

AMENDMENT
TO
TAX INCREMENT FINANCING AND
DEVELOPMENT PLAN
OF THE
CITY OF NORWAY
DOWNTOWN DEVELOPMENT AUTHORITY

Adopted by the City of Norway Downtown Development Authority on April 19, 2017

Recommended by the Development Area Citizens Council on June 21, 2017

Approved by the City Council of the City of Norway on July 3, 2017

SECTION 1 – INTRODUCTION

In 1992, the City of Norway (the "City") established a Downtown Development Authority under Act 197, Public Acts of Michigan, 1975, as amended ("the DDA Act"). Once established, the Downtown Development Authority (the "DDA") prepared the original Development and Tax Increment Financing Plan (the "Original Plan") in 1992. The Original Plan was subsequently amended in 1995 (as amended, the "Amended Plan"). The Development Area is as indicated in Appendix A hereto.

The Amended Plan contained a list of projects to be undertaken by the DDA in cooperation with the City. The 2017 Amendment allows for financing and completion of projects described in the Amended Plan and to provide for new projects and activities for the purpose of preventing property value deterioration and encouraging further investment within the district in accordance with the DDA Act.

In order to accomplish these projects this 2017 Amendment extends the life of the Amended Plan to terminate upon the collection of the last taxes levied for the year 2046 and to establish a maximum bonding limit.

2017 AMENDMENT SUPPLEMENTS THE ORIGINAL PLAN

This 2017 Amendment is an update and addition to the Amended Plan and must be read in concert with the Amended Plan. The 2017 Amendment refers to certain portions of the Amended Plan but does not repeal or abrogate any provision of the Amended Plan unless expressly stated. (The Amended Plan as amended by the 2017 Amendment is referred to herein as the "2017 Amended Plan.")

SECTION 2 – AMENDMENT TO DEVELOPMENT PLAN

The Development Plan of the 2017 Amended Plan is amended as follows.

The Location, Extent, Character and Estimated Cost of Improvements and Estimated Time for Completion

In light of the changing and growing needs of the community and the need to finance and complete several projects outlined in the Amended Plan in order to fulfill the purpose of the Amended Plan and the DDA Act, this 2017 Amended Plan includes the following additions to the improvement program of the DDA. The program continues to focus on projects that will prevent deterioration of the downtown business district, and encourage private development and investment in the district. The following projects are added to Section 2 of the 2017 Amended Plan, with estimated costs and time frames for each:

| Project/Improvements | Estimated Cost | Time Frame for Completion |
|-----------------------------|-----------------------|----------------------------------|
| 1. Main Street Improvements | \$500,000 | Begin 2017 |

The Main Street was reconstructed in projects funded by the DDA from 2001 through 2006. The first section of street reconstructed is now 15 years old and in need of repairs or repaving. The DDA is also working on improvements to the sidewalks along Main Street and upgrades to the lighting (light poles) and the band shell.

economic development activities of our community and specifically the DDA district.

10. Norway Spring Improvements \$150,000 Begin 2017

There is interest to develop the site of the historic Norway Spring located on west US 2. This may include a building to serve year round access to the spring water, playground, and bathrooms.

11. Norway Myr Improvements \$350,000 Begin 2017

The Norway Myr Park is located within the DDA district. Since the park is in the district the DDA has committed to the projects within the park. The first and most important project is to construct a parking lot and visitor center. The parking area and center will be located on the edge of the wetland and requires certain permitting. Additional park projects include new trails connecting the park internally and externally as well as fixing the existing trails and boardwalks currently in the park. The park also has new projects that surface such as viewing platforms or other interpretive elements.

12. Extension of O'Dill Drive \$350,000 Begin 2018

A street extension is being proposed to connect O'Dill Drive with B-Street to provide safer access on and off the highway. There is only one ingress/egress point on O'Dill Drive and is dangerous since it is located at an area on the highway that is 55 MPH. An alternate route has been proposed for safety of the people going to and from church.

13. Miscellaneous \$10,000 (annually) Begin 2017

The DDA budgets \$10,000 per year for miscellaneous small projects that arise from time to time along with incidental purchases such as garbage cans, benches, banners, and a dog park and cleaning stations. 60% is designated for Main Street, 30% is designated for Community Projects, and 10% is designated for Misc. Fees and Service Expenses.

14. Developing a welcome center. \$350,000 2020-2025

Welcome Center to include tourism information, outdoor recreation and resource development. Also to have public bathrooms, RV sewage dump station and office space for any resource related agency.

15. Hospitality and Tourism Business \$10,000 (annually) 2020

Investing in attracting and maintaining hospitality /tourism business (hotels, restaurants, ets.)

16. Norway Spring Subdivision Improvement \$150,000 2025

Cul de sac, end of Spring View Drive.

The following projects are removed from the 1992 Development Plan Paragraph C:

1. Storm Drainage

The storm drainage issues that were identified in the original plan were addressed in storm separation projects from 2001 through 2010.

2. Strawberry Lake

Strawberry Lake Park is an extremely important recreational asset for our community. Unfortunately it is not within the DDA district and therefore cannot be funded.

3. Future Industrial Area

The 1992 plan identified an area for potential industrial development. This property is no longer available.

SECTION 3 – AMENDMENT TO TAX INCREMENT FINANCING PLAN

The Tax Increment Financing Plan of the Amended Plan is amended as follows.

Maximum Bonded Indebtedness

The DDA or the City, or both, may issue bonds to pay all or a portion of the cost of the projects described in the 2017 Amended Plan. The maximum amount of bonded indebtedness to be incurred for or on behalf of the DDA under the 2017 Amended Plan shall be Five Million Dollars \$ 5,000,000.

Duration of the Amended Plan

The 2017 Amended Plan will terminate upon the collection of the last taxes levied for the year 2046. The City may abolish this plan when it finds that the purposes for which this plan was approved have been accomplished, but not before the principal and interest owing on any outstanding indebtedness has been paid in full, or funds sufficient for such payment have been segregated.

Estimated Annual Captured Assessed Value and Tax Increment Revenues and Estimate of the Impact of the Tax Increment Financing Plan on Taxing Jurisdictions

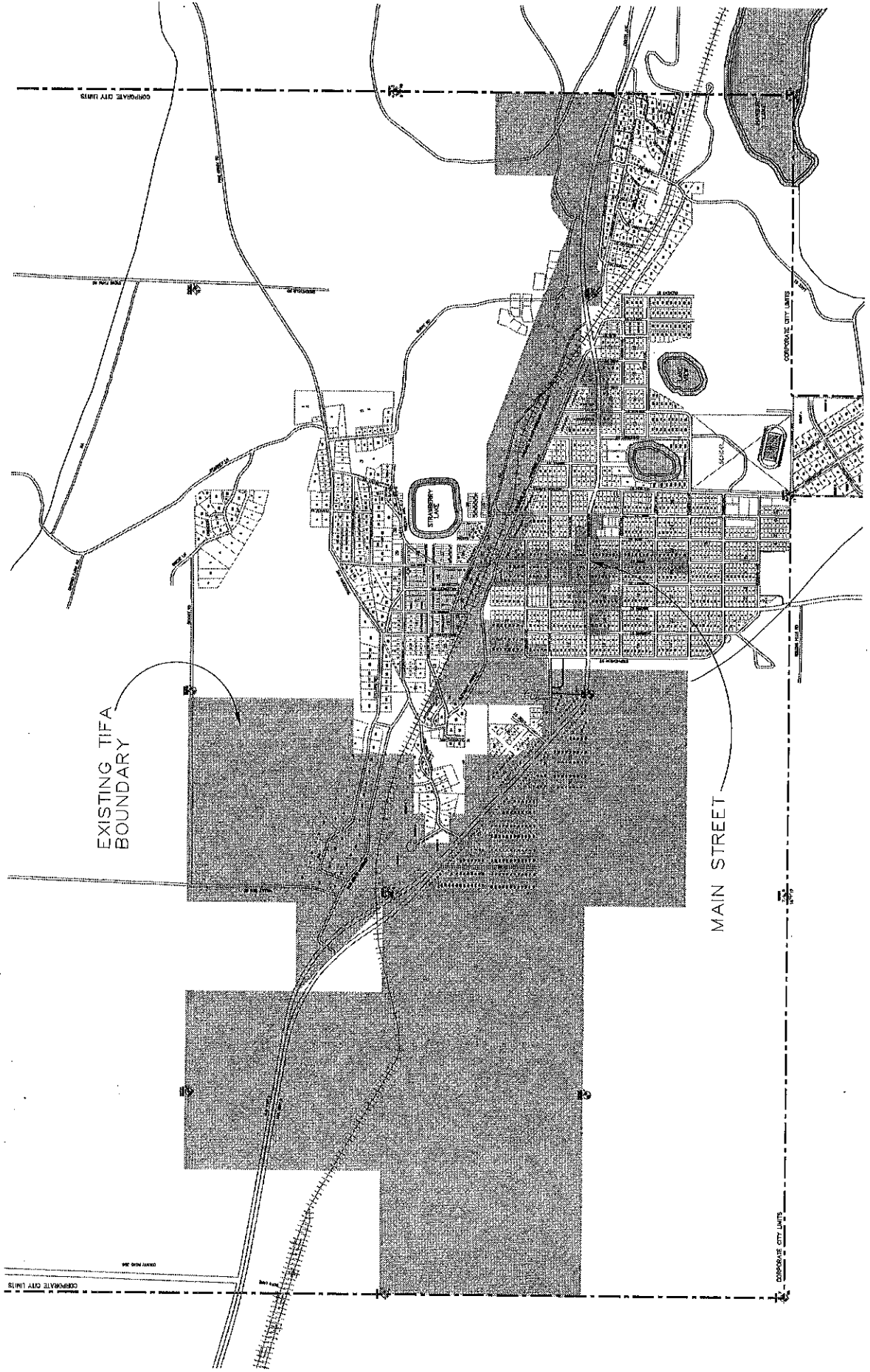
These sections have been combined and the information has been amended as set forth **Appendix B** attached hereto. The Amended Plan includes a spreadsheet showing projected anticipated expenses, and yearly balances. This spreadsheet is updated a minimum of each year or whenever a new project is approved.

APPENDIX A

DEVELOPMENT AREA

[INSERT MAP OF CURRENT DEVELOPMENT AREA]

DDA DISTRICT MAP



Area Included in the Downtown Development Authority (DDA) TIFA District in the City of Norway



APPENDIX B

**ESTIMATED IMPACT OF TAX INCREMENT FINANCING PLAN
ON TAXING JURISDICTIONS**

[INSERT ESTIMATED CAPTURE ASSESSED VALUE/TAX INCREMENT REVENUE
TABLE]

DDA - CASH FLOW SCHEDULE

| | FISCAL YR ENDING | PROJECTED TAX CAPTURES CITY | PROJECTED TAX CAPTURES COUNTY | PPT STATE REIMBURSEMENT |
|----|---------------------|--------------------------------------|--|-------------------------------|
| 1 | 6/30/2016 | \$ 132,425.40 | \$ 74,800.78 | \$ 46,333.00 |
| 2 | 6/30/2017 | \$ 96,372.08 | \$ 54,436.00 | \$ 83,891.00 |
| 3 | 6/30/2018 | \$ 99,263.24 | \$ 56,069.08 | \$ 83,891.00 |
| 4 | 6/30/2019 | \$ 102,241.14 | \$ 57,751.15 | \$ 83,891.00 |
| 5 | 6/30/2020 | \$ 105,308.37 | \$ 59,483.69 | |
| 6 | 6/30/2021 | \$ 108,467.63 | \$ 61,268.20 | |
| 7 | 6/30/2022 | \$ 111,721.65 | \$ 63,108.24 | |
| 8 | 6/30/2023 | \$ 115,073.30 | \$ 64,999.43 | |
| 9 | 6/30/2024 | \$ 118,525.50 | \$ 66,949.41 | |
| 10 | 6/30/2025 | \$ 122,081.27 | \$ 68,957.90 | |
| 11 | 6/30/2026 | \$ 125,743.71 | \$ 71,026.63 | |
| 12 | 6/30/2027 | \$ 129,516.02 | \$ 73,157.43 | |
| 13 | 6/30/2028 | \$ 133,401.50 | \$ 75,352.15 | |
| 14 | 6/30/2029 | \$ 137,403.54 | \$ 77,612.72 | |
| 15 | 6/30/2030 | \$ 141,525.65 | \$ 79,941.10 | |
| 16 | 6/30/2031 | \$ 145,771.42 | \$ 82,339.33 | |
| 17 | 6/30/2032 | \$ 150,144.56 | \$ 84,809.51 | |
| 18 | 6/30/2033 | \$ 154,648.90 | \$ 87,353.80 | |
| 19 | 6/30/2034 | \$ 159,288.36 | \$ 89,974.41 | |
| 20 | 6/30/2035 | \$ 164,067.02 | \$ 92,673.65 | |
| 21 | 6/30/2036 | \$ 168,989.03 | \$ 95,453.86 | |
| 22 | 6/30/2037 | \$ 174,058.70 | \$ 98,317.47 | |
| 23 | 6/30/2038 | \$ 179,280.46 | \$ 101,267.00 | |
| 24 | 6/30/2039 | \$ 184,658.87 | \$ 104,305.01 | |
| 25 | 6/30/2040 | \$ 190,198.64 | \$ 107,434.16 | |
| 26 | 6/30/2041 | \$ 195,904.60 | \$ 110,657.18 | |
| 27 | 6/30/2042 | \$ 201,781.73 | \$ 113,976.90 | |
| 28 | 6/30/2043 | \$ 207,835.19 | \$ 117,396.20 | |
| 29 | 6/30/2044 | \$ 214,070.24 | \$ 120,918.09 | |
| 30 | 6/30/2045 | \$ 220,492.35 | \$ 124,545.63 | |
| 31 | 6/30/2046 | \$ 227,107.12 | \$ 128,282.00 | |

**3% increase/year

**Includes the following:

County Operating
Bay College Millage
County Library Millage
Senior Citizens Millage
Health Dept. Millage
County 911 Millage

**need to do further
research on how long
this reimbursement
is for (thru 2018 for sure)