TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

2015 AMENDMENT

CITY OF BUCHANAN
DOWNTOWN DEVELOPMENT AUTHORITY

"Preserving the Past – Creating the Future"

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Life is better here.

DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF BUCHANAN
BERRIEN COUNTY, MICHIGAN

April 2015

TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

City of Buchanan
Downtown Development Authority
Berrien County, Michigan

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City of Buchanan,
Berrien County, Michigan

Recommended for Approval by the Downtown Development Authority:
February 2012
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Approved by the City of Buchanan City Commission:

Prepared By:

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2015 Amendment to the Downtown Development Authority's Tax Increment Financing and Development Plan

P.A. 197 of 1975 (as amended), the public act passed by the Michigan legislature that allows for the creation of Downtown Development Authorities (DDA's), requires DDA's, once formed, to prepare a plan that defines the Downtown Development/Tax Increment Financing District, serves as a guide for all the activities of the DDA, and provides estimates of the anticipated cost of these activities. The typical life span of the TIF and Development Plan is 20 years: These plans are very comprehensive and encompass a wide variety of activities which may take up to 20 years to complete.

The statutory job of DDA's as stated in P.A. 197 includes the following; "correct and prevent deterioration in business districts, to encourage historic preservation…to promote economic growth…to develop and implement development plans…to authorize the use of tax increment financing…" The purpose of the TIF Development Plan is to spell out how the DDA is going to accomplish these objectives. The City of Buchanan created its Downtown Development Authority in 1976, a year after the enabling legislation was passed. The first DDA TIF Development Plan written and approved in 1984. In 2004, the DDA hired a consultant to create a new TIF Development Plan to guide its activities for the next 20 years. This plan was amended in 2007 to accommodate changes in the community and district that impacted the DDA's ability to accomplish its stated goals.

Since the plan was last amended in 2007, there have been many changes affecting the local, state and national economy. We have suffered the worst recession since the Great Depression and at the same time we've experienced advances in technology and "globalization" of a world economy. The rate of change has accelerated beyond anything we have experience in the past, and these changes have dramatically affected the way we live and do business. As a result, the DDA felt that it was again time to re-examine the plan, and update it to reflect priorities and include activities that have become important in today's economic reality.

The overall plan, as amended in 2007 contains many activities that are still important to the DDA and that will benefit the downtown district and the entire community when they are implemented. The background information, description of the district, and explanation of tax increment financing are all still relevant. The purpose of this amendment document is to 1) correct some inaccuracies in the current plan; 2) give a brief description of the activities of the DDA since the 2007 amendment, and refresh the action plan for the DDA so that it is consistent with the DDA's vision and philosophy. This amendment process was started in 2011, approved in 2012, but for a number of reasons was temporarily set aside. This important document was re-examined by the DDA again in 2014and updated to remove projects already completed or no longer pertinent, and to be sure that the projects listed in this document accurately reflect the vision and mission of the DDA

CORRECTIONS

For the record, the City of Buchanan created the Downtown Development Authority in 1976, not 1984. The City of Buchanan was one of the many communities that created DDA's very quickly after the legislation became law. The DDA's first TIF Development Plan was adopted in 1984 and this date may have created some confusion.

The area referred to as "The Common Grounds" is correctly known as "The Common".

The "Tin Theater" is actually the "Tin Shop" theater and is not currently in the DDA district.

ACTIVITIES OF THE DOWNTOWN DEVELOPMENT AUTHORITY

As a result of the redefining of the DDA's TIF district and removing properties with a negative tax value, the DDA for the first time was able to collect the funds generated as a result of the tax increment financing mechanism. These funds, initially about $90,000 per year, enabled the DDA to begin implementation of some of the activities listed in the Plan. In addition, the Andrews Farm TIFA (an industrial TIF District in the southwest corner of the City) had completed all the projects in its TIF plan and was dissolved in 2007. Approximately $250,000.00 was loaned to the DDA to help it implement downtown projects. The funds from the dissolution of the Andrews Farm TIF allowed the DDA to create a Grant Program to assist downtown property owners to make structural improvements to their buildings. The DDA also funded half of the design costs as a small grant to property owners. The funds from the Andrews Farm TIF also allowed the DDA to fund the repaving of the North Parking Lot which was in desperate need of attention.

The DDA was/is committed to preservation of Buchanan's rich history and historical resources; one of the first projects that was undertaken was to apply to the National Park Service to have the "traditional" historic downtown listed on the National Register of Historic Places. This project was successful, and in September, 2009, Buchanan's historic downtown was listed on the National Register.

The DDA was also able to hire their first full time director in June of 2008. The hiring of a director gave the DDA a resource that was solely focused on implementation of the DDA's TIF Plan and carrying out the activities necessary to fulfill that mandate.

The existing Grant Programs were analyzed and changes were made. The DDA changed the Building Improvement and Facade Grant programs to a Building Improvement Loan/Grant program for property owners in the downtown. The Loan/Grants were made at a 4:1 ratio of loaned funds to grant funds and has assisted several property owners in the DDA district to significantly improve both the structure and appearance of their properties. The Design Assistance Grant program was also revamped slightly.

In 2008, the Downtown Development Authority, with the support of the City Commission voted to participate in the State of Michigan Main Street Program. Main Street is a national program administered by the National Main Street Center, a subsidiary of the National Trust for Historic Preservation which has a proven methodology for small town economic development based on their "Four Point Approach" : Design (the physical environment); Promotion: Economic Restructuring and Organization. Basically this program is an economic development program

based on historic preservation and the creation of a grass roots volunteer coalition focus on building on the unique characteristics that make Buchanan the community it is today.

The DDA as a part of its mission of economic revitalization financially supports the Buchanan Farmers' Market which is held at the Common every Saturday from the first of May through the middle of October. The Farmer's Market is run by the Farmers' Market Board which is a subcommittee of the DDA. The DDA also underwrites the Summer Concert Series and Stop, Lunch and Listen (a children's program) which are held weekly at the Common from the middle of June through mid August. The Buchanan Preservation Society also receives funding from the DDA to help with its programming at Pears Mill and other preservation projects within the DDA District. Recently the DDA and BPS partnered together and received a grant from the Gateway Community Foundation to install a much needed fire suppression system in Pears Mill. Finally, the DDA pays for the beautiful flowers that grace the downtown both in hanging baskets and ground level planters in the summer, and also helps fund the purchase of additional Christmas decorations and live garlands for the winter holiday season. Both of these projects are accomplished in partnership with the Buchanan Garden Club.

In 2010, the DDA embarked on a program to repay to the City the $250,000 "loan" it had received from the Andrews Farm TIF. Initially, it was thought the loan would be forgiven by the City; however the loan, which was derived from taxpayer revenue in the Andrews Farm TIF Industrial Park, was not legally eligible for "forgiveness". Because loan repayments were anticipated to be about $25,000 per year, the DDA realized that the loan payment would use most of the TIF revenue it received every year and so severely restrict the ability of the DDA to accomplish its goals for downtown revitalization. In a lengthy process that involved significant research, the DDA proposed to the City that the City take possession of all the properties (approximately 11 of them) that the DDA owned as repayment for the loan. The City agreed to do this, and as a result the DDA was able to focus on moving forward with its development plans, and the City gained possession of such important properties as City Hall, the Common, Pears Mill, and the "Duckpond", as well as several other vacant parcels suitable for redevelopment. The completion of the property "payment" to the City allowed the DDA to focus on future activities. One of the first activities the DDA undertook was to create its vision and mission statements, something that despite the development of the TIF plan had not been done previously. The DDA's vision for downtown (and Uptown) Buchanan is stated below. The mission, or how we are going to accomplish the vision, is also stated here. The mission statement comes from the provisions of PA 197 of 1975 which details the powers of the DDA.

DOWNTOWN DEVELOPMET AUTHORITY ACTION PLAN

MISSION: The mission of the Downtown Development Authority is:

- **To correct and prevent deterioration in business district;**
- **To encourage historic preservation;**
- **To promote the economic growth of the district.**

VISION: The vision of the Downtown Development Authority is: To revitalize and sustain long term economic stability for downtown businesses and provide an attractive place to shop, live and work while enhancing the arts and historic identity of this community.

The Downtown Development Authority participated in the Michigan Main Street Program for two plus years at the initial, or Associate Level. The program has three levels of participation: Associate, which serves as in introduction to the Four Point Approach and allows participants to visit other Main Street communities to hear and see how the Main Street program worked for them; Selected, in which selected communities partner with the Michigan Main Street Program staff and receive onsite training and technical assistance to create their own Main Street Program utilizing the Four Point Approach; and Master, which allows Main Street communities who have fulfilled their required five years at the Selected level remain in the program and continue to receive assistance from the Michigan Main Street Center and also mentor communities who are entering the program at the Selected level. The DDA Director and members of the DDA Board, Buchanan Chamber of Commerce, and local business owners have participated in Michigan Main Street training all over the state and appreciate the comprehensiveness of the Four Point approach and its potential to guide revitalization efforts here in Buchanan. After much discussion, the DDA Board, in a very close decision, voted not to pursue participation in the Michigan Main Street Program at the selected level. The Board expressed concern about the required five year financial commitment to the program in the face of decreasing TIF revenues and an adverse economic climate. However, the DDA expressed support for the program and in the spring of 2011 invited the downtown and business community to participate in a workshop to help the DDA determine its priorities and assemble them according to the Four Point Approach of Design, Promotion, Organization and Economic Restructuring. This led to the need to amend the 2007 TIF Plan to include this new approach. The DDA re-examined the goals identified in Table 1 on Page 14 of the 2007 Plan, and also expanded their goals and priorities under the Main Street Four Point Program. In this way, the DDA can move forward with its goals and also utilize the proven methodology of the Main Street Program.

Table 1
TIF Plan Projects

ONGOING PROJECTS			
Map	**Project**	**Estimated Cost**	**Category**
	Acquisition/Development/Resale Program	$50,000/yr	BD
	Building Improvement Loan/Grant Program	$100,000/yr	BD
	Contributions to Festivals and Events	$5,000/yr	EF
	Marketing and Promotion	$10,000/yr	EF
2	Farmers' Market	$10,000/yr	EF
1,3,4	District Site and Infrastructure Improvements	$20,000/yr	BD
	Administration	$40,000/yr	BD

DOWNTOWN DISTRICT CAPITAL IMPROVEMENTS 2015-2034			
Map	**Project**	**Estimated Cost**	**Category**
2	Complete Farmers' Market	$225,000	C
	North Parking Lot Improvements	$450,000	FI
5	Public Restrooms& Concessions Building	$65,000	CG
6	Reconstruction & Resurfacing of Oak Street and Days Avenue Parking Areas	$150,000	FI
7	Pears Mill Area & Plaza	$131,520	C
8	Redbud Trail Parking Lot Improvements	$53,000	FI
	Directional Signage including Parking lot signs, business directory sign, and amenity signs	$35,000	FI
	Pedestrian Safety signage, crosswalks, walk/don't walk signals; cross arm traffic lights	$150,000	FI
9	Redbud Trail Streetscape Improvements from Third Street to 112 S. Redbud Trail, streetlights, trees, amenities	$25,000	FI
10	Mc Coy's Creek ~~Pond~~ Park Improvements ~~& Fountain~~	$35,000	FI
11	West Front Street Streetscape Improvements from Oak Street to the Art Center	$45,000	FI
12	East Front Street Streetscape Improvements from Redbud Trail to City Limits, streetlights, trees, amenities	$350,000	FI
13	Oak Street Streetscape Improvements from Front Street to Roe Street, streetlights, trees, amenities	$45,000	FI
14	Main Street Streetscape Improvements from Front Street to Dewey Street, streetlights, trees, amenities	$35,000	FI

BD=Business Development C=Common Site Improvements EF=Events & Festivals FI=Facilities & Infrastructure
Prepared by Debra Davino Patzer February 2015

Over time, as the DDA TIF District matures, budgets fluctuate, and opportunities present themselves, specific projects will be implemented. The projects listed above are somewhat more general than those presented in the 2007 Plan in order to accommodate possible changes to or modifications of specific activities that may occur as a project evolves, but still accomplish the goals of the DDA

DOWNTOWN DEVELOPMENT AUTHORITY
MAIN STREET FOUR POINT APPROACH

"Preserving the Past – Creating the Future"

The goals listed below have been summarized from a lengthy list compiled by the DDA Board during their Planning Workshop in 2011. These goals are very broad in scope: this is a new approach for the DDA and experience has shown that the implementation of these goals may include new directions not specifically mentioned here, but appropriate and necessary for the revitalization of the downtown. These goals are listed in order of priority.

DESIGN: GOALS: EDUCATION and AWARENESS of HISTORY, DESIGN ASSISTANCE, PUBLIC IMPROVEMENTS, And INCENTIVES.

1. Work with the Design Review Committee to create a program to preserve our historic heritage.
2. Create and promote building improvement programs/incentives for downtown's historic resources utilizing the Secretary of Interior Standards to achieve 100% building occupancy and raise property values.
3. Update the Downtown Design Standards in conjunction with #2 above.
4. Create a signage and wayfinding plan for the downtown district that includes a wayfinding system in the downtown, an analysis of the welcome sign and coordinates with other City signage outside the district, and directional signage from major streets and highways – local and regional.
5. Analyze previous plans and implement a public infrastructure improvement plan that includes connecting "uptown" with "downtown" via extension of the streetscape (lighting, sidewalks, planters, etc. to the east City limit, and also extending the streetscape throughout the entire downtown district (including rear facades and parking lots).
6. Participate in historic preservation planning practices and take actions necessary to preserve and protect the downtown's historic resources.
7. Reassess the public infrastructure at the Common and make improvements needed to support a wide variety of activities, starting with a permanent public restroom facility.
8. Open up McCoy Creek and make it a focus area throughout the downtown.
9. Partner with the City to maintain a presentable downtown district including but not limited to working with property owners to encourage property maintenance and street cleanup, and making sure that public amenities such as trash receptacles are available.
10. Evaluate parking and circulation in the downtown district on a regular basis to ensure that customer needs are met and take appropriate action when changes are necessary.
11. Amend DDA TIF District as need*ed* to implement program goals.

II. PROMOTION: IMAGE CAMPAIGNS, RETAIL EVENTS, SPECIAL EVENTS.

1. Create and implement a branding/ advertising/marketing image and program that promotes everything Buchanan has to offer.
2. Develop an on-going program of marketing, promotion and sponsorship within the marketplace to strengthen the Buchanan identity that includes the downtown business community.
3. Create and maintain exemplary DDA websites.
4. Create a comprehensive media distribution system and plan weekly promotions.
5. Plan, schedule and host free or low cost programs/event downtown frequently throughout the year-at least 6 major events per year co-sponsored with the City and Chamber.

III. ORGANIZATION: VOLUNTEERS, FUNDRAISING, PUBLIC RELATIONS.

1. Create an Organization committee and plan a fundraising strategy.
2. Implement the fundraising plan and begin a fundraising campaign.
3. Establish a volunteer liaison and create a volunteer network.
4. Identify fundraising opportunities for the DDA – events, memberships, patrons, etc.
5. Communicate regularly with and involve all businesses in the downtown in DDA activities.
6. Work with the City and PC to amend zoning and other pertinent ordinances to help accomplish DDA goals.

IV. ECONOMIC RESTRUCTURING: BUSINESS ASSISTANCE, INCENTIVES, PROPERTY DEVELOPMENT.

1. Create an Economic Restructuring Committee and implement the following goals.
2. Conduct an assessment of downtown resources and environment to identify potential economic development possibilities with the goal being 100% open for business.
3. Complete a market analysis to establish a realistic idea of the Buchanan marketplace.
4. Develop a retail based business recruitment ACTION plan(s) to recruit a vibrant mix of retail and service businesses in the downtown such as a variety of restaurants (fine dining, upscale casual, wine tasting or micro brewery within the restaurant), specialty shops (women's clothing & accessories, garden, wine & cheese), local bakery, music store, bike shop with rentals, etc., and USE it.
5. Work with downtown business owners to develop common hours for downtown shops being open with the goal of "downtown" being open 5+ days a week.
6. Provide educational opportunities for local merchants to assist them to be more competitive in the marketplace and develop a "service first" mentality.
7. Continue the loan/grant program in order to facilitate economic revitalization and historic preservation within the DDA district and partner with area lenders to create a low interest pool of *money* for downtown improvements.
8. Continue to develop action plans and take action to support the City's commitment to arts culture and history which include, but are not limited to:
   A. Assist the City in any way possible with the revitalization of Mc Coy Creek.
   B. Continue to develop the Farmers' Market into a high quality unique market.
   C. Work with the Buchanan Preservation Society to fully utilize the potential of Pears Mill as an economic development tool (active museum?).
   D. Partner with the BAC to create additional fine art and working art studios.
9. Attract an entrepreneur to open a fully operational distillery/local micro brewery.
10. Create a co-op wine tasting facility/ winery with an upscale deli and wine related products.
11. Partner with the real estate community to market empty buildings in the district.
12. Participate in regional economic development forums and partner with businesses in neighboring communities when possible for a mutual benefit.
13. Support initiatives that promote sustainability and environmental protection.
14. Develop a plan to secure quality lodging/meeting facilities in the district.
15. Develop an incentive plan to help the create quality housing on the second and third stories of historic downtown buildings.
16. Partner with City, SMEGA, and MEDC to attract developers and investors and redevelop the industrial areas in our district.
17. Partner with the City to develop a downtown parking management plan.

Appendix A

Legal Description of the City of Buchanan Downtown Development Authority District

Commencing at the corner common to Sections 25, 26, 35 and 36, City of Buchanan, Berrien County, Michigan; thence South on the line common to Sections 35 and 36 a distance of 117.5 feet; thence West 165 feet; thence South 42 feet; thence East 132 feet to the West line of Redbud Trail; thence South on said West line 66 feet; thence West 177 feet; thence South 132 feet; thence East 177 feet to the West line of Redbud Trail; thence South on said West line 66 feet; thence West 132 feet; thence South 21 feet; thence West 155.5 feet to the East line of Days Avenue; thence South on said East line 127.5 feet to the centerline of Roe Street extended; thence West on said centerline and centerline extended 453.38 feet to the centerline of Oak Street; thence North on said centerline 248.5 feet to the North line of Charles Court extended; thence West on said North line and North line extended 298.87 feet; thence North 530.25 feet to the centerline of a street; thence East on said centerline 288.75 feet to the centerline of Oak Street; thence North on said centerline 206.25 feet to the centerline of Dewey Street; thence East on said centerline 222.75 feet to the centerline of Main Street; thence North on said centerline 280.5 feet to the centerline of Third Street; thence East on said centerline 231 feet to the centerline of Short Street; thence North on said centerline 376.53 feet; thence East 165.0 feet; thence South 132 feet; thence West 66 feet; thence South 269.28 feet to the South line of Third Street; thence West 66 feet on said South line to the East line of Short Street; thence South on said East line 66 feet; thence East 132 feet; thence South 66 feet; thence East 66 feet; thence North 132 feet to the South line of Third Street; thence East on said South line and South line extended 132 feet to the East line of Redbud Trail; thence North on said East line 320 feet to the Southwest corner of Block 3 of the Hatch Addition to the City of Buchanan; thence East on the South line of said Block 3 a distance of 146 feet to the Southeast corner of said Block 3; thence North on the East line and East line extended of said Block 3 to the Westerly line of Lot 2, Block 3 of said Hatch Addition; thence Northwesterly on said Westerly line to the Southerly line of River Street; thence Northeasterly on said Southerly line to the East line and East line extended of Strykers Addition to the City of Buchanan; thence North on said East line and East line extended to the South line of Block 14 of English and Holmes Addition to the City of Buchanan; thence East on said South line 797.7 feet; thence South 22° 02' East 332.2 feet; thence Southeasterly to the Northeast corner of Block 1 of the Hatch Addition to the city of Buchanan; thence South 31° 41' East 214.54 feet; thence around a 50-foot radius curve to the right 74.5 feet; thence South 53° 45' West 300.2 feet; thence South 36° 22' West 150.6 feet; thence South 36° 16' East 221 feet; thence South 22° East 279.2 feet; thence North 35° 48' East 100.0 feet; thence North 89° 38' East 150.00 feet; thence North 48° East 180 feet; thence North 3° East 236 feet; thence North 85° East 399.2 feet; thence South 271.6 feet; thence East 150 feet to the North and South Quarter line of said Section 25; thence South on said Quarter line to the South Quarter corner of said Section 25; thence West on the Section line common to said Sections 25 and 36 a distance of 279.8 feet; thence South 3° 11' West 398.8 feet; thence South 89° 58' West 561.61 feet; thence North 66° 19' West 165 feet; thence South 89° 58' West 298.85 feet to the centerline of Liberty Street; thence North on said centerline to a point 120 feet South of the North line of said Section 36; thence West on a line parallel with said North line 274.5 feet; thence South 213.90 feet; thence North 65° 58' West 419.02 feet; thence South 4° 15' West 174 feet to the centerline of Rynearson Street; thence North 63° 45' West on said centerline 748 feet more or less to the point of beginning .

EXCEPT commencing at a point on the North line of Front Street 1124.43 feet West and 33 feet North of the South Quarter corner of said Section 25; thence North 363 feet; thence West 165 feet; thence North 244.9 feet; thence West 222.8 feet; thence South 59° 25" West 454.8 feet to the Easterly right-of-way of the Michigan Central Railroad; thence Southwesterly on said right-of-way line to the North line of Front Street; thence East on said line to the point of beginning.