



CITY OF READING
DEVELOPMENT PLAN
AND
TAX INCREMENT FINANCE PLAN

DECEMBER 9, 1981

BY THE
READING TAX INCREMENT FINANCE AUTHORITY

18.0

December 9, 1981

Mr. Darwin Kinney
Mayor
City of Reading
107 South Main Street
Reading, Michigan 49274

Dear Mr. Kinney:

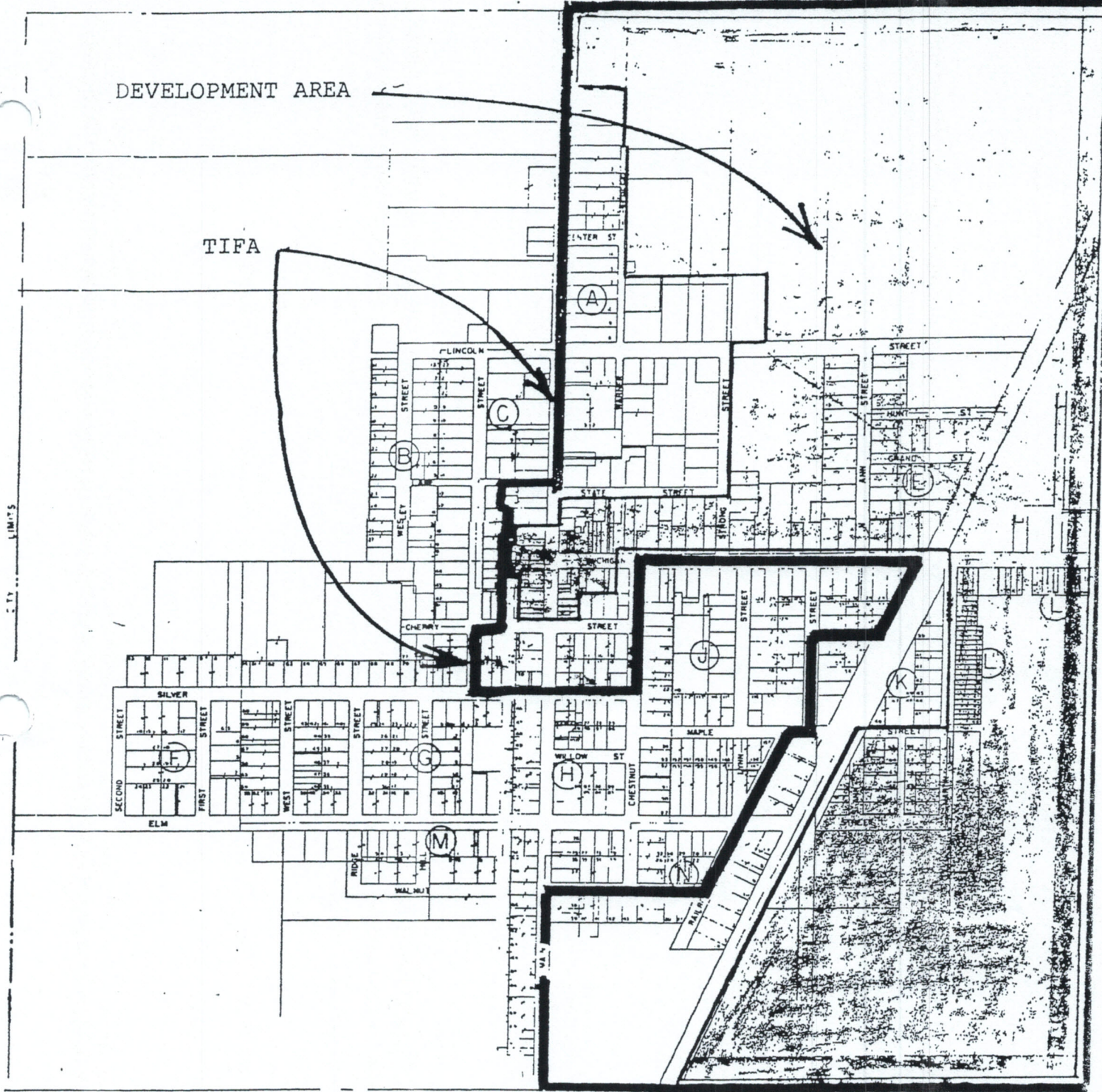
Earlier this year, the City Council established the Tax Increment Financing Authority (TIFA) in order to address Reading's economic development needs. The TIFA's members have responded to this charge by developing a Development Plan/Tax Increment Financing Plan in accordance with Michigan Public Act 450.

TIFA members stand ready to continue the process already begun. We look forward to the December 29, 1981 public hearings and we invite the Council's and local citizen's continued input.

Very truly yours,

GOVE ASSOCIATES INC.

Alan Kyser, Chairman
City of Reading Tax Increment Finance Authority



CITY OF READING

MAP OF TIFA AND DEVELOPMENT AREA



CITY OF READING
TAX INCREMENT FINANCING AUTHORITY

TIFA MEMBERS

- . ALAN KYSER, CHAIRMAN
- . RON NEWTON, JR.
- . JERRY MILLER
- . TOBY WIGENT
- . BILL KNOUSS
- . JERRY FRANK
- . NORRIS RICHARDS
- . JEFF MILLER

TIFA ENGINEER/PLANNER

JACK HOWELL, WILLIAM MC DONOUGH, ROBERT TOLAND

TIFA ATTORNEY

DON LAMBRIGHT, ELLIS AND LAMBRIGHT

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INTRODUCTION

The Reading Tax Increment Financing Authority (TIFA) has been established in accordance with Michigan Act 450, 1980. The basic purpose of this authority is to reestablish and maintain the vitality of the City of Reading by increasing the tax base and fostering industrial and commercial development and redevelopment. The authority district encompasses much of the north-east quarter of the City, areas south of Michigan on the east side of the railroad, and the Central Business District. This area was selected because it holds the greatest potential for economic revitalization in accordance with the statute. Approximately 370 residents live in the TIFA. Fewer than 100 fulltime residents reside in the Development Area within the TIFA.

Preliminary planning is advancing to the final design stage. Funds obtained through this Tax Increment Financing Plan will be used to develop the area as described herein, including final design. The TIFA will pay for projects in the Development area by borrowing from a financial institution or individual against anticipated tax increments and/or capturing the increments on an annual basis. Also, non-TIF funds (conventional City funds earmarked for sewers) will be utilized.

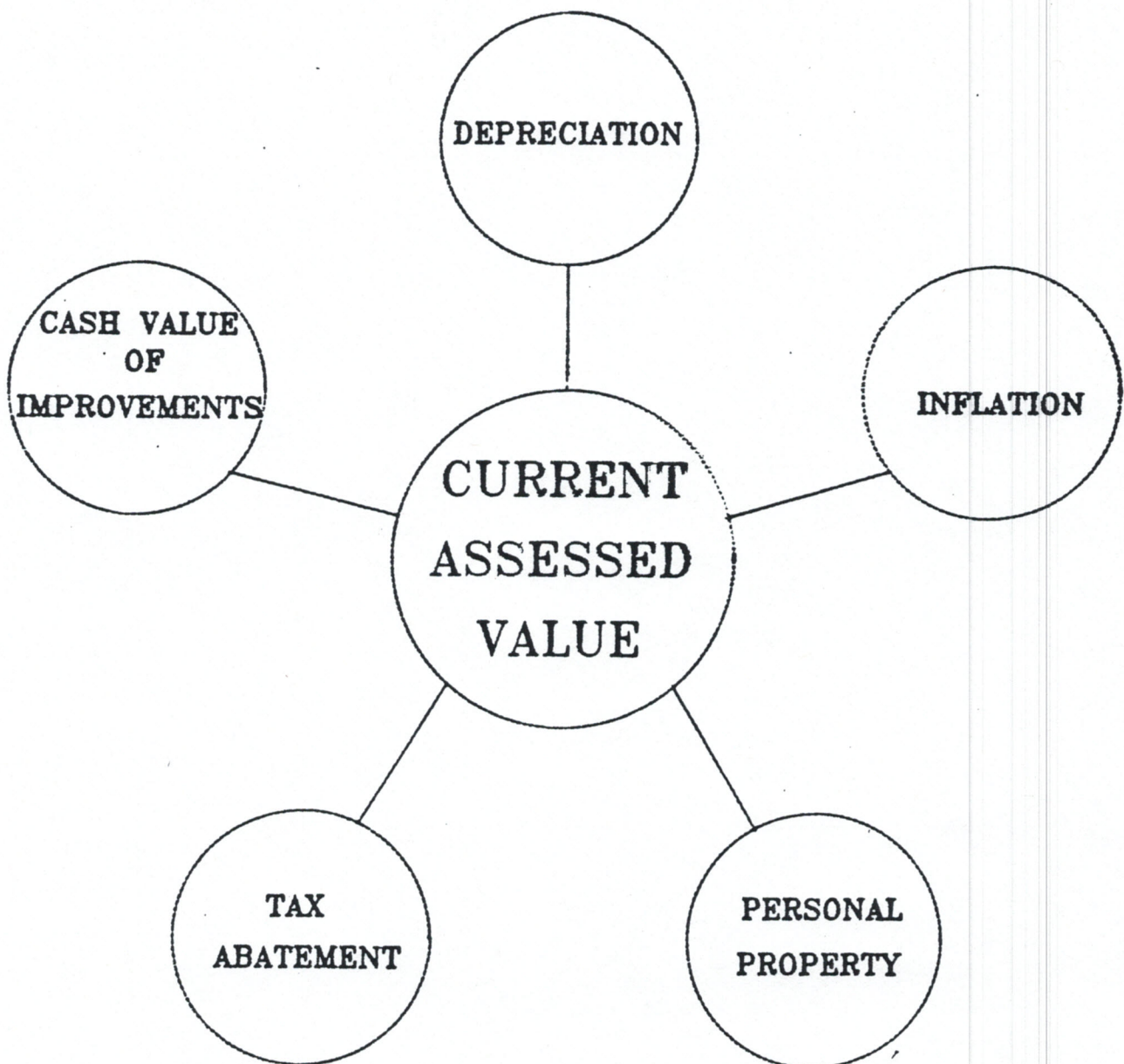
The City Council shall hold a public hearing before adoption of an ordinance approving the Tax Increment Financing and Development Plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in conspicuous and public places in the development area not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the development area not less than 20 days before the hearing.

Before the public hearing on the Tax Increment Financing Plan, the governing body shall provide a reasonable opportunity to the members of the County Board of Commissioners of the county in which the development area is located and to the members of the school board of any school district in which any portion of the development area is located to meet with the governing body. The authority shall fully inform members of the County Board of Commissioners and of the school boards of the fiscal and economic implications of the proposed development area. The members of the County Board of Commissioners and of the school boards may present their recommendations at the public hearing on the Tax Increment Financing Plan. The authority may enter into agreements with the County Board

of Commissioners, the school boards, and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the district.

The document contained herein may be amended from time to time in order to reflect expanded project or financing needs in order to carry out the goals and objectives of the TIF Plan. Any such amendments will be in accordance with the requirements of Public Act 450, 1980, as amended.

A final note: Only tax increases within the "Development Area", not the entire TIF area, are captured. All projects undertaken by the TIFA will be within the designated "development area".



DEVELOPMENT PLAN

DEVELOPMENT PLAN

1.0 DESIGNATION OF BOUNDARIES OF THE TIFA AND THE DEVELOPMENT AREA

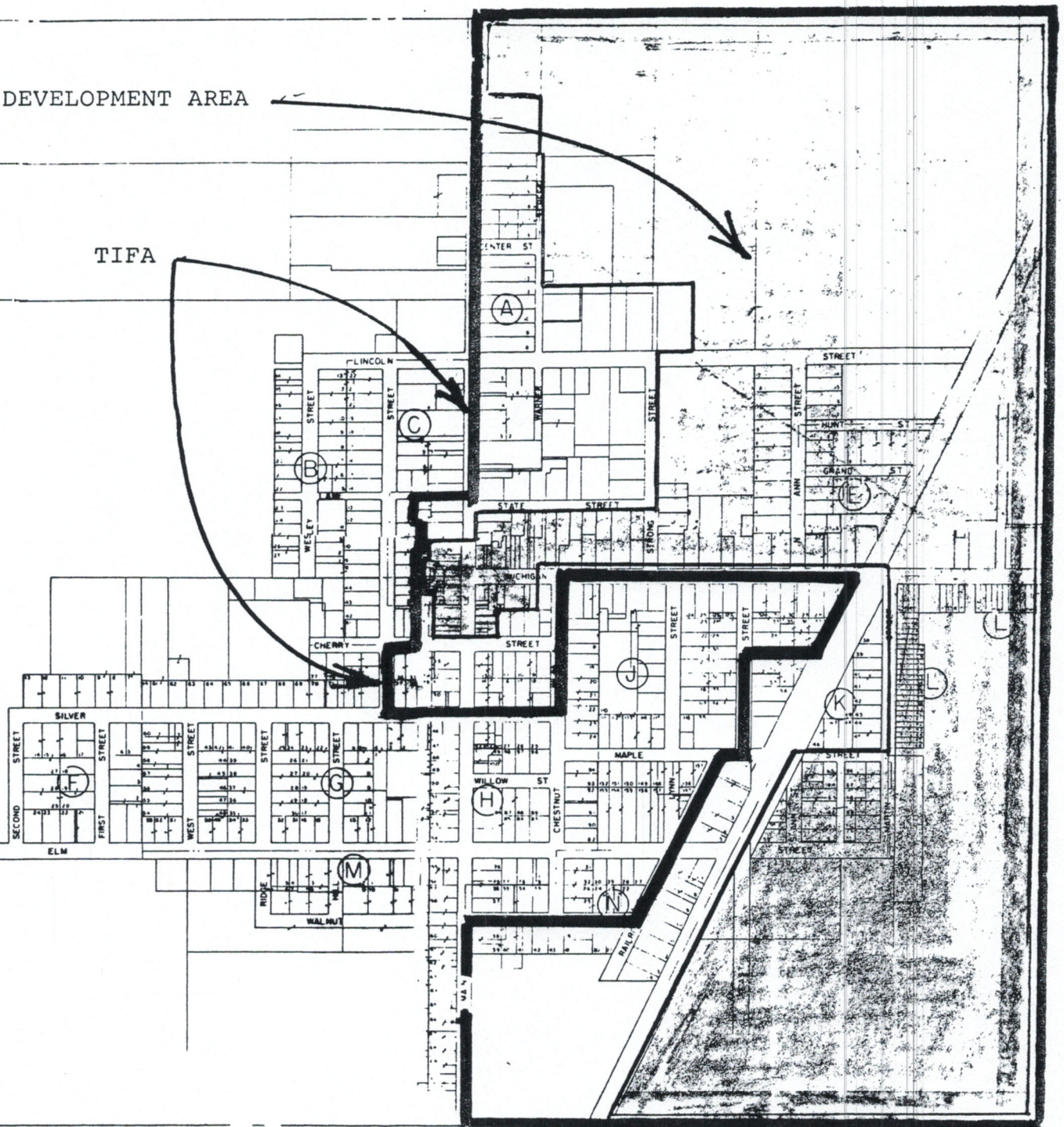
As the map on the following page shows, the Development Area lies within the boundaries of the TIFA. All projects to be undertaken by the Authority and all of the tax increments collected by the Authority will be within the Development Area.

Here is a legal description of the TIFA.

A parcel of land situated in the Southwest quarter of Section 23, the Northwest quarter of Section 26, the Northeast quarter of Section 27 and the Southeast quarter of Section 22, Town 7 South, Range 4 West, City of Reading, Hillsdale County, Michigan, more particularly described as follows, to-wit: All of the Southwest quarter of Section 23, Town 7 South, Range 4 West, City of Reading, Hillsdale County, Michigan, ALSO that part of the Northwest quarter of Section 26, Town 7 South, Range 4 West, City of Reading, Hillsdale County, Michigan described as: Beginning at the Northwest corner of said Northwest quarter; thence East along the North line of said Northwest quarter, also being the centerline of Michigan Street, to the intersection of the centerline of Michigan Street with the centerline of Chestnut Street as recorded; thence South along the centerline of Chestnut Street to the intersection of the centerline of Chestnut Street with the centerline of Silver Street as recorded; thence West along the centerline of Silver Street to the West line of said Northwest quarter also being the centerline of Main Street; thence North along said West line to beginning, together with that part of the Northwest quarter of said Section 26 described as: Beginning at the Northeast corner of said Northwest quarter and running thence West along the East and West quarter line of said Section 26, also being the centerline of Michigan Street, to the intersection of said centerline with the centerline of the Hillsdale County Railroad; thence Southwesterly along same to the intersection of same with the centerline of Mary Street; thence West along same to the intersection of said centerline with the centerline of East Street; thence South along same to the intersection of said centerline with the centerline of Maple Street; thence West along same to the intersection of same with the centerline of Railroad Street; thence Southwesterly along same to the intersection of same with the centerline of Walnut Street; thence West along same to the intersection of same with the centerline of Main Street, also being the West line of said Northwest quarter; thence South along said West line to the Southwest corner of

DEVELOPMENT AREA

TIFA



CITY OF READING

MAP OF TIFA AND DEVELOPMENT AREA

FIGURE 1

said Northwest quarter; thence East to the Southeast corner of said Northwest quarter; thence North to beginning, ALSO that part of the Northeast quarter of Section 27, Town 7 South, Range 4 West, City of Reading, Hillsdale County, Michigan described as: Beginning at the Northeast corner of the Northeast quarter of Section 27, Town 7 South, Range 4 West; thence South along the East line of said Northeast quarter, also being the centerline of Main Street, to the intersection of said line with the centerline of Silver Street as recorded; thence West along the centerline of Silver Street to the intersection of same with the centerline of Union Street as recorded; thence North along the centerline of Union Street to the intersection of same with the centerline of Cherry Street as recorded; thence East along the centerline of Cherry Street to a point on same which lies 183.5 feet West and 33.00 feet South of the Southeast corner of Lot 40, Prouty and Fuller Plat as recorded; thence North 22 rods to the North line of said Northeast quarter, thence East 216.5 feet along said North line to beginning, ALSO that part of the Southeast quarter of Section 22, Town 7, Range 4 West, City of Reading, Hillsdale County, Michigan described as: beginning at the Southeast corner of the Southeast quarter of Section 22, Town 7 South, Range 4 West, thence West 216.5 feet along the North line of said Southeast quarter; thence North 148.50 feet; thence East 4.00 feet; thence North 125.40 feet; thence West 20.50 feet; thence North 141.90 feet to the centerline of State Street; thence East 264.00 feet along the centerline of State Street to the East line of said Southeast quarter; thence South 399.30 feet along same, also being the centerline of Main Street, to beginning.

2.0 DESIGNATION OF BOUNDARIES OF DEVELOPMENT AREA IN RELATION TO STREETS, HIGHWAYS

As Figure 1 illustrates, the Development Area runs almost the entire length of the Hillsdale County Railroad and includes properties in the Downtown Area and near the Trotwood Apartment project.

3.0 LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES WITHIN THE DEVELOPMENT AREA AND DESIGNATION OF THE LOCATION, CHARACTER, AND EXTENT OF THE PUBLIC AND PRIVATE LAND USES (EXISTING AND PROPOSED) FOR THE DEVELOPMENT AREA, INCLUDING RESIDENTIAL, RECREATIONAL, COMMERCIAL INDUSTRIAL, EDUCATIONAL, AND OTHER USES.

See Figures 2 and 3.

3.1 Location And Extent Of Existing Streets Within The Development Area

Streets within the Development Area include Main Street (State Highway M-49), Michigan Street as well as several local streets: East, Elm, Maple, Cherry, State, Grant, Hunt, Warner, Strong, Ann, Martin and East.

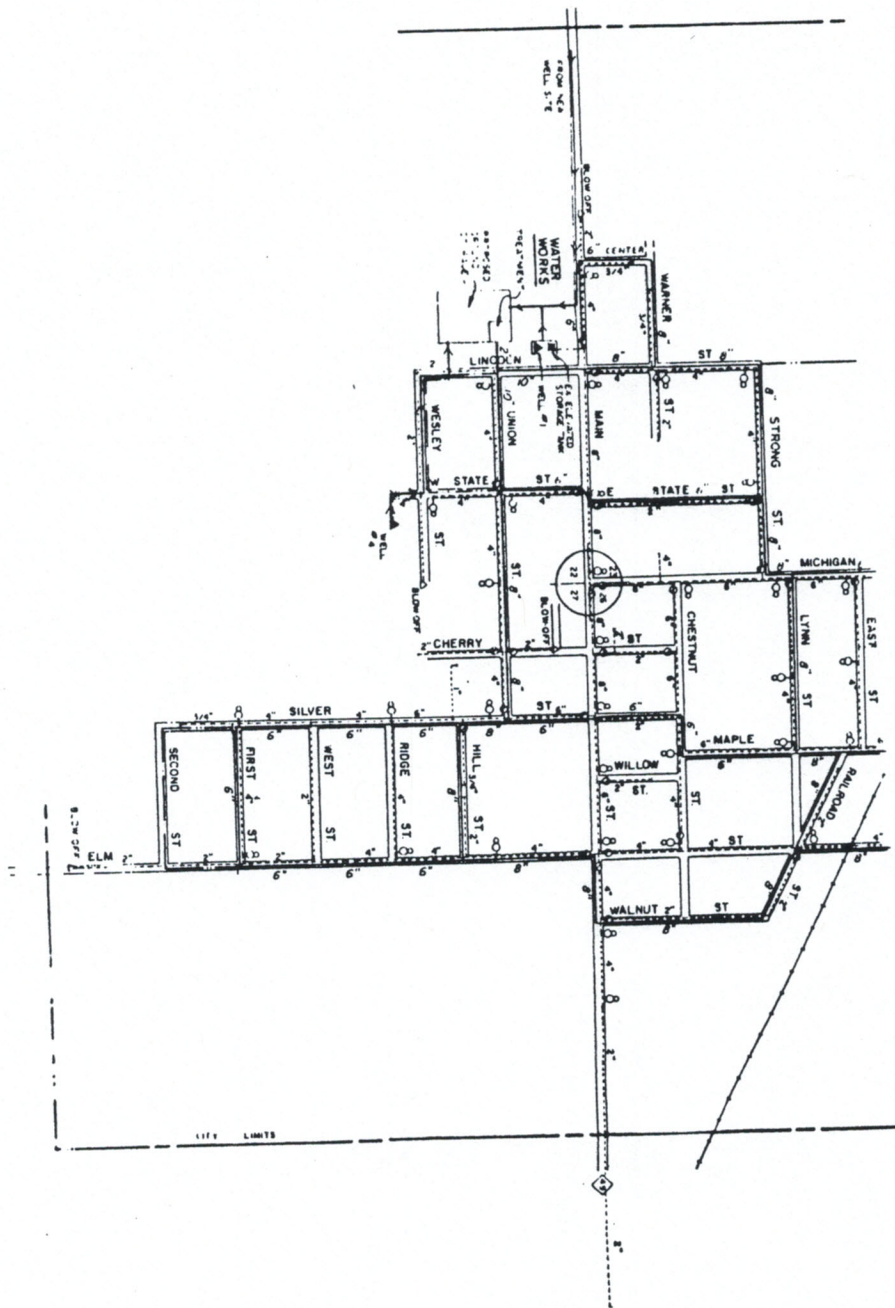
3.2 Location And Extent Of Public Facilities Within The Development Area

The Development Area is served by both water and sanitary sewer (see Figure 2). The Development Area encompasses several tax exempt properties, including the City Hall, Township Hall, public library, post office, church property and the elementary school. Figure 3 shows existing land use in the City and the TIFA.

3.3 Legal Description Of Development Area

Here is a legal description of the Development Area within the TIFA.

Commencing at a point where Main Street intersects with the North boundary of the City of Reading; thence East in the Eastern boundary of the City; thence South to the Southern boundary of the City; thence West to the City boundary line to the Center of the Hillsdale County Railroad right-of-way; thence Northeasterly along said right-of-way to the centerline of Maple Street; thence East along the centerline of Maple Street to the centerline of Martin Street; thence Northerly along the centerline of Martin Street to the centerline of Michigan Street; thence West on the centerline of Michigan Street to a point 150 feet West of the East line of Chestnut Street; thence South 150 feet; thence West 225 feet; thence South 150 feet; thence Westerly along the North line of Cherry Street 375 feet; thence North 475 feet; thence East 250 feet to the centerline of Main Street; thence West along the centerline of Main Street to the centerline of State Street; thence easterly along the centerline of State Street to the centerline of Strong Street; thence North along the centerline of Strong Street as extended 350 feet North of the North line of Lincoln Street; thence West to the centerline of Warner Street as extended 900 feet; thence Westerly to the centerline of Main Street; thence Northerly along the centerline of Main Street to point beginning.



LEGEND	
---	4" EXISTING WATERMAIN
⊙	EXISTING GATE VALVE
8	EXISTING FIRE HYDRANT
---	8" RECENT IMPROVEMENTS INCLUDES THE APPROPRIATE NUMBER OF VALVES AND HYDRANTS
---	FUTURE IMPROVEMENTS

PUBLIC UTILITIES: CITY OF READING

FIGURE 2

3.4 LOCATION, CHARACTER AND EXTENT OF THE CATEGORIES OF
EXISTING PUBLIC AND PRIVATE LAND USES.

PARCEL NO	LOT SIZE	USE	PROPERTY ADDRESS	1981 S.E.V.
075 001 004		Residential		12,111
075 001 005		Residential		12,777
075 001 006		Residential		13,549
075 001 007		Residential		8,034
075 001 008		Vacant		2,131
075 001 009		Residential		13,533
075 001 010		Residential		14,183
075 001 011		Residential		11,801
075 001 038		Industrial		17,145
075 001 039		Industrial		1,454
075 001 040		Industrial		319
075 001 041		Industrial		26,140
075 001 042		Industrial		2,490
075 001 043		Residential		9,665
075 001 044		Residential		7,624
075 001 045		Residential		10,176
075 001 046		Residential		7,992
075 001 048		Industrial		1,046
075 001 049		Industrial		3,584
075 001 050		Vacant		303
075 001 051		Vacant		210
075 001 052		Railroad		Exempt
080 001 001		Vacant		484
080 001 002		Residential		1,465
080 001 003		Residential		13,293
080 001 004		Vacant		479
080 001 005		Vacant		532
080 001 006		Vacant		532
080 001 007		Vacant		1,369
080 001 008		Vacant		586

3..4 LOCATION, CHARACTER AND EXTENT OF THE CATEGORIES OF
EXISTING PUBLIC AND PRIVATE LAND USES.

PARCEL NO	LOT SIZE	USE	PROPERTY ADDRESS	1981 S.E.V.
080 001 009		Industrial		32,770
080 001 010		Residential		7,891
080 001 011		Vacant		666
080 001 012		Residential		2,882
105 001 001		Residential		13,560
105 001 002		Residential		6,393
105 001 003		Residential		7,161
105 001 004		Agricultural		3,244
105 001 005		Vacant		1,156
105 001 006		Vacant		628
110 001 020		Bank		4,635
110 001 022		Bank		68,335
110 001 024		Bank		1,500
1 001 026		Hotel		14,825
110 002 027		Commercial		6,000
110 002 028	2.0 A	Residential		6,800
110 002 033		Agricultural		19,384
110 002 060		Residential		10,427
110 002 061		Residential		1,395
110 002 063		Residential		5,083
110 002 065		City		Exempt
110 002 066		City		Exempt
110 002 067		City		Exempt
110 002 068		Residential		9,068
110 002 069		Residential		7,491
110 002 070		Residential		7,161
110 002 072		Residential		11,935
110 002 073		Residential		Exempt
110 002 074		Residential		14,386

3.4 LOCATION, CHARACTER AND EXTENT OF THE CATEGORIES OF
EXISTING PUBLIC AND PRIVATE LAND USES.

PARCEL NO	LOT SIZE	USE	PROPERTY ADDRESS	1981 S.E.V.
040 001 006		Residential		6,516
040 001 007		Commercial		9,435
040 001 008		Restaurant		4,790
040 001 009		Gas Station		13,175
040 001 010		Post Office		11,790
040 001 011		City Library		Exempt
040 001 012		City Hall		Exempt
040 001 013		Commercial		3,470
040 001 014		State of Mich.		Exempt
040 001 015		City		Exempt
040 001 016		Commercial		3,460
040 001 017		Commercial		6,635
040 001 018		Commercial		5,740
040 001 019		Commercial		6,750
040 001 020		Commercial		2,700
040 001 021		Commercial		3,780
040 001 067		Commercial		3,400
040 001 068		Commercial		2,335
040 001 069		Commercial		3,930
040 001 070		Commercial		11,830
040 001 071		Commercial		4,550
050 001 001		Commercial		4,530
050 001 002		Commercial		6,030
050 001 003		Commercial		6,530
050 001 004		Commercial		6,190
050 001 005		Commercial		5,045
050 001 006		Commercial		4,550
075 001 001		Residential		10,890
075 001 002		Vacant		729
075 001 003		Residential		15,984

3.4 LOCATION, CHARACTER AND EXTENT OF THE CATEGORIES OF
EXISTING PUBLIC AND PRIVATE LAND USES.

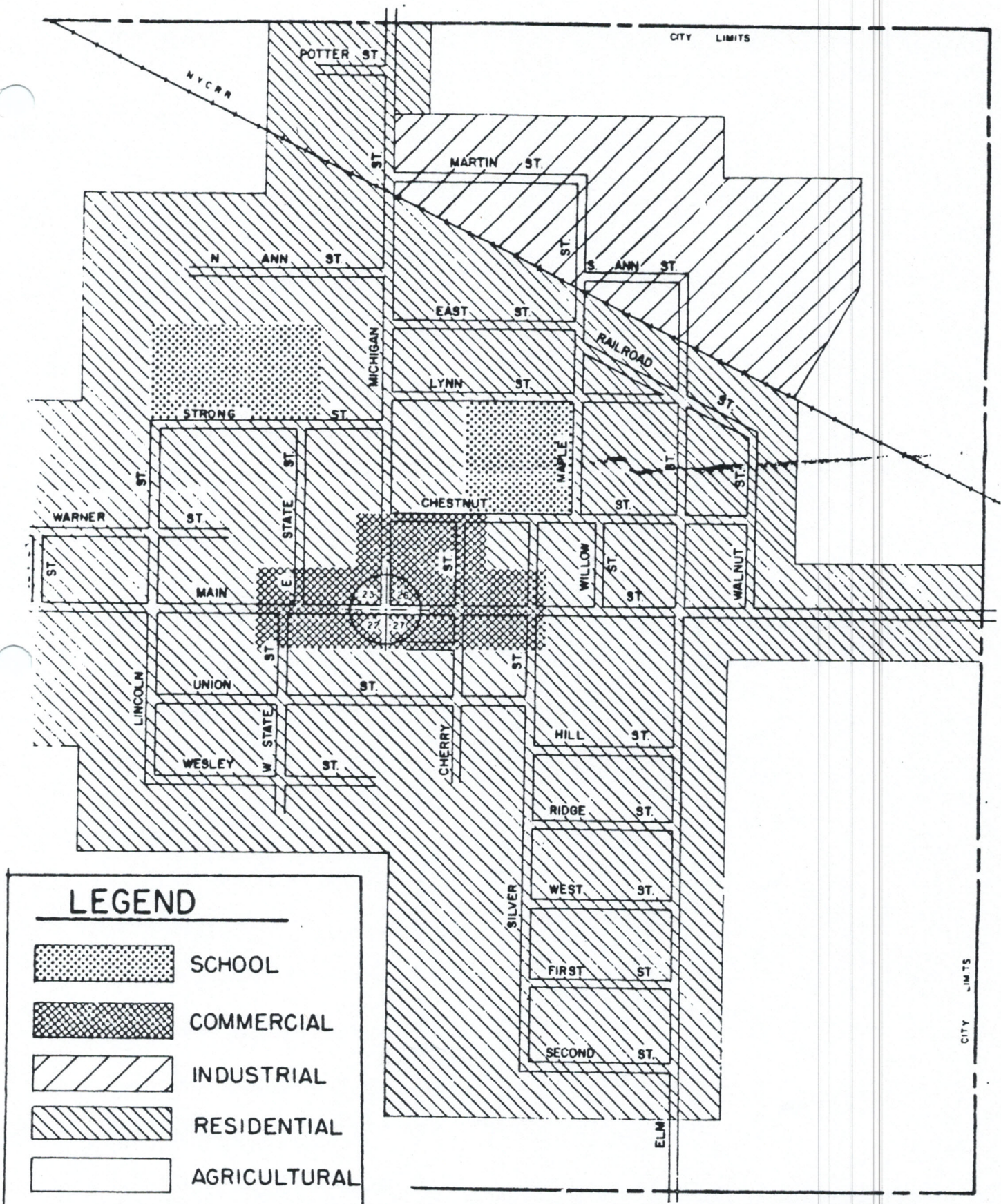
PARCEL NO	LOT SIZE	USE	PROPERTY ADDRESS	1981 S.E.V.
110 002 075		Church		Exempt
110 002 076		Residential		9,004
110 002 077		Residential		7,992
110 002 078		Residential		14,919
110 002 079	.22 A	Grocery		9,765
110 002 080	.07 A	Office		3,350
110 002 081	.07 A	Hardware		5,140
110 002 082		Commercial		7,500
110 002 083		City		Exempt
110 002 084		Commercial		2,780
110 002 085		Commercial		3,050
110 002 086		Commercial		2,720
110 002 087		Commercial		1,975
110 002 088		Commercial		2,860
110 002 089		Shop		6,900
110 002 090		Residential		9,457
110 002 091		Residential		9,255
110 002 092		Residential		12,814
110 022 093		Residential		13,267
110 002 101		Residential		11,189
110 002 103		Residential		11,269
110 002 104		Residential		10,091
110 002 107	8.0 A	Residential		852
110 002 108	4.4 A	Residential		4,405
110 002 109	3.3 A	Residential		3,735
110 002 110		Vacant		3,122
110 002 113		Vacant		639
110 004 133		Agricultural		32,587
110 004 134		Industrial		57,385
110 004 136		Agricultural		3,942
110 004 137		Industrial		130,833

3.5 LOCATION, CHARACTER AND EXTENT OF THE CATEGORIES OF
PROPOSED PUBLIC AND PRIVATE LAND USES.

LOCATION OF PROPOSED USES TABLE 1:

PARCEL NO	PARCEL SIZE	PRESENT USE	ANTICIPATED USE	1981 S.E.V.
110 002 033	Approx. + 50 Acres	Agricultural + Undeveloped	Industrial	19,384
110 004 137	Approx. + 20 acres	Industrial and Undeveloped	Industrial	130,833
110 004 136	Approx. + 10 Acres	Vacant	Industrial	\$3,942.

Parcel 110 002 033 reflects Project I while parcels 110 004 137 and
110 004 136 reflect Project II.



EXISTING LAND USE: CITY OF READING

FIGURE 3

4.1.2 Phase B

Phase B will open up the northern portion of the said property. This phase will entail:

- . construction of 3000 feet of 15 foot wide gravel road
- . provision of 2400 feet of 8 inch sewer
- . installation of 3600 feet of 8 inch watermain
- . platting and surveying
- . final design (completed under Phase I)
- . construction inspection
- . legal costs.

4.2 Project II

Project II will create about seven new industrial sites. This project will entail municipal improvements within publicly owned easements (to be obtained). Adjacent property would remain in private ownership. Here is a breakdown of Project II:

- . 1500 feet of 15 foot wide gravel road
- . 3500 feet of 8 inch watermain
- . 1800 feet of 8 inch sanitary sewer
- . surveying
- . design
- . construction inspection
- . legal costs.

4.3 Recommendations on Downtown Reading

In the long term, Reading's ability to attract and retain industry is linked to the vitality of Downtown. Revitalization of Downtown is therefore a goal of the Tax Increment Finance Authority.

Several worthwhile downtown improvements are evident. Redevelopment (or demolishing delapidated building(s) on a selection basis) in order to allow new construction is one available option. A second option, which can be blended with redevelopment, is to establish a rehabilitation and beautification program of existing buildings aimed at making Downtown look and function better. A key element in such an effort is to recognize that Downtown is more than a series of separate, independent stores and that both physical and organizational improvements must be comprehensively made. Unless such cooperation is fostered, Downtown will continue to realize but a small part of its potential.

4.0 DESCRIPTION OF IMPROVEMENTS IN DEVELOPMENT AREA, ESTIMATE OF TIMING

This Development Plan proposes two projects: Project I is to create an industrial park in the northeast portion of town by providing road, water and sewer to currently unplatted, agricultural land. This project, which would create room for up to 20 industrial sites, is divided into two separate phases (Phase A and Phase B). In order to assure that development occurs in a logical, well planned manner, Phase B will be initiated when Phase A has been successful. Project II is a long term endeavor which will open up additional industrial land in the southern portion of the City. Finally this plan also makes some general recommendations regarding a third possible project: revitalization of Downtown Reading.

The TIFA recognizes that economic revitalization of Reading is a dynamic process, subject to change and revision. The TIFA therefore reserved the right, in accordance with Public Act 450, to amend this Development Plan when needs and conditions so require.

4.1 Project I

As stated previously, Project I will entail extending water, sewer and road to a portion of land in the northeast portion of the City (see Figure 4). Phase A which will be completed by the end of 1982, will create ten new industrial lots. Phase B, which should be completed by the end of 1986, will create an additional 10 sites. TIF funds will be used for the stated public improvements within obtained easements. Property will remain in private ownership. The City shall own and maintain all public improvements within stated easements.

4.1.1 Phase A

Phase A will open up the southern portion of the said property. This phase will entail:

- . construction of 1500 feet of 15 foot wide gravel road
- . provision of 1000 feet of 8 inch sanitary sewer
- . installation of 500 feet of 6 inch watermain
- . installation of 900 feet of 8 inch watermain
- . survey of the parcel
- . *final design of water, sewer, roads
- . construction inspection
- . legal costs.

* Because of economies of scale, design of public improvements for both Phase A and Phase B will be undertaken during Phase A.

The TIFA will therefore explore programs aimed at strengthening the commercial base of the community.

5.0 LOCATION, EXTENT, CHARACTER AND COST OF IMPROVEMENTS, TIME FOR COMPLETION

The general location and extent of proposed improvements are shown by Figure 4. These are public improvements within easements which we anticipate obtaining. Pertinent costs are as follows:

PROJECT COSTS: TABLE 2

Project I

Phase A

Watermain	\$ 15,000
Lift Station	40,000
Road	30,000
Sanitary Sewer	20,000
Survey	5,000
Forcemain	10,000
Design	8,000
Inspection	3,000
Legal	4,000

Sub-Total \$135,000

Phase B

Watermain	\$ 36,000
Road	60,000
Sanitary Sewer	50,000
Survey	
Platting,	15,000
Inspection	6,000
Legal	3,000

\$170,000






GRANT TOTAL PROJECT I \$305,000

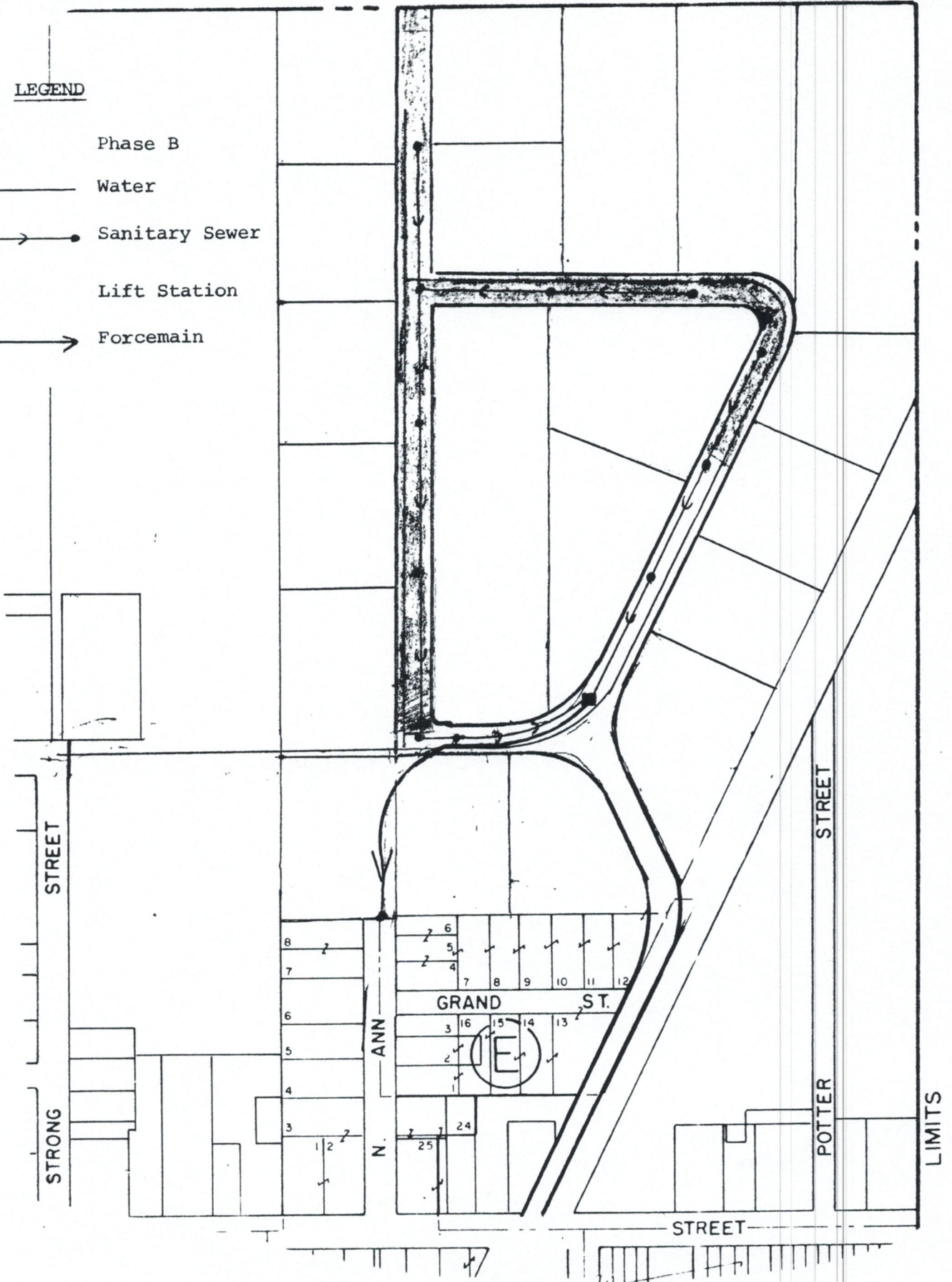
Project II

Watermain	\$ 40,000
Road	30,000
Sanitary Sewer	36,000
Survey	6,000
Design	8,000
Inspection	3,000
Legal	4,000

TOTAL \$127,000

LEGEND

-  Phase B
-  Water
-  Sanitary Sewer
-  Lift Station
-  Forcemain



LOCATION AND EXTENT OF PROPOSED IMPROVEMENTS

FIGURE 4

6.0 STATEMENT OF CONSTRUCTION STAGES

The TIFA shall undertake two separate projects, both aimed at increasing industrial development opportunities in the community.

The first project is to provide public utilities and access to a parcel of land in the northeast portion of the City. This shall be accomplished in two distinct phases. Phase I, to be completed by the end of 1982, will create 10 new industrial sites. Phase II, which will open up an additional 10 industrial sites, is slated for completion by the end of 1986.

The second project is a single phase effort aimed at creating seven new industrial sites on a second parcel of land. This project will be completed by the end of 1989 but is not presently addressed by the Financing Plan.

7.0 DESCRIPTION OF OPEN SPACE AND LAND USE

As the map on the following page shows, Reading has an abundance of open space and undeveloped land. Within the Development Area, the area east and south of Martin Street will remain open as will properties owned by the public school system and areas to the west of the elementary school.

8.0 PORTIONS OF THE DEVELOPMENT AREA BEING SOLD, DONATED, EXCHANGED, LEASED, ETC.

The City will work to obtain from private landowners easements necessary for the construction of roads and utilities. Because the proposed improvements will increase the value of privately owned land, it is anticipated that necessary easements be obtained at not cost.

9.0 ZONING CHANGES, CHANGES IN STREETS, UTILITIES

The City of Reading has no zoning ordinance. Proposed improvements will not have any adverse effect on existing utilities, services or infrastructure within the Community.

10.0 COST OF DEVELOPMENT, METHOD OF FINANCING AND ABILITY TO ARRANGE FINANCING

Total project cost of Project I is \$305,000, with \$135,000 needed for Phase I and \$170,000 for Phase II. Total cost for Project II is \$127,000, to be completed after Project I.

Project financing of Phase A will include use of \$50,000 of municipal funds already earmarked for sanitary sewer improvements and borrowing against three years of anticipated tax increments. Financing of Phase B of Project I will involve borrowing against tax revenues for the years 1985 to 1994. Because both Trotwood Apartments and Newtons Feed Mill will be on the tax role at the end of calendar year 1981 (exclusive of tax abatement through PA 198), the assessed value (SEV) for that year will be nearly \$400,000 more than the initial assessed value in calendar year 1981.

Since these projects represent readily "captured" tax revenues, the TIFA should have the ability to borrow against anticipated revenues to finance proposed public improvements. The TIFA does, however, retain the option of simply capturing tax increments each year as they develop.

Financing of Project II is not subject to the attached Financing Plan and will be decided upon subsequent to completion of Project I.

11.0 DESIGNATION OF PERSON TO WHOM THE DEVELOPMENT IS LEASED, SOLD, OR CONVEYED

Neither the City or the TIFA will lease property to a person, natural or corporate. *

12.0 BIDDING PROCEDURES

Not applicable.

13.0 PERSONS IN DEVELOPMENT AREA, DISPLACEMENT, HOUSING PROFILE

13.1 Population of Development Area

It is estimated that fewer than 100 full-time residents live in the Development Area.

13.2 Displacement

No family, business or person will be required to relocate as a result of this Development Plan.

13.3 A Statistical Description of the Housing Supply in the Community

- 13.3.1 The Number of Private and Public Units in Existence or Under Construction - The table below illustrates Reading's housing supply and population between 1970 and 1980 (Source U.S. Census).

TABLE 3

HOUSING AND POPULATION: CITY OF READING

	1970	1980	% Increase
Housing Units	407	447	8.9%
Population	1125	1203	6.9%

The following information is from the 1970 U.S. Census:

- . 82.8% of the City's housing stock consists of single family units
 - . The City has five mobile homes
 - . All of the City's housing units are year round and 82.8% are single family
 - . The City has a 7.4% vacancy rate.
- 13.3.2 The Condition of Existing Housing Units - Overcrowding and adequacy of plumbing and kitchen facilities are good indications of the condition of housing. In Reading, there are 39 (9.5%) units that lack one or more plumbing facilities, while 23 units (5.6%) units lack one or more kitchen facilities (Source 1970 U.S. Census).
- 13.3.3 The Number of Owner and Renter Occupied Units - According to the 1970 U.S. Census, the City's owner occupied housing units comprise 76.9% (290) of the total occupied housing, Renter occupied housing, consists of 23% (87) of the City's occupied housing.
- 13.3.4 The Annual Rate of Turnover of the Various Types of Housing and the Range of Rents and

Sale Prices. The rate of turnover of housing seems to be moderate to low. Reading has a fairly larger percentage of elderly residents.

13.3.5 An Estimate of the Total Demand for Housing in the Community - A fairly active housing market has been determined for the City of Reading. There is a relatively large elderly population that desires smaller, more affordable living units. Anticipated job development in the City should attract younger families into the community's available housing stock.

13.3.6 The Estimated Capacity of Private and Public Housing Available to Displaced Families and Individuals - Since no families or individuals will be displaced, the capacity of housing available to displaced persons is not pertinent.

14.0 A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA

Not Applicable.

15.0 PROVISION FOR THE COSTS OF RELOCATING PERSONS

Not Applicable.

16.0 A PLAN FOR COMPLIANCE WITH ACT NO. 227 OF THE PUBLIC ACTS OF 1972, BEING SECTIONS 213.321 to 213.332 OF THE MICHIGAN COMPILED LAW

We fully intend to comply.

17.0 OTHER PERTINENT MATERIAL: RETENTION OF INDUSTRIES

National statistics indicate that at least 75 percent of community economic growth results from the expansion of existing company facilities. This means the greatest opportunities for community growth already are present or nearby, among the economic-base companies of the region.

While much of Reading's economic development activity focuses on the attraction of new manufacturing plants and service ventures, the most important concern for long-term success is the retention of existing and soon-to-be obtained economic-base industry. Satis-

fied local industrialists remain in the community and their companies often grow. Unhappy executives move facilities and jobs to greener pastures.

In action, industry retention efforts and programs to attract outside companies are complementary. It is routine for corporate site search representatives who visit a community to interview local industrialists about business climate. If the positive statements overwhelm the "negative thinkers", potential new plant management may be influenced to settle in Reading. If not, their best interests may be served by looking elsewhere.

Community responsiveness to the problems of industrial companies can help counteract negative factors over which Reading has little or no control, like state taxes and pollution regulations. Industry retention programs aim to improve day-to-day relations between local institutions and industry. They also attempt to discover those companies planning to expand outside the community, well in advance of the event. This provides an opportunity for an intensive program responsiveness. Relocation plans may change.

Eventually, one-to-one assistance to an existing company may be warranted. An aggressive community economic development group should be alert for conditions which signal a need for problem-solving assistance, including the following:

- 1) Companies located in obsolete facilities or cramped quarters. Offer incentives to relocate operations in a new community industrial park or a suitable existing building.
- 2) Management teams which have a history of poor relations with city or county government. Often a nagging problem can be solved through mediation by an economic development practitioner.
- 3) Companies suffering from inadequate municipal services, such as waterlines, sewer, access roads, street lighting, or traffic control. Again, an intermediary may be able to forge a compromise between industrial executive and government officials.
- 4) Branch plants of conglomerate corporations which lack autonomy in their dealings with local officials. Here the intervention of a neutral third party may be especially important to achieve rapport with local management, communicate directly with corporate executives, and present company needs to local government.

The Reading Tax Increment Finance Authority (TIF) is the logical group to coordinate such efforts. Responses to these situations,

of course, will require some form of organized follow-up system. It also is necessary for the economic development group to establish action priorities. Companies which indicate near-term expansion plans should be highest on the list. Next might be companies which have outgrown their facilities, but lack capital resources to expand.

The prime purpose of an industrial survey is to support an industry-retention program. The key to the effectiveness of retention efforts lies in follow-up programs which respond to: (1) individual company needs, and (2) general business climate problems. Both activities are important and interdependent.

One-on-one assistance and business climate improvement programs increase the desirability of the community for existing industry and the credibility of the economic development group. They provide highly visible evidence that Reading is involved---and committed to balanced growth. They also help to identify those incorrigible complainers among the industrialists of your community. Reading may never be able to satisfy them, but you can shield new industrial prospect from their opinions. Arrange prospect visits with the boosters among the economic-base companies of your town. They have benefitted from the responsiveness of community institutions. They plan to stay and grown.

FINANCING PLAN

FINANCING PLAN

18.0 A DETAILED EXPLANATION OF THE TAX INCREMENT PROCEDURE

The tax increment financing procedure is new to Michigan law With the TIFA statute, but has been effectively used in several other states. The procedure may be proposed by a TIFA as a method of financing a Development Plan. It then may be adopted by the City Council, following consultation with the taxing units involved and a public hearing as required by statute. The essence of the tax increment financing procedure is as follows:

On January 15, 1981, Govenor Milliken signed Public Act 450. This law is designed to provide a redevelopment financing tool for cities throughout the State which suffer the effects of urban deterioration such as physical blight, stagnant tax base, and unemployment. This legislation is limited to cities, not incorporated villages, townships or other governmental units. It does not affect tax increment financing which a village or city uses for downtown redevelopment.

As intended with the passage of Act 450, tax increment financing is primarily a tool for cities to use in retaining and expanding their industrial job base subsequently helping to eliminate the causes of urban deterioration from which many of Michigan's cities suffer.

Tax increment financing allows for cities to make public improvements in a specific redevelopment district that are necessary to induce and accommodate additional private development such as industrial, commercial and residential construction in that same district. The financing for these public improvements comes from the increase in property tax revenues generated by the new private development. The amount of tax increment revenue available for a particular redevelopment project is determined by multiplying the total tax rate of the city by the projected increase in assessed valuation after subtracting the existing assessed valuation of the development district.

Public improvements usually associated with a redevelopment program include the acquisition and clearance of blighted buildings and land, relocation of residents, site improvements necessary to make the land usable for new construction, street and utility upgrading, and planning and engineering. It is important to note that tax increment revenues can only be expended for public purposes and not as a direct loan to any private individual or company. This lending of credit restriction is required by Article IX of the Michigan Constitution.

The Act requires that a city establish a tax increment finance authority (TIFA) to serve as the organization responsible to oversee the planning and implementation of the tax increment plan in conjunction with the redevelopment program.

Once established, a TIFA has the responsibility to plan, arrange, finance and implement its redevelopment program in a variety of ways enumerated in the law. The TIFA can issue both revenue bonds and tax increment bonds necessary to finance the eligible activities of the redevelopment program. Presently the Reading TIFA does not plan to issue any bonds.

The Act requires the TIFA to hold public hearings, submit any development or financing plans to the city's governing body for approval, and consult with other local taxing bodies and citizen's groups when necessary.

19.0 THE AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED

The City of Reading TIFA, under this Plan, will not utilize bonding.

20.0 THE DURATION OF THE PROGRAM.

The first phase of the development plan is scheduled for completion within one year. Increments from 1982 - 1985, totaling \$85,000 and \$50,000 of City funds will pay for this portion of the project. The second (Phase A of Project I) phase of Project I is scheduled for completion within five years and will be based on increments between 1986-1998. Project II will be completed pending availability of funds and evaluation of local goals and is not addressed by this Financing Plan.

21.0 A STATEMENT OF THE ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON THE ASSESSED VALUES OF ALL TAXING JURISDICTIONS IN WHICH THE DEVELOPMENT AREA IS LOCATED.

21.1 Impact on the City

Under a tax increment financing plan, the annual revenue generated in any given year is calculated by multiplying the captured assessed value by the total millage levied by all local taxing jurisdictions. At the present time (Table 4 presents a breakdown of total millage by taxing jurisdiction), total millage levied is 50.0241 mills. Table 4 also shows the relative value of the Development Area as

a percent of the total S.E.V. of the individual taxing jurisdictions. For example, the Development Area represents 19 percent of the total S.E.V. of \$5,338,627 for the City of Reading.

Since the tax increment financing plan generates revenue based only on the captured S.E.V. over and above the established level, each taxing jurisdiction will still levy taxes against the current S.E.V. of \$1,017,344. That S.E.V. will be used for taxing purposes by the taxing authorities throughout the life of the tax increment plan as adopted by the City of Reading. In effect, the S.E.V. is frozen at that level for taxing purposes. Additionally, any unused captured revenue will be redistributed proportionately to all taxing jurisdictions on an annual basis.

As a further analysis, let's assume that the total S.E.V. of Reading, for any given year, shows an across-the-board increase of three percent. Since the Development Area S.E.V. represents approximately 19 percent of the City's total S.E.V., the amount of City revenue increases diverted during the first year to the tax increment financing plan amounts to a small portion of the total property tax revenue generated by the City.

As a final point, it should be noted that for each dollar contributed to the tax increment financing plan by the City of Reading, four additional dollars are contributed by the remaining taxing jurisdictions. This four-for-one leverage ratio actually increases the amount of property taxes spent on projects in the City of Reading.

TABLE 4
MILLAGE BY TAXING JURISDICTION
CITY OF READING

<u>City of Reading</u>		13.931
. Operating	13.431	
. Library	.500	
<u>Public Schools</u>		28.96
. Operating	7.95	
. Voted Operating	20.05	
. Debt	.96	
<u>Intermediate Schools</u>		2.0401
. Special Education	1.7740	
. Operating	.2661	
<u>County</u>		<u>5.093</u>
TOTAL		50.0241

21.2 Impact on Public Schools

The Reading Public School District levies 28.96 mills against an SEV of \$48,688,045 to yield about \$1.4 million. During 1982, the TIFA will capture increases in property taxes in the Development Area totalling \$24,132. \$13,970 of this amount, which will be captured by the TIFA instead of the school district, accounts for .0099 of the total revenue from which the school operates. Future years will have similarly minor impact on Public Schools.

21.3 Impact on the Intermediate School District

The Intermediate School District levies 2.0401 mills against an SEV of \$383,151,207. This generates about \$782,000 in revenue. During 1982, the TIFA will capture increases in property taxes totalling \$24,132. \$984 of this amount, which the TIFA will capture instead of the Intermediate School District, accounts for somewhat less than 1/10 of one percent of the Intermediate School District's total revenue (.1259 percent). Future years will have similarly minor impact on the intermediate school district.

21.4 Impact on the County

Hillsdale County levies 5.093 mills against a total SEV of \$427,152,141. This generates about \$217,548 in revenue. During 1982, the TIFA will capture increases in property taxes totalling \$24,132 of which \$2,457 would normally be collected by the County. The \$2,457 accounts for .0113 of total County revenues. Future years would have a similarly minor impact on the County.

21.5 Overall Impact

The following table illustrates the size of the Development Area, in terms of SEV and revenue, as a percent of the Public School's, Intermediate School's and County's SEV and revenue. These taxing jurisdictions will continue to levy their millage against the "frozen" SEV in the Development area. If millage rates of these jurisdictions change, the new rate will still be levied against the Development Area's 1981 SEV of \$1,017,344.

TABLE 5

COMPARISON OF DEVELOPMENT AREA
TO OTHER TAXING JURISDICTIONS

	Millage	Total SEV		Revenue From Development Area		Development Area SEV As Percent Of Total SEV
		SEV	Funds	SEV	Funds	
School - Public	28.96	48,688,045	1,410,000	1,017,344	29,462	2%
Inter-mediate School	2.0401	383,151,207	782,000	1,017,344	2,075	.26%
County	5.093	427,152,141	217,548	1,017,344	5,181	2.4%

22.0 REVENUES AND EXPENDITURES

The table on the following page estimates revenues and expenditures for the TIFA. It should be noted that this is a general projection, subject to revision pending competitive bids for construction, negotiated interest rates and the possible availability of federal funds. Also, it assumes that \$50,000 will be available from the City, which is presently earmarked for sanitary sewer project(s).

Because of the availability of city funds, the amount of the loan needed for Phase A of Project I will be \$85,000 (\$135,000 minus \$50,000). Increments obtained through 1985 will be used to repay this loan, with about \$3,415 remaining to be used as "seed" money. If there are excess funds, they will be either used to finance projects reflected in an amended Development Plan or redirected to the general operating fund of the City of Reading.

TABLE 6

CITY OF READING DEVELOPMENT AREA
PROJECTION OF REVENUES AND EXPENDITURES

YEAR	TAX INCREMENT REVENUES	*ADJUSTED REVENUES	ACCOUNT BALANCE AT BEGINNING OF CALANDAR YEAR	FROM GENERAL FUND	RETURN TO TAXING UNITS
1981	-0-	-0-	85,000	50,000	-0-
1982	+24,132	+21,546	-41,350	-0-	-0-
1983	+27,728	+22,104	-18,436	-0-	-0-
1984	+32,193	+22,914	+ 3,415	-0-	-0-
1985	+34,383	+21,851	-166,585	-0-	-0-
1986	+38,935	+22,092	-123,555	-0-	-0-
1987	+41,328	+20,938	-102,746	-0-	-0-
1988	+46,003	+20,809	-83,114	-0-	-0-
1989	+48,609	+19,632	-63,851	-0-	-0-
1990	+53,418	+19,263	-45,742	-0-	-0-
1991	+56,245	+18,109	-28,150	-0-	-0-
1992	+61,195	+17,592	-11,657	-0-	-0-
1993	+64,255	+16,493	+ 4,237	-0-	-0-
1994	+69,355	+15,894			

* Present worth - 12 percent assumed.

TABLE 7

TAX INCREMENTS DUE TO APPRECIATION AND INVESTMENT

YEAR	**DEVELOPMENT AREA EXCLUSIVE OF INDUSTRIAL LAND IN PROJECT 1, FEED MILL PROPERTY IMPROVE- MENTS AND TROTWOOD APARTMENTS			TROTWOOD APARTMENTS			NEWTON FEED MILL			*INDUSTRIAL LAND (PROJECT 1)				TOTAL CAPTURED VALUE	
	1 S.E.V.	2 TAX REVENUE	3 TAX INCREMENT	4 ADDITIONAL S.E.V.	5 TAX REVENUE	6 TAX INCREMENT	7@ S.E.V.	8 TAX REVENUE	9 TAX INCREMENT	10 S.E.V.	11 TAX REVENUE	12 TAX INCREMENT	SUM OF COLUMNS 3,6,9 + 12	PRESENT WORTH AT 12%	
1981	950,412	47,542	-0-	-0-	-0-	-0-	47,548	2,388	-0-	19,384	970	-0-	-0-	21,546	
1982	978,824	48,968	1,426	239,280	11,969	11,969	201,774	10,093	7,705	80,000	4,002	3,032	24,132	22,104	
1983	1,008,291	50,437	2,895	280,000	14,006	14,006	201,774	10,093	7,705	82,400	4,122	3,152	27,758	22,914	
1984	1,038,540	51,950	4,408	288,400	14,427	14,427	201,774	10,093	7,705	132,400	6,623	5,653	32,193	21,851	
1985	1,069,696	53,508	5,966	297,052	14,860	14,860	201,774	10,093	7,705	136,372	6,822	5,852	34,383	22,092	
1986	1,101,787	55,114	7,572	305,963	15,305	15,305	201,774	10,093	7,705	186,372	9,323	8,353	38,935	20,938	
1987	1,134,841	56,767	9,225	315,142	15,765	15,765	201,774	10,093	7,705	191,963	9,603	8,633	41,328	20,809	
1988	1,168,886	58,470	10,928	324,569	16,237	16,237	201,774	10,093	7,705	241,963	12,103	11,133	46,003	19,632	
1989	1,203,953	60,224	12,682	334,334	16,725	16,725	201,774	10,093	7,705	249,222	12,467	11,497	48,609	19,263	
1990	1,240,071	62,031	14,489	344,364	17,226	17,226	201,774	10,093	7,705	299,222	14,968	13,998	53,418	18,109	
1991	1,277,273	63,892	16,350	354,694	17,743	17,743	201,774	10,093	7,705	308,199	15,417	14,447	56,245	18,109	
1992	1,315,591	65,809	18,267	365,335	18,275	18,275	201,774	10,093	7,705	358,199	17,918	16,948	61,195	17,592	
1993	1,355,059	67,783	20,241	376,295	18,823	18,823	201,774	10,093	7,705	368,945	18,456	17,486	64,255	16,493	
1994	1,395,710	69,817	22,275	387,583	19,388	19,388	201,774	10,093	7,705	418,945	20,957	19,987	69,355	15,894	
													597,809	259,237	

* As of 4th Monday in May

** SEV of 110 002 033 is \$19,384. SEV of parcels 110 075 001, 038, 99, 40 and 52 combined is \$47,548
 *** Assumes additional SEV during first year, 3 percent appreciation rate and an additional \$50,000 SEV in alternating years
 @ For the purposes of calculating SEV, it is assumed that the acceleration of value of land and structural improvements is negated by deceleration of value of equipment

1998 See page 23

Reading TIFA
Projects for Amended
TIFA Development and Finance Plan

Priority	Description	Completion Date	Cost	Method of Finance
1.	Extend water, sanitary sewer storm sewer, electric, gas, and Telephone approx. 950' along Enterprise Drive.	11-97	89,500	On Hand Funds.
2.	Extend Enterprise Drive road bed, paving and curbing approx. 950' East.	11-97	90,500	On Hand Funds
3.	Obtain necessary approvals and record Plat of the remaining land owned by TIFA in the Northeast part of the City known as "Reading Industrial Park".	2-98	7,500	On Hand Funds
4.	Obtain Certification from the State of Michigan for the Plat as an "Industrial Park".	3-98	500	On Hand Funds
5.	Construct 15,000 sq. ft. spec building on Lot #9.	4-98	330,000	Outside Financing
6.	As soon as all space in Item 5 Bldg. has been committed construct 2nd 15,000 sq. ft. Bldg.	TBD		
7.	Construct 5,000 sq. ft. Commercial Bldg. on Lot #8 and designate Lot #8 for commercial development.	5-98	125,000	Outside Financing
8.	Develop a short term and long term program for Downtown improvements.	10-97	-	No Cost
9.	Implement short term program for down town improvements.	Start 10-97 Organizing	TBD	Tax Revenues and Grants

10.	Improve streets for commercial use. Elm St. East from M-49 to S. Ann St. S. Ann St. between Elm and Maple. Martin between Maple and Michigan St. Get designated as a "Truck Route" approx 4600 ft.	8-98	75,000	Tax Revenues and Grants
11.	Extend Enterprise Drive and all utilities South to Connect to existing Ann St. Approx 1850 ft.	4-2000	315,000	Tax Revenues and Grants
12.	Extend Enterprise Drive East from Ann St. intersection and North then East to complete Enterprise Dr. as layed out on Map job 86-51 dated Feb. 5, 1987 Revised June 1, 1987. Approx 1800 feet.	5-2002	310,000	Tax Revenues and Grants
13.	Implement long term program (Item 7) for Down Town Improvements.	Start 4-98 on-going	TBD	Tax Revenues and Grants
14.	On going program for retention and expansion of existing businesses and recruitment of new businesses.	On going	TBD	Tax Revenue