeting with local taxing units and approved the Local Development Finance Authority Development Plan and Tax Increment Financing Plan. A copy of the Resolution is attached as Exhibit 3.

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

The original Development Plan was later amended and restated by the LDFA Board for the purpose of updating the Development Plan with respect to certain improvements in the development area and to extend the term of the Tax Increment Financing Plan. On August 13, 2001, the City Council held the required public hearing and meeting with local taxing units and approved the amended Local Development Finance Authority Development Plan and Tax Increment Financing Plan Exhibit 4.

SECTION II

DEVELOPMENT PLAN

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

The boundaries of the property to which the Development Plan, as amended (sometimes referred to as the "development area"), are the same as the boundaries of the Authority District. The boundaries of the original Authority District and development area are set forth on Map 1.

B. General Description of Authority District and Development Area.

A general description of the boundaries of the Authority District and the property to which the Development Plan applies in relation to highways, streets or otherwise is set forth below.

The Authority District and development area is generally described as that area of the City of Hastings lying in the south east portion of the city Map 3.

C. Existing Public and Private Land Uses.

1. Existing public land uses.

Existing public land uses in the area to which the Development Plan applies include the following:

- (a) Vacant developable land.
- (b) Public street rights-of-way totaling approximately 8200 lineal feet.

In the proposed development area, there are approximately 89 acres of land currently in public use. This represents approximately 38% of the total Authority District.

2. Existing private land use.

Existing private uses in the area to which the Development Plan applies include industrial facilities and vacant developable land.

In the total Authority District, there are approximately 148 acres of land devoted to private use activities, representing 62% of the total Authority District.

The location and extent of existing streets and other public facilities and the existing public and private land use in the Authority District at the time it was originally established are set forth on Map 2.

D. Proposed Public and Private Land Uses.

The proposed public and private land uses which will result from the Development Plan, as amended, and other planned development activities are described below.

1. Proposed public land uses include the following:

- (a) Industrial facilities and vacant developable land.
- (b) Public street rights-of-way totaling approximately 2,400 lineal feet.

2. Proposed private land uses include the following:

- (a) Industrial facilities.

E. Property Acquisition.

1. The following public facilities are proposed to be acquired in order to accomplish the objectives of the Development Plan:

- (a) **3.1 acre triangle parcel to the North of Enterprise Drive fronting on Star School Road.**
- (b) **10 acre parcel number 55-265-001-10 also known as 1645 Star School Rd.**

3. It is expected that all of the above property acquisitions will be acquired as it becomes available.

F. Location, Extent, Character, and Estimated Cost of the Public Facilities for Property to Which the Development Plan Applies.

SUMMARY OF PROPOSED IMPROVEMENTS

LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF HASTINGS

<u>Proposed Improvement</u>	<u>Estimated Cost</u>	<u>Construction Period</u>
1. Land Division Planning for all City owned parcels.	\$250,000	2019
2. Construction of City DPS Garage and Storage.	\$2,000,000	2020
3. Construction of cul-de-sac east of Old Hastings Industrial Incubator to the North of State Street.	\$200,000	2022
4. Construction of cul-de-sac to the North of Enterprise Drive	\$250,000	2027
5. Construction of cul-de-sac to the East of Star School Road	\$525,000	2035
6. Infrastructure improvements.	\$200,000	2035
7. Speculative building.	\$250,000	2025
8. Site preparation.	\$100,000	2020
9. Marketing of available land.	\$50,000	2035
10. Conceptual designs/renderings.	\$20,000	2019
11. Wayfinding signage.	\$10,000	2019
12. Property Acquisition.	\$145,000	2027
<hr/> TOTAL DEVELOPMENT COST	<hr/> \$4,000,000	

G. Land Disposition.

The Authority does not presently anticipate the need to sell, donate, exchange or lease any property to or from the City of Hastings.

H. Description of Desired Zoning Changes.

The existing zoning for the area is set forth on Map 3.

The zoning will remain industrial and the industrial park will be designated as a certified industrial park by the Michigan Department of Commerce. The proposed changes in streets, street levels, intersections, and utilities are described elsewhere in this Development Plan.

I. Development Cost Estimates and Financing.

The total cost of completing all activities, projects and improvements included in this amended Development Plan, is estimated to be \$4,000,000. Of this amount, it is estimated that the total development cost is to be financed by the LDFA. The costs include expenditures for activities associated with the accomplishment of each of the projects, plus administrative expenses and contingencies.

The LDFA 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 owned, leased, licensed or operated by the Authority or under its control.
3. Future tax increment revenue to be received pursuant to the Tax Increment Financing Plan.
4. Proceeds of tax increment bonds.
5. Proceeds of revenue bonds.
6. Money obtained from any other legal source approved by the City Council of the City of Hastings.

The proceeds to be received from the tax increment revenues in the Authority District 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.

J. Identification of Private Interests.

At the time of adoption of this amended Plan, there are no private interests, parties or person identified to whom land for new development will be sold, leased or conveyed. All development activity and improvements described in this Plan will remain under public ownership or control of the City of Hastings or a public entity created by the City of Hastings, except it is expected that as the Development Plan is completed, certain property in the industrial park will be available for sale or lease to industrial facilities.

K. Proposed Land Disposition Terms and Bidding Procedures.

The terms under which land designated for new development will be sold, leased or otherwise conveyed to private development interests shall be determined by the LDFA.

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 Hastings in disposing of other City-owned property.

The LDFA and the Hastings 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 City.

L. 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 no persons residing in the development area and no displacement of families is contemplated.

M. Plan for Establishing Priority for Relocation of Displaced Persons.

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

N. 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.

O. 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 LOCAL
DEVELOPMENT FINANCE AUTHORITY DISTRICT OF THE CITY OF HASTINGS**

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 Development Plan for the Local Development Finance Authority of the City of Hastings, as may be amended from time to time.

A. Development of Captured Assessed Value.

The Local Development Finance Authority Development Plan and Tax Increment Financing Plan will result in the development of captured assessed value which could not otherwise be expected. The Development Plan includes the construction of infrastructure necessary to establish an industrial park in the City of Hastings and to serve expansion and growth needs of existing industrial facilities. The construction of such infrastructure will have a direct relation to the expansion of industrial facilities within the Authority District. Such expansion will result in the development of captured assessed value which could not otherwise be expected.

B. Tax Increment Financing Procedure.

The tax increment financing procedure outlined in the Act requires the adoption by the City of Hastings of a Development Plan and Tax Increment Financing Plan. Following adoption of the resolution approving the Development Plan and Tax Increment Financing Plan, the city, village, township, school district and county treasurers are required by law to transmit to the LDFA that portion of the tax levy of all taxing jurisdictions paid each year on the captured assessed value of each eligible property included in the tax increment financing plan, excluding millage specifically levied for the payment of principal and interest of obligations approved by electors or obligations pledging the unlimited taxing power of the local governmental unit.

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 the eligible property identified in the tax increment financing plan at the time the resolution 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 resolution 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 taxes" means a tax levied under Act No. 198 of the Michigan Public Acts of 1974, being Sections 207.551 to 207.571 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, the Enterprise Zone Act, Act No. 224 of the Michigan Public Acts of 1985, being Sections 125.2101 to 125.2122 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 is the quotient of the specific local tax paid divided by the ad valorem millage rate.

The tax increment is derived only from "eligible property" identified in the Tax Increment Financing Plan. Eligible property means land improvements, buildings, structures, and other real property, and machinery, equipment, furniture, and fixtures, or any part or accessory thereof whether completed or in the process of construction comprising an integrated whole, located within the Authority District, of which the primary purpose and use is one of the following:

1. Manufacture of goods or materials, or the processing of goods or materials by physical or chemical change;
2. Agricultural processing;
3. A high technology activity that has as its primary purpose research, product development, engineering, laboratory testing or development of industrial technology; or
4. The production of energy by the processing of goods or materials by physical or chemical change by a small power production facility which is fueled primarily by biomass or wood waste, as described in more detail and subject to the requirements set forth in the Act.

Presented in Exhibit 5 are schedules of the initial assessed values of all real and personal property in the Authority District determined as of December 31, 2015, and updated as of.

C. Procedure for Preparing Tax Rolls for Eligible Property in the Authority District.

In order to provide for a more efficient and proper means of accounting assessed values on personal property in the Authority District, the City of Hastings 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 Authority District.

Presented in Exhibit 6 is the procedure for preparing tax rolls for the Authority District.

D. 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, as equalized, of the eligible property identified in the Tax Increment Financing Plan, 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 LDFA by the city, village, township, school district, and county treasurers is that portion of the tax levy of all taxing jurisdictions paid each year on the captured assessed value of each eligible property included in a Tax Increment Financing Plan, excluding millage specifically levied for the payment of principal and interest of obligations approved by electors or obligations pledging the unlimited taxing power of the local governmental unit. The portion of a specific local tax which is attributable to the captured assessed value of an eligible property included in the Tax Increment Financing Plan shall be included as part of the tax increment to be transmitted to the Authority and shall be calculated using the ad valorem millage rate excluding millage specifically voted and levied for the payment of principal and interest of obligations issued or secured by the taxing body.

The LDFA 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 LDFA only for purposes that, by resolution of the LDFA 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 Hastings 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 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 2015 through 2035 are set forth in Exhibit 7. These estimates are based on the experience of the City Tax Assessor. The projections are based on appreciation only. The 21.435 mills levied by the local taxing jurisdictions within the Authority District were applied to the captured assessed totals for ad valorem real and personal property. For properties for which a specific local tax is paid in lieu of property taxes, one-half of the mills, or 10.7175 mills, were applied to the captured amounts for those projects. Under this Tax Increment Financing Plan, the entire tax increment amount is to be utilized by the LDFA, however, the LDFA may subsequently enter into agreements with local taxing jurisdictions to share a portion of the captured assessed value.

The tax increment amount does not include amounts levied for the payment of principal and interest of obligations approved by electors or obligations pledging the unlimited taxing power of the local governmental unit. The local taxing jurisdictions currently levy 0 mill for debt service, of which 0 mill is levied by the City of Hastings. Therefore, while the total millage levied by all taxing jurisdictions within the Authority District is 21.435 mills, the LDFA will collect tax increment on the captured value based on 21.435 mills, thus allowing the 0 debt millage of the local taxing jurisdictions to pass through.

E. Use of Tax Increment Revenue.

The tax increment revenue paid to the LDFA by the city, village, township, school district and county treasurers is to be disbursed by the LDFA from time to time in such manner as the LDFA 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.
3. Any annual operating deficits that the LDFA may incur from acquired and/or leased property in the development area.
4. Interest payments on any sums that the LDFA should borrow before or during the construction of any improvement or activity to be accomplished by the Development Plan, after approval by the City of Hastings.
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 LDFA and approved by the City of Hastings.
9. Any administrative expenditure required to meet the cost of operation of the LDFA and to repay any cash advances provided by the City of Hastings. This may include quarterly payments to the City to support overhead expenses.
10. Payments to the City for public services, such as police, fire and snow removal. As the development area develops, the demand for such public services will increase. Since the City will not receive additional property taxes to fund such increased services, the failure to adequately provide such services may discourage development of the development area. Accordingly, the LDFA may elect to allocate tax increment revenue to the City to ensure that such services are provided, subject to any limitations contained in the Act.

The LDFA 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. 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 Hastings City Council or, if authorized by the voters of the City of Hastings, the unlimited tax, full faith and credit of the City of Hastings;
2. Tax increment bonds which are secured by tax increment revenue to be received from eligible property and which may be secured by a limited tax pledge of the City of Hastings if authorized by resolution of the Hastings City Council or, if authorized by the voters of the City of Hastings, the unlimited tax, full faith and credit of the City of Hastings;
3. Funds borrowed from the City of Hastings at rates and terms to be agreed upon or as set forth elsewhere in this Development and Financing Plan.
4. Cash.

Tax collections expected to be generated by the captured assessed value of eligible property within the Authority District are adequate to provide for payment of principal and interest on such bonds or funds borrowed from the City of Hastings.

The amounts of bonded indebtedness or indebtedness to be incurred by the LDFA and/or the City of Hastings for all bond issues or loans including payments of capitalized interest, principal and required reserve shall be determined by the LDFA, subject to approval of the Hastings City Council. At the time of adoption of this Plan, the LDFA estimate of maximum bonded indebtedness, if bonding is to be used or indebtedness incurred, is \$0 including project costs and issuance expenses.

F. Operating and Planning Expenditures.

All operating and planning expenditures of the LDFA and the City of Hastings, 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.

G. Duration of Plan.

This amended and restated plan extends the duration of the Plan an additional fifteen (15) years, expiring with the 2031 tax levy. The term of the Plan may be modified from time to time by the City Council of the City of Hastings upon notice and upon public hearing and amendments as required by the Act.

H. 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 Authority District, the City of Hastings and Barry 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 of new employment within the Authority District, the City of Hastings, and other neighboring communities and throughout Barry County.

I. Legal Description of Eligible Property.

The legal description of the eligible property to which the Tax Increment Financing Plan applies is set forth on Exhibit 8.

J. Jobs to be Created.

It is estimated that approximately 100 jobs will be created as a result of implementation of the Tax Increment Financing Plan.

K. Reports.

The LDFA shall submit annually to the City of Hastings and the State Tax Commission a financial report on the status of the Tax Increment Financing Plan. The report shall include the following:

1. The amount and source of tax increments received.
2. The amount in any bond reserve account.
3. The amount and purpose of expenditures of tax increment revenues.
4. The amount of principal and interest on any outstanding bonded indebtedness of the LDFA.
5. The initial assessed value of the eligible property.
6. The captured assessed value of the eligible property retained by the LDFA.
7. The number of jobs created as a result of the implementation of the Tax Increment Financing Plan.
8. Any additional information the City of Hastings or the State Tax Commission considers necessary.

MAPS

1. Original and Existing Boundaries of Local Development Finance Authority and Tax Increment Financing District.
2. Local Development Finance Authority Existing Land Use Map.
3. The Authority District and Development Area

EXHIBITS

1. Local Development Financing Act, Act No. 281 of the Michigan Public Acts of 1986, MCLA 125.2151 et seq.
2. February 8, 1993 Hastings City Council Resolution Creating the Local Development Finance.
3. August 24, 1998 Hastings City Council Resolution of Intention to Create a Local Development Plan and Tax Increment Financing Plan for the Operation of a Local Development Finance Authority.
4. August 13, 2001 Resolution Approving and Recommending the [amended] Local Development Plan and Tax Increment Financing Plan.
5. Schedules of the initial assessed values of all real and personal property in the Authority District determined as of December 31, 2015.
6. Procedure for preparing tax rolls for the Authority District.
7. Schedule of the estimated tax increment revenues from increases in real and personal property values and from increases in Act 198 assisted industrial facilities exemption property values for the period from 2015 through 2035.
8. Legal Description of Eligible Property.