



CITY OF
PORTAGE

A PLACE FOR
OPPORTUNITIES
TO GROW



Downtown Development Authority

January 9, 2008

**CITY OF PORTAGE
DOWNTOWN DEVELOPMENT AUTHORITY
A G E N D A**

January 9, 2008

CALL TO ORDER:

8:00 a.m., Portage City Hall, Conference Room #1, 7900 South Westnedge Avenue

APPROVAL OF MINUTES:

November 16, 2006

BUSINESS:

- *1. Election of Officers
 - Member listing
 - Articles of Incorporation

- *2. FY 2004-05 Annual Report
 - Resolution approving and authorizing the transmission of the financial report on the status of the tax increment financing account.

- *3. South Westnedge Avenue Enhancement Projects (SWEPS) Update – Information Only

STATEMENT OF CITIZENS:

ADJOURNMENT:

MATERIALS TRANSMITTED

Star (*) indicates printed material within the agenda packet.

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DOWNTOWN DEVELOPMENT AUTHORITY

DRAFT

Minutes of Meeting – Thursday, November 16, 2006

The meeting of the Downtown Development Authority (DDA) was called to order at 8:05 a.m. in Conference Room #1, at Portage City Hall, 7900 South Westnedge Avenue, Portage, Michigan.

MEMBERS PRESENT:

James Huberty, Benjamin Boyer, Rich MacDonald, Ronald Dunlap, Matthew Milks, Terryl Patterson and Maurice Evans

MEMBERS EXCUSED:

Walter Hansen and John Debault

IN ATTENDANCE:

Jeffrey M. Erickson, Director of Community Development and Christopher Forth, Deputy Director of Planning and Development Services

APPROVAL OF MINUTES:

The minutes of the October 27, 2005 meeting were introduced for approval. A motion was offered by Evans and seconded by Boyer to approve the meeting minutes as presented. The motion was unanimously approved.

BUSINESS:

1. Election of Officers

Erickson reviewed the Articles of Incorporation and the member listing. Annually, the Board elects officers that include President, Vice-President, Treasurer and Secretary. The Board reviewed the current slate of officers who include Terry Patterson, Ben Boyer, James Huberty and Matt Milks, respectively. After some discussion, a motion was offered by MacDonald and seconded by Boyer to maintain the current slate of officers. The motion was unanimously approved.

2. FY 2004-2005 Annual Report

Erickson introduced the annual report and reviewed the November 7, 2006 communication concerning the projects and activities within the City of Portage DDA. A map showing the DDA boundaries was discussed including several of the projects in the DDA since establishment in 1998. More than \$22 million of taxable value has occurred to date with a very positive impact on the economic base of the community. Erickson summarized the 2003 DDA Plan amendment and reviewed several projects with the board members. Erickson also explained the statutory requirements for reporting to the State of Michigan. Economic development initiative tables were provided to the board members that summarized the level of investment, including the DDA, of the projects undertaken since the 1996 Industrial Initiative.

DRAFT

The Board reviewed the resolution approving and authorizing the transmission of the financial report on the status of the tax increment financing account to the City Council and State of Michigan. After some further limited discussion, a motion was offered by Evans, seconded by MacDonald that the resolution be adopted. Upon a roll call vote, the motion was unanimously approved.

STATEMENT OF CITIZENS:

None.

ADJOURNMENT:

There being no further business to come before the DDA, the meeting was adjourned at 8:25 a.m.

Respectfully submitted,

Jeffrey M. Erickson, AICP
Director of Community Development

DOWNTOWN DEVELOPMENT AUTHORITY

Board Member List

	<u>Address</u>	<u>Phone</u>	<u>Term Exp. *</u>
Walter Hansen (Hansen Building & Design Corp.)	3027 Woodhams	323-1985 (H) 323-3315 (B)	07/01/08
James Huberty (Treasurer) (Business consultant)	5347 Azalea	349-1408 (H)	07/01/08
Benjamin J. Boyer (Vice Pres.) (Boyer Construction Inc.)	3524 East Shore Drive	329-2467 (H)	07/01/09
Rich MacDonald (Hinman Company)	750 Trade Centre Way	342-8600(B)	07/01/09
Terryl V. Patterson (Pres.) (Treystar Co.)	7491 Dunross (7950 Moorsbridge Road)	324-3445 (H) 329-1808 (B) 323-8705 (F)	07/01/10
Matt Milks (Secretary) (Quality Acquisitions LLC)	5124 Mapleridge (700 Mall Drive)	383-8481 (H) 323-2441 (B) 217-1907 (C)	07/01/10
Mr. Ron Dunlap (Meijer, Inc.)	7826 Kilburnie Ct Portage MI 49024	324-2514 (H) 616-340-2412 (C)	07/01/11
Mr. Jeff Chrystal (Signature Associates)	1231 Cobblestone Lane (950 Trade Centre Way)	343-6928 (H) 207-5431 (C)	07/01/11
Maurice Evans, City Manager	7900 South Westnedge	329-4400 (B)	
Jeffrey M. Erickson, AICP Community Development Director (Non-member, Staff Liaison)	7900 South Westnedge	329-4477 (B)	

* Term expiration (serves until reappointed or a replacement is appointed).

CITY OF PORTAGE
ORDINANCE NO. 98-14

AN ORDINANCE ENTITLED "AN ORDER TO ESTABLISH A DOWNTOWN DEVELOPMENT AUTHORITY IN THE CITY OF PORTAGE PURSUANT TO ACT 197 OF MICHIGAN, 1975, TO DETERMINE THE NECESSITY THEREOF; TO PROVIDE FOR THE CREATION OF THE AUTHORITY; TO DEFINE THE BOUNDARIES OF THE DOWNTOWN DEVELOPMENT DISTRICT; TO PROVIDE FOR THE ESTABLISHMENT OF THE BOARD OF DIRECTORS FOR THE AUTHORITY; TO PROVIDE FOR THE POWERS OF THE AUTHORITY; TO PROVIDE DEFINITIONS; TO PROVIDE FOR THE FISCAL YEAR OF THE AUTHORITY; TO PROVIDE FOR THE SEVERABILITY OF THE ORDINANCE; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES; TO PROVIDE FOR THE NOTICE AND EFFECTIVE DATE THEREOF"; TO PRESCRIBE ITS POWER AND DUTIES; TO CORRECT AND PREVENT DETERIORATION IN THE CENTRAL BUSINESS DISTRICT; TO AUTHORIZE THE ACQUISITION AND DISPOSAL OF REAL AND PERSONAL PROPERTY; TO AUTHORIZE THE CREATION AND IMPLEMENTATION OF DEVELOPMENT PLAN IN THE DISTRICT; TO PROMOTE THE ECONOMIC GROWTH IN THE DISTRICT; TO PROVIDE FOR A BOARD; TO PRESCRIBE ITS POLICIES AND DUTIES; TO AUTHORIZE, TO LEVY AND COLLECTION OF TAXES; TO AUTHORIZE THE ISSUANCE OF BONDS AND OTHER EVIDENCES OF INDEBTEDNESS; AND TO AUTHORIZE THE USE OF TAX INCREMENT FINANCING; TO PROVIDE FOR THE PUBLICATION AND EFFECTIVE DATE.

WHEREAS, the City of Portage (the "City") has established a downtown development authority known as the Downtown Development Authority of the City of Portage (the "Authority") and has designated a downtown district (the "District") pursuant to Act No. 197 of the Public Acts of 1975, as amended, ("Act 197"); and

WHEREAS, pursuant to Act 197, a public hearing was held on April 21, 1998 which is a date prior to the adoption of the Ordinance.

THE CITY OF PORTAGE ORDAINS:

ARTICLE I
INCORPORATION, BOUNDARIES, AND
DETERMINATION OF NEED

Section 1. This Ordinance shall serve as the permanent Articles of Incorporation of the Downtown Development Authority of the City of Portage.

Section 2. Pursuant to Public Act No. 197 of the Michigan Public Acts of Michigan of 1975, as amended, (the "Act"), there is hereby established the Downtown Development Authority of the City of Portage.

Section 3. The boundaries of the Downtown District shall be as set forth in Appendix A.

Section 4. The following words shall have the meaning set forth, unless the context clearly indicates otherwise:

(a) "Authority" means the Downtown Development Authority of the City of Portage created by this Ordinance.

(b) "Board" or "Board of Directors" means the Board of Directors of the Authority, the governing body of the Authority.

(c) "Business District" means an area in the downtown of the City of Portage zoned and used principally for business.

(d) "The Chief Executive Officer" means the City Manager of the City.

(e) "Development Area" means that area to which a Development Plan is applicable.

(f) "Development Plan" means that information and those requirements for development as required by Act 197.

(g) "Development Program" means the implementation of the Development Plan.

(h) "Downtown District" means the area in the Business District described in Appendix A.

(i) "Governing Body" means the City Council of the City of Portage.

(j) "Operations" means office maintenance, including salaries and expenses of employees, office supplies, consultation fees, design costs, and other expenses incurred in the daily management of the Authority and its activities.

(k) "Public Facility" means a street, plaza, pedestrian mall, and any improvements thereto including street furniture and beautification, parks, parking facilities, recreational facilities, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, building and access routes to any of the foregoing, designed and dedicated to use by the public generally, or used by public agency.

(l) "City" means the City of Portage, Kalamazoo County, Michigan.

(m) "City Council" means the City Council of the City of Portage.

Section 5. The City Council hereby determines that it is necessary for the best interests of the City to halt property value deterioration and increase property tax valuation where possible in the business district of the City, to eliminate the causes of that deterioration and to promote economic growth by establishing a Downtown Development Authority pursuant to Act 197.

Section 6. Creation of Authority. There is hereby created pursuant to Act 197 a Downtown Development Authority for the City. The Authority shall be a public body corporate and shall be known and exercise its powers under the title of "Downtown Development Authority of the City of Portage." The Authority may adopt a seal, may sue and be sued in any court of this state and shall possess all of the powers necessary to carry out the purpose of its incorporation as provided by this Ordinance and Act 197.

ARTICLE II THE BOARD

Section 1. Board of Directors. The Authority shall be under the supervision and control of the Board of Directors consisting of the chief executive of the City and not less than eight (8) or more than twelve (12) members as determined by the City Council. The members shall be appointed by the chief executive officer of the City, subject to the approval by the City Council. Not less than a majority of the members shall be persons having an interest in property located in the Downtown District. Not less than one of the members shall be a resident of the Downtown District, if the Downtown District has 100 or more persons residing with it. Of the members first appointed, an equal number, as near as is practical, shall be appointed for one year, two years, three years and four years. Members shall hold office until the members' successor is appointed. Thereafter, each member shall serve for a term of four years. An appointment to fill a vacancy shall be made by the chief executive officer of the City for the unexpired term only. Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses.

Section 2. The President of the Board of Directors shall be elected by the Board of Directors.

Section 3. Before assuming the duties of office, a member shall qualify by taking and subscribing to the Constitutional Oath of Office.

Section 4. The Officers of the Authority shall be as follows:

- a. A President
- b. A Vice President
- c. A Secretary
- d. A Treasurer

Section 5. The Board of Directors by resolution adopted by a majority of its members at a regular or special meeting shall elect the officers to terms of office set forth in the Resolution. The Board may elect one or more assistant secretaries and assistant treasurers of the Authority. Officers and members of the Board shall acknowledge their acceptance of the position by filing an acknowledgment thereof with the secretary of the Authority.

Section 6. The offices of Secretary and Treasurer may be vested in one person, if approved by the Board, in which event such person shall be the "Secretary-Treasurer."

ARTICLE III MEETINGS

Section 1. The Board shall perform and conduct all business public meetings held in compliance with Act 267 of the Public Acts of 1976, being Sections 15.261 to 15.275 of the Michigan Compiled Laws Annotated, which is also known as the Open Meeting Act.

Section 2. The Board shall adopt any rules necessary governing its procedure and the holding of regular meetings subject to the approval of the governing body.

Section 3. Special Meetings may be held when called in the manner provided for in the Rules of the Board, as long as said meetings comply with the Open Meetings Act.

ARTICLE IV FREEDOM OF INFORMATION ACT, EXPENSES AND FINANCIAL RECORDS

Section 1. All writings, items of records prepared, owned or used, in the possession of or retained by the Board in the performance of their official function shall be made available to the public in compliance with the Freedom of Information Act, Act 442 of the Public Acts of 1976, being Sections 15.231, 15.246 of Michigan Compiled Laws Annotated.

Section 2. All expense items of the authority shall be publicized monthly and the financial records will always be open to the public.

ARTICLE V POWERS OF THE AUTHORITY

Section 1. The Authority shall have all the powers expressed granted or reasonably implied by Act 197 as presently in effect or as hereafter amended.

ARTICLE VI

No enumeration of the powers granted to the Authority in this Ordinance shall be interpreted as a limitation of the powers granted to the Authority, it being the intention of this Ordinance to grant to the Authority all powers granted to a downtown development authority by Act 197.

**ARTICLE VII
BOUNDARY AREA OF THE DOWNTOWN DISTRICT**

The boundary of the Downtown District shall be as set forth in Appendix A.

**ARTICLE VIII
BUDGET - FISCAL YEAR**

Section 1. The fiscal year of the Authority shall begin on July 1 of each year and end on June 30 of the succeeding year, or such other fiscal year as may hereafter be adopted by the City.

Section 2. The Board of Directors shall annually prepare a budget and shall submit it to the City Council on the same date that the proposed budget for the City is required by law to be submitted to the City Council. The Board shall not finally adopt a budget for any fiscal year until the budget has been approved by the City Council. The Board may, however, temporarily adopt a budget in connection with the operation of any improvements which have been financed by revenue bonds where required to do so by the Ordinance authorizing the revenue bonds.

Section 3. The Authority shall submit financial reports to the City Council at the same time and on the same basis as departments of the City are required to submit reports. The Authority shall be audited annually by the same independent auditors auditing the City and copies of the Audit report shall be filed with the City Council.

**ARTICLE IX
SECTION HEADINGS
SEVERABILITY - REPAIR**

Section headings are provided for convenience only and are not intended to be part of this Ordinance. If any portion of this Ordinance shall be held to be unlawful, the remaining portions shall remain in full force and effect. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

ARTICLE X
DISSOLUTION OF AUTHORITY UPON COMPLETION
OF PURPOSES; TITLE OF PROPERTY

Section 1. The Authority shall be dissolved by Ordinance of the City Council after it has completed the purposes for which it was organized.

Section 2. The property and assets of Authority remain and after the satisfaction of the Authority shall belong to the City.

ARTICLE XI
PUBLICATION; EFFECTIVE DATE

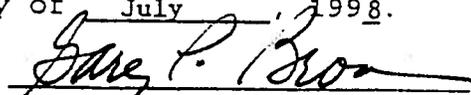
Section 1. This Ordinance shall be published once after its adoption in full in the Kalamazoo Gazette, a newspaper of general circulation in the City and the City Clerk shall file a certified copy of the Ordinance with the Michigan Secretary of State promptly after its adoption.

Section 2. This Ordinance shall take effect immediately on the date of publication.

INTRODUCED: June 16, 1998
ADOPTED: July 7, 1998
EFFECTIVE: Upon Publication
PUBLISHED: July 11, 1998
ORDINANCE NO. 98-14

CERTIFICATION

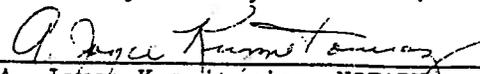
The foregoing ordinance is hereby certified to be the authentic record of the ordinance which was duly adopted by the City Council of the City of Portage on the 7th day of July, 1998 and published on the 11th day of July, 1998.



Mayor GARY P. BROWN


Clerk JAMES R. HUDSON

Subscribed and sworn to before me this 7th day of July 1998.



A. Joyce Kuzmitowicz, NOTARY
Kalamazoo County, Michigan
My Commission Expires: 4-17-2000

A parcel of land located in the northwest quarter of section three and the northeast quarter of section four, township three south, range eleven west, more particularly described as follows:

Commencing at the west quarter post of said section three; thence east along the east-west quarter line of said section three 131.69 feet to a point 34.31 feet west of the southeast corner of lot 19 of the Assessor's Plat of DeBoer Homestead Acres and the place of beginning; thence northwesterly 100.00 feet to the northwest corner of said lot 19; thence northerly 66.00 feet along the west line of lot 18 of said Assessor's Plat to the northwest corner of said lot 18; thence northerly 66.00 feet along the west line extended of said lot 18 to the southwest corner of lot 17 of said Assessor's Plat; thence continuing northerly 264.00 feet more or less along the west line of lots 14, 15, 16, and 17 of said Assessor's Plat to the northwest corner of said lot 14; thence westerly 80.00 feet more or less to the intersection of the south right-of-way line of DeHaan Drive with the west right-of-way line of South Westmedge Avenue; thence westerly 590.00 feet more or less along the south right-of-way line of DeHaan Drive to the intersection of the south right-of-way line of DeHaan Drive with the east right-of-way line of Clara Drive; thence southwesterly 280.00 feet more or less along the east right-of-way line of Clara Drive; thence westerly 50.00 feet more or less to the southeast corner of lot 108 of said Assessor's Plat; thence westerly 63.40 feet more or less along the south line of said lot 108; thence south 58 degrees 3 minutes 8 seconds west, 119.84 feet; thence south 72 degrees 5 minutes 59 seconds west, 163.48 feet; thence north 89 degrees 2 minutes 44 seconds west, 250.80 feet; thence north 84 degrees 28 minutes 18 seconds west, 1,241.33 feet more or less to the south line of said Assessor's Plat; thence westerly 21.00 feet more or less along the south line of said Assessor's Plat to the southwest corner of lot 98 of said Assessor's Plat; thence north 0 degrees 20 minutes 0 seconds west, 419.30 feet along the north-south quarter line of said section four; thence easterly 1,763.82 feet to the northwest corner of lot 68 of said Assessor's Plat; thence northeasterly 481.00 feet more or less along the center line of the west branch of Portage Creek; thence northeasterly 188.00 feet more or less along said creek; thence northerly along said creek to a point on the east-west eighth line of said section four 458.64 feet west of the east line of said section four; thence westerly 50.00 feet along said east-west eighth line; thence northerly 289.06 feet parallel with the east line of said section four; thence north 85 degrees 16 minutes 20 seconds west, 549.72 feet; thence north 58 degrees 41 minutes 0 seconds west, 317.39 feet to the west line of the east half of the northeast quarter of said section four; thence north 0 degrees 0 minutes 3 seconds west, 527.79 feet along the west line of the east half of the northeast quarter of said section four to a point 480.37 feet south of the north line of said section four, said point also being in the south line of lot 17 of Kilgore Plat; thence east along the south line of Kilgore Plat 869.44 feet to the southwest corner of lot 5 of said plat; thence north along the west line of lot 5, 125.00 feet; thence east 154.00 feet to the east line of lot 4 of said plat; thence north 322.37 feet to the north line of section four; thence easterly 304.00 feet to the northeast corner of said section four, this point also being the northwest corner of said section three; thence continuing easterly 951.78 feet along the north line of the northwest quarter of said section three to the west line extended of lot 121 of Ridgebrook No. 1; thence southerly 50.00 feet along the west line extended of said lot 121 to the northwest corner of said lot 121; thence continuing southerly 157.09 feet along the west line of said lot 121 to the southwest corner of said lot 121; thence southwesterly 173.82 feet along the north line of lot 122 of Ridgebrook No. 1 to the northwest corner of said lot 122 and the easterly right-of-way line of Old Kilgore Road; thence southerly 1,255.74 feet along the westerly line and the westerly line extended of Ridgebrook No. 1 to a point in the north line of lot 64 of Terrace Heights; thence westerly 183.95 feet along the north line of lots 64, 65 and 66 of Terrace Heights to the northwest corner of said lot 66; thence southerly 132.00 feet along the west line of said lot 66 to the southwest corner of said lot 66 and the north right-of-way line of Andy Avenue; thence westerly 264.00 feet along the north right-of-way line of Andy Avenue to the west line of Terrace Heights; thence southerly 858.00 feet along the west line of Terrace Heights to the southwest corner of lot 9 of Terrace Heights and a point in the north line of lot 53 of said Assessor's Plat; thence westerly 165.00 feet along the north line of lots 53, 54 and 55 of said Assessor's Plat to the northwest corner of said lot 55; thence southerly 198.00 feet along the west line and the west line extended of said lot 55 to the northwest corner of lot 20 of said Assessor's Plat; thence continuing southerly 132.00 feet along the west line of said lot 20 to the southwest corner of said lot 20 and the southeast corner of said lot 19; thence westerly 34.31 feet along the east-west quarter line of said section three and along the south line of said lot 19 to the place of beginning.



Department of Community Development

TO: Downtown Development Authority (DDA) Board

DATE: January 4, 2008

FROM: Jeffrey M. Erickson, Authority Director

SUBJECT: Annual Financial Report

Attached find a resolution to approve and authorize transmission of the annual report to the State Tax Commission and to City Council per the Downtown Development Authority Act (PA 197 of 1975). The Annual Financial Report for FY 2005-06 includes final audited information for the fiscal year and is attached as Appendix A to the resolution. The FY2006-07 budget audit including the DDA fund is not yet complete. It is expected that the information will be available in the next month or so, at which time another meeting of the board can be scheduled, or this report considered at the next annual (fall 2008) meeting.

With regard to the annual report for these activities, and as the Board is aware, the three public improvement projects that were initially funded in 1998 with tax increment revenue are complete:

- Land acquisition along South Westnedge Avenue,
- The extension of Market Place west of South Westnedge Avenue from the intersection with Andy Avenue and the construction of West Fork Crossing from Trade Centre Way north, beyond Market Place, with the repavement and improvement of DeHaan Avenue (now Trade Centre Way), and
- The relocation of 2100 feet of sanitary sewer main to a position adjacent and parallel to I-94.

The annual report also includes six additional public improvement and land acquisition activities as identified in the 2003 amended Development Plan/Tax Increment Finance Plan to facilitate further private sector investment. These following additional activities, which are now complete, include:

- Land acquisition along Trade Centre Way (for street right-of-way and stormwater retention) and for future public use;
- The construction of Trade Centre Way from West Fork Crossing west to the DDA boundary;
- The extension of water main from the Milham Well Field to the DDA under I-94 and looped to Holiday Lane;
- Construction of "way finding" signage by H&G, LLC to facilitate customer access and orientation; and
- Annual storm water retention/environmental monitoring activities.

Progress involving the redevelopment of this once deteriorating area hampered by lack of access, traffic concerns and existing utility infrastructure has been very successful due in part by the continued efforts of the City of Portage and the DDA Board. As indicated in the accompanying chart, the private sector investments in the office, commercial and restaurant projects in the DDA, and the resulting job creation, have strengthened the South Westnedge Avenue Commercial Corridor. Additional projects are anticipated in the future envisioned as part of the 1998 Community Investment Initiative.

Approval of the accompanying resolution is recommended.

Attachment: DDA Investment Chart
Resolution with Annual Financial Report

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DOWNTOWN DEVELOPMENT AUTHORITY 1998-2006 LEVEL OF INVESTMENT

Industry	Address	Year Established	Site Acres	Building Area	Type a	Jobs b	Taxable Value c	Estimated Market Value d
Meijer Inc. Gas	5121 S. Westnedge	1998	1	2,400	E	10	\$350,000	\$700,000
Rite Aid	5003 S. Westnedge	1998	1.25	11,060	N	20	\$717,645	\$1,549,000
	Subtotals	1998	2.25	13,460		30	\$1,067,645	\$2,249,000
Gander Mountain	5348 S. Westnedge	1999	5	30,000	N	60	\$1,400,584	\$2,847,800
	Subtotals	1999	5	30,000		60	\$1,400,584	\$2,847,800
Bennigan's	5314 S. Westnedge	2000	1.7	8,000	N	120 e	\$740,580	\$1,612,400
Hooters	5250 S. Westnedge	2000	1	4,000	N	110 f	\$444,171	\$913,800
	Subtotals	2000	2.7	12,000		230	\$1,184,751	\$2,526,200
Lowe's	5108 S. Westnedge	2001	15	135,000	N	200 g	\$5,658,742	\$11,817,800
	Subtotals	2001	15	135,000		200	\$5,658,742	\$11,817,800
Trade Center 1	750 Trade Centre Way	2003	5	78,494	N	280	\$5,000,000	\$10,000,000
	Subtotals	2003	5	78,494		280	\$5,000,000	\$10,000,000
I-Hop	5321 S. Westnedge	2004	1.8	4,500	N	75	\$550,000	\$1,100,000
Mongolian BBQ	5315 S. Westnedge	2004	h	6,000	N	75	\$650,000	\$1,200,000
Trade Center 2		2004	9.4	111,705	N	300	\$6,000,000	\$12,000,000
	Subtotals	2004	11.2	122,205		450	\$7,200,000	\$14,300,000
Meijer Inc. j	5152 S. Westnedge	2006	19	216,427	R	330	\$750,000	\$1,500,000
	Subtotals	2006	19	216,427		330	\$750,000	\$1,500,000
	Totals		60.15	607,586		1,580	\$22,261,722	\$45,240,800

- a. Type of industry/business: Expanded in Portage, Retained within Portage, or New to Portage.
- b. Includes full and part-time jobs.
- c. Taxable value as reported by the City Assessor Office or estimated from information provided by the developer.
- d. Estimated market value is based on the 2004 State Equalized Value as reported by the City Assessor or estimated from information provided by the developer.
- e. Includes 40 full-time and 80 part-time jobs as reported by LaBelle Management
- f. Includes 44 full-time and 66 part-time jobs as reported by Hooters.
- g. Includes 80 full-time and 120 part-time jobs as reported by Lowe's.
- h. I-Hop and Mongolian BBQ are combined as one development site.
- i. Meijer completed a \$1.5 million renovation project

Updated: October 18, 2007

ANNUAL FINANCIAL REPORT

CITY OF PORTAGE

DOWNTOWN DEVELOPMENT AUTHORITY

for

FY 2005 - 2006

Portage, Michigan

CITY OF PORTAGE

At a regular meeting of the Board of the Downtown Development Authority of the City of Portage, Michigan, held on January 9, 2008, at 8:00 a.m. at the City Hall, Portage, Michigan, there were:

PRESENT: _____

ABSENT: _____

The following preamble and resolution were offered by _____ and supported by _____.

**RESOLUTION APPROVING AND AUTHORIZING
THE TRANSMISSION OF THE FINANCIAL
REPORT ON THE STATUS OF THE TAX INCREMENT
FINANCING PLAN**

WHEREAS, the Downtown Development Authority of the City of Portage (the "Authority") has been duly incorporated by the City of Portage (the "City") pursuant to Act No. 197 of the Public Acts of Michigan of 1975 (the "Act") and the Board of the Authority has been duly appointed and sworn into office; and

WHEREAS, the Authority is to transmit annually to the City Council of the City of Portage and the State Tax Commission a Financial Report on the Status of the Tax Increment Financing Plan which report shall include certain matters as required by Section 15 of the Act; and

WHEREAS, such material has been prepared and is attached hereto as Appendix A to this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF PORTAGE, as follows:

1. The Financial Report on the Status of the Tax Increment Financing Plan attached hereto as Appendix A is approved.

2. The Director of the Authority is authorized to transmit said financial report to the City Council of the City of Portage and the State Tax Commission.

The results of a roll-call vote on the foregoing resolution were as follows:

YAYS: _____

NAYS: _____

ABSTAIN: _____

THE RESOLUTION WAS DECLARED ADOPTED:

SECRETARY'S CERTIFICATE

The undersigned, being the duly qualified and acting Secretary of the Board of the Downtown Development Authority of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board at a regular meeting held on January 9, 2008, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the Board in my office, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

Matthew J. Milks, Secretary

DOWNTOWN DEVELOPMENT AUTHORITY

OF

THE CITY OF PORTAGE

FY 2005-06 ANNUAL FINANCIAL REPORT

As Approved by the Authority Board

on

January 9, 2008

INTRODUCTION

As specified in PA 197 of 1975, the Downtown Development Authority Act provides government financing methods to eliminate property value deterioration within business districts and promote economic growth in communities. Of particular interest to the City of Portage are the provisions which allow tax increment financing to undertake public improvements in business districts in order to correct and prevent deterioration and stimulate business growth.

By way of example, the City of Portage has utilized this approach to construct public improvements on West Centre Avenue and Angling Road (for the SPX Corporation, formerly Allen Testproducts). Also, Portage utilized tax increment financing to construct several important infrastructure projects to assist Pfizer, Inc. (formerly Pharmacia & Upjohn) and the Stryker Corporation with significant development projects during the early 1990's and 2000's.

With the 1998 Community Investment Initiative, the City of Portage again utilized tax increment financing to construct public improvements that revitalized the north portion of South Westnedge Avenue, between Kilgore Road and I-94. This part of South Westnedge Avenue exhibited signs of deterioration and development and redevelopment activities by the private sector were hampered by lack of access, traffic concerns and existing utility infrastructure. With tax increment financing under the Downtown Development Authority Act, tax increment revenue from tax millage levied within a downtown development authority district by the City of Portage, Portage District Library, Kalamazoo County and Kalamazoo Valley Community College was captured and used to improve public infrastructure which benefited all of Kalamazoo County, including the business sector. In the future, other public improvements could also be proposed and undertaken by the downtown development authority to further strengthen the local business sector within the district.

In 2003, additional efforts to further stimulate private sector investment were initiated and the Development Plan/Tax Increment Finance Plan was amended. These additional street, water main, signage and related public activities were included in the amended plan to promote development of additional vacant and underutilized land in the existing development area.

The purpose of the Tax Increment Financing Plan / Development Plan, per PA 197 of 1975 is to provide public improvements necessary for private sector investment. The property to which the Development Plan applies is the north portion of the South Westnedge Avenue Commercial Corridor. The area includes approximately 97 acres of land and is bounded by Kilgore Road on the north, the city of Kalamazoo wellfield to the west, I-94 to the south and the business zoning districts to the east of South Westnedge Avenue on the east.

Following are descriptions of the public improvements and activities undertaken in 1998 and in 2003. The descriptions encompass several public improvements and activities that were completed to foster private sector investment in the DDA.

1998 DDA TAX INCREMENT FINANCE PLAN / DEVELOPMENT PLAN -
INFRASTRUCTURE IMPROVEMENT PROJECTS (COMPLETED)

<u>Public Improvements</u>		<u>Original Estimated Time Required for Completion</u>	<u>Original Estimated Cost</u>
1.	Andy Avenue Extension	12 months	\$487,000
	Construct a new 1400 feet long and thirty-six foot wide public street intersecting South Westnedge Avenue at the Andy Avenue signalized intersection, with necessary storm water facilities. Repave 1000 feet of DeHaan Street with intersection improvements at South Westnedge Avenue.		
2.	DeHaan Drive Sanitary Sewer Relocation	12 months	\$307,000
	Relocate approximately 2100 feet of existing sanitary sewer trunk main located west of DeHaan Drive to the south, paralleling the I-94 right-of-way.		
3.	South Westnedge Avenue Property Acquisition	12 Months	\$850,000
	Purchase the property addressed along South Westnedge Avenue and DeHaan Drive which is necessary for the extension of Andy Avenue.		

Note: Additional right-of-way and/or easements will be provided by property owners for minimal consideration in order to construct the necessary public street and to relocate the sanitary sewer.

With regard to the identified projects, the Andy Avenue extension (Market Place) and repaving of DeHaan Drive was completed in 1999. The DeHaan Drive sanitary sewer relocation was subsequently completed in 1999. Finally, after lengthy litigation concerning the acquisition of land necessary for the construction of Market Place, the acquisition was completed in 2001. Bonds were subsequently sold in 2001 in the amount of \$3,100,000 to finance street improvements of \$521,342; sanitary sewer relocation of \$292,429; and property acquisition of \$2,286,229. (Lead underwriter is Morgan Stanley Dean Witter).

**2003 AMENDED DDA TAX INCREMENT FINANCE PLAN / DEVELOPMENT PLAN -
PROPERTY ACQUISITION AND PUBLIC IMPROVEMENT PROJECTS
(COMPLETED)**

<u>Public Improvements</u>	<u>Estimated Time Required for Completion</u>	<u>Estimated Cost</u>
1. The acquisition of 5.44 acres of land for public street right-of-way and stormwater retention -	Fall 2003	\$ 909,000
2. The construction of an approximate 2200-foot long, 36-foot wide public cul-de-sac street, with pavement, curb and gutter, sidewalk, conduit for the installation of telecommunications fibre, street lighting and landscaping -	Fall 2003/Spring 2004	\$ 689,000
3. The construction of public water main from the Milham Well Field to the DDA under I-94, to be looped with public water utilities in Holiday Lane -	Fall 2003/ Spring 2004	\$ 300,000
4. To facilitate "way finding" by customers from South Westnedge and West Fork Crossing the financing and construction of identification sign at South Westnedge and orientation sign at West Fork Crossing -	Summer 2004	\$ 30,000
5. The acquisition of 2.81 acres of land in the DeHaan Drive (now Trade Centre Way) and West Fork Crossing vicinity of the DDA for stormwater or other public use -	2004	\$ 500,000
6. The annual maintenance, monitoring of the retention facility mitigation facility -	Annually (Not Bonded)	\$ 5,000 (\$100,000 over 20 yrs.)

Notes: The public right-of-way and stormwater retention area to be purchased by the City of Portage through the DDA is immediately north of I-94 (See Appendix 5, Land Purchase Project Map).

Wayfinding signs by H&G, LLC have been installed along South Westnedge Avenue and I-94. West Fork wayfinding signage by H&G, LLC is pending.

FINANCIAL INFORMATION

The Annual Financial Report has been prepared pursuant to Section 15 (1) of PA 197 of 1975, as amended, The Downtown Development Authority Act. The Annual Report is for FY05-06 and contains the information required by the Act.

Section 15 (3) (a): THE AMOUNT AND SOURCE OF REVENUE IN THE ACCOUNT

Tax Increment Revenue	\$ 279,457
Interest	\$ 10,653

Section 15 (3) (b): THE AMOUNT IN ANY BOND RESERVE ACCOUNT

In the DDA bond reserve account there is \$ 258,319

Section 15 (3) (c): THE AMOUNT AND PURPOSE OF EXPENDITURES FROM THE ACCOUNT

\$ 304,438 was transferred to the Bond paying agent to pay debt service.

Section 15 (3) (d): THE AMOUNT OF PRINCIPAL AND INTEREST ON ANY OUTSTANDING BONDED INDEBTEDNESS

\$ 9,180,356 as of June 30, 2006.

Section 15 (3) (e): THE INITIAL ASSESSED VALUE OF THE PROJECT AREA

The initial value is established at \$ 12,767,600.

Section 15 (3) (f): THE CAPTURED ASSESSED VALUE RETAINED BY THE AUTHORITY

The captured value is established at \$13,455,863 for FY 2005-06.

Section 15 (3) (g): THE TAX INCREMENT REVENUES RECEIVED

The tax increment revenues received in 2005-2006 = \$ 279,457

Section 15 (3) (h): THE NUMBER OF JOBS CREATED AS A RESULT OF THE IMPLEMENTATION OF THE TAX INCREMENT FINANCING PLAN

It is estimated that 1,240 jobs have been created.

Section 15 (3) (i): ANY ADDITIONAL INFORMATION THE GOVERNING BODY OR THE STATE TAX COMMISSION CONSIDERS NECESSARY

Attached find page excerpts from the FY2005-06 audited financial statement for the City of Portage. This information provides supporting documentation for this financial report.

CITY OF PORTAGE, MICHIGAN

**Downtown Development Authority Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual**

**Fiscal Year Ended June 30, 2006
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2005**

	2006		Variance with Amended Budget + / (-)	2005 Actual
	Amended Budget	Actual		
REVENUE:				
Taxes	\$ 277,000	\$ 279,457	\$ 2,457	\$ 241,047
Interest on investments	500	10,653	10,153	903
Total revenues	<u>277,500</u>	<u>290,110</u>	<u>12,610</u>	<u>241,950</u>
EXPENDITURES:				
Debt Service:				
Principal	35,000	35,000	-	25,000
Interest	269,260	269,438	(178)	280,413
Total expenditures	<u>304,260</u>	<u>304,438</u>	<u>(178)</u>	<u>305,413</u>
Excess of revenues over expenditures	(26,760)	(14,328)	12,432	(63,463)
OTHER FINANCING SOURCES				
Transfers in:				
Capital Improvement Fund	-	-	-	255,247
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>255,247</u>
Net change in fund balance	(26,760)	(14,328)	12,432	191,784
Fund balance - beginning	272,647	272,647	-	80,863
Fund balance - ending	<u>\$ 245,887</u>	<u>\$ 258,319</u>	<u>\$ 12,432</u>	<u>\$ 272,647</u>



Department of Community Development

TO: Downtown Development Authority (DDA) Board

DATE: January 4, 2008

FROM: Jeffrey M. Erickson, Authority Director

SUBJECT: South Westnedge Avenue Enhancement Projects Update -- Information Only

As the Board is aware, the Portage City Council endorsed the South Westnedge Avenue Enhancement Projects (SWEPS) in 2004. This multi-year project was proposed by the City Administration to ensure the continued economic success of the South Westnedge Avenue Commercial Corridor by improving traffic flow, enhancing pedestrian and traffic safety and by addressing environmental and residential neighborhood concerns between Milham Avenue and Kilgore Road. These important community improvements were programmed to occur in conjunction with the planned I-94 improvements by the Michigan Department of Transportation (MDOT).

The northern half of SWEPS (I-94 to Kilgore Road) is located within the DDA area. Since these improvements will positively impact the DDA area, the following is a summary update of the actions/events that have occurred to date. The information was taken from the November 2007 monthly report prepared by the Department of Transportation and Utilities and received by City Council during the December 4, 2007 meeting.

- City Council approved purchase of properties located at 117, 124 and 129 Amos Avenue in September 2005 to provide a buffer/transition area to the residential neighborhood to the east and allow for potential future redevelopment.
- City Council awarded design contracts to Wightman & Associates and the Abonmarche Group in February 2006. Survey and design work underway.
- City Council approved the purchase of properties at 118 Amos Avenue and 212 Idaho Avenue in June 2006 needed to implement SWEPS improvements.
- MDOT completed modifications to eastbound I-94 off-ramp to southbound South Westnedge Avenue in October 2006.
- Demolition of 118 Amos Avenue and 212 Idaho Avenue completed in December 2006.
- Open House to explain SWEPS project to affected property owners conducted by the City Administration in November 2006.
- City Council approved purchase of 130 Amos Avenue in January 2007. Demolition complete.
- City Council approved resolution on necessity to acquire needed rights-of-way for Phase I construction from Trade Centre Way to north of Marketplace in April 2007. Appraisals and right-of-way/easement acquisition process underway.
- Grade Inspection with MDOT officials held in September 2007.
- Construction plans submitted to MDOT with scheduled bid opening in March 2008.
- Scheduled street construction activities expected to begin in April 2008 and be completed in November 2008.

Also attached is a recent communication from the City Manager to the City Council that summarizes a public outreach program to keep business owners and property owners informed during the upcoming 2008 construction process.

If the board members have any questions related to the SWEPS project, staff can respond during the January 9, 2008 meeting.

Attachment: December 13, 2007 City Manager Communication

s:\department files\board files\dda board\2008 01 09 jme dda sweeps update.doc

CITY OF PORTAGE

COMMUNICATION

TO: Honorable Mayor and City Council

DATE: December 13, 2007

FROM: Maurice S. Evans, City Manager



SUBJECT: South Westnedge Enhancement Projects Public Outreach – Information Only

The City Administration is committed to providing high-quality, proactive communication during the construction of the South Westnedge Enhancement Projects (SWEPs) to adjacent businesses/property owners, adjacent neighborhoods and the community at-large. Construction for the section of South Westnedge Avenue between I-94 and Old Kilgore Road on the east and just north of Market Place on the west will commence on approximately April 15, 2008. Specific public outreach steps will include:

- 1) **Adjacent Business Focus Group:** A meeting or series of meetings with business owners within the construction boundaries will be conducted. The format of the meeting will include: 1) a project overview, 2) the communication plan, and 3) solicitation of additional ideas from businesses on how to best communicate and assist during construction in order to minimize negative impacts. This meeting will be held in mid-January 2008.
- 2) **Update to Website:** An update to the road construction section of the website will be accomplished. A new project map reflecting the final design plans will be added. During construction, updates (weekly, possibly daily updates) will be logged on the website. The feasibility, cost and benefits of utilizing a webcam for the public and staff to monitor construction and traffic will be explored.
- 3) **Portager:** Monthly articles will be published spotlighting the project beginning in March 2008 through November 2008.
- 4) **Message Boards and Business Signage:** Message boards will be utilized to provide information to motorists. If ingress to businesses is under construction, additional signage will be supplied to provide visibility to business access.
- 5) **Media Relations:** Contact will be made with local reporters to include regular construction updates, especially in the Portage Gazette. Public Service announcements will be broadcast on the radio during key construction milestones.
- 6) **E-mail Group:** An e-mail group will be developed to send out regular e-mails on the status of construction. The e-mails will be similar to those from MDOT, which provide

information on impacts to I-94. Regular e-mail contact is a key component of the communication to businesses.

- 7) **Open House:** An Open House will be held in late March for business owners and adjacent neighborhoods to provide information on the upcoming construction and as an opportunity to meet key contacts. Large color display boards will be generated to be used at the meeting and will be available for public display.
- 8) **Cable Access:** Updates will be provided on Portage Cable Access.
- 9) **Video:** A video will be produced to document the project and will be broadcast on Cable Access and as streaming video on the City of Portage website.
- 10) **Service Clubs:** Outreach to Portage Rotary, the Chamber of Commerce and other service clubs will be provided to educate local business leaders on the project.
- 11) **Groundbreaking Ceremony:** A groundbreaking ceremony will be scheduled for approximately April 15, 2008 to ceremonially kickoff the project.
- 12) **Ribbon Cutting:** A ribbon cutting ceremony will be scheduled for approximately November 3, 2008 to ceremonially open the reconstructed roadway.