



## Department of Community Development

**TO:** Local Development Finance Authority Board

**FROM:** Jeffrey M. Erickson, Authority Director

**DATE:** November 13, 2003

**SUBJECT:** 2003/2004 Project: Amended Development Plan / Tax Increment Finance Plan

The City Administration proposes an important program that will further reinforce the competitive growth strategy of the city and enhance the financial condition of the community by facilitating the expansion and development of the manufacturing sector. The City Administration recommends that the Local Development Finance Authority (LDFA) be utilized to pursue a public-private cooperative program to encourage and facilitate private sector investment, diversify and strengthen the industrial manufacturing base and promote employment growth within Portage and in Kalamazoo County.

In 1990, the City of Portage established the LDFA and used this financing mechanism when The Upjohn Company proposed an estimated \$35 million chemical processing facility at the Portage Road manufacturing complex. The Upjohn facility was constructed and the tax revenue from several cooperating local units of government was captured and used to finance important public improvements that benefited Upjohn and were essential for the continuing growth and development of the community: The public improvements involved the extension of Romence Road, between South Westnedge and Lovers Lane, municipal water system improvements and the reconstruction of Bishop Road, between Portage and Sprinkle Roads.

A new opportunity to utilize the LDFA and again forge a public-private cooperative program is available. The City Administration has been working to facilitate additional growth and expansion of the manufacturing sector that would benefit the city and other local taxing jurisdictions. As a tool that can be used to spur manufacturing growth, the LDFA financing mechanism is proposed to accomplish public improvements and eligible activities and provide incentives for Pfizer to expand in this community. An investment of approximately \$30 million by Pfizer is planned. Additionally, another manufacturing company has indicated potential plans to significantly expand its manufacturing capacity by investing up to nearly \$70 million, with significant job retention and job creation possibilities, and incentives to facilitate new manufacturing facilities in Portage and to encourage this investment are also proposed. Amending the boundaries of LDFA District No. 1 to include properties along Sprinkle Road is proposed as part of this initiative.

Attorney John Axe, bond counsel for the city, has prepared a resolution to amend the Interlocal Agreement that was executed by several local units of government in 1990. The amendment of the

Interlocal Agreement would allow the use of the LDFA financing tool in this effort. Through the LDFA, eligible public activities would be financed through increases in assessed value from new construction and the appreciation of value of new investment that would be captured over a specific period of time. This "tax increment revenue" would be expended in accordance with an approved Development Plan and Tax Increment Financing Plan, generally using bonds issued to finance eligible public activities. Tax revenue from the City of Portage, Portage District Library, Kalamazoo County, and Kalamazoo Valley Community College would be captured. (Portage Public Schools and Kalamazoo Regional Educational Service Agency are not able to participate in this public-private cooperative program per the 1994-1995 school aid legislation as a result of "Proposal A".) Also, the tax revenue now received by all the local taxing units would not be captured: Current tax revenues will continue to be received by the local taxing units. The City Administration has initiated activities with the other taxing jurisdictions to amend the Interlocal Agreement. This effort will position the city, then, to be able to consider eligible public activities and incentives that can facilitate Pfizer expansion plans and the location of new manufacturing in Portage along Sprinkle Road.

Attached is the 2003 Amended Tax Increment Finance Plan / Amended Development Plan (LDFA Plan) that has also been prepared with the assistance of bond counsel. The LDFA Plan contains potential inducements in the form of public improvements and public activities at an estimated cost of approximately \$8 million that would be considered in the effort to facilitate private sector investments:

- Acquisition of land for development purposes,
- Sprinkle Road improvements to ensure safe and efficient traffic movements,
- Zylman Avenue improvements to facilitate traffic flow, access and safety,
- Water main installation along Sprinkle Road to provide enhanced municipal water service,
- Milham Avenue – Kalamazoo/Battle Creek International Airport water transmission main installation, and
- Ramona Lane sanitary main and water main installation and utility service enhancements.

It is anticipated that review of the amended LDFA Plan and action to recommend approval to the City Council can be accomplished at the upcoming meeting. Subsequent to review and favorable Board of Directors action, this LDFA Plan would be forwarded to City Council. Action by Council on Tuesday, November 18, 2003 would occur with a public hearing, as required by PA 281 of 1986, scheduled for December 16, 2003. Bond Counsel and City Administration staff will be at the Board of Directors meeting and will provide an explanation of the document and answer questions concerning this initiative. This opportunity to facilitate manufacturing investment in the community is significant. Additionally, the retention and the creation of manufacturing jobs for area residents are also important. If successful, the City of Portage and Kalamazoo County stands to gain substantially with long term area benefits. It is recommended that the resolution approving the LDFA Plan and transmitting same to the City Council be adopted by the Board of Directors.

Attachment: Resolution and LDFA Plan

LOCAL DEVELOPMENT FINANCE AUTHORITY  
OF THE CITY OF PORTAGE

At a Scheduled meeting of the Board of the Local Development Finance Authority of the City of Portage (the "Authority") held in the Portage City Hall, in the City of Portage, Michigan on November 14, 2003 at 8:00 a.m. Eastern Standard Time, there were:

PRESENT: Tim Wenzel, Louise Anderson, Michael Batterson, Dennis Brooks,  
Engel Corstange, Michael Marshburn, Robert Seely.

ABSENT: Rick DeKam, Nasim Ansari, Mary Lou Wright

The following preamble and resolution were offered by Michael Batterson and seconded by Robert Seely.

RESOLUTION APPROVING AND AUTHORIZING  
TRANSMISSION OF AN AMENDED DEVELOPMENT PLAN  
AND AN AMENDED TAX INCREMENT FINANCING PLAN TO THE  
CITY COUNCIL

WHEREAS, the Local Development Finance Authority of the City of Portage (the "Authority") has been duly incorporated by the City of Portage (the "City") pursuant to Act No. 281 of the Public Acts of Michigan of 1986, as amended (the "Act") and the Board of the Authority has been duly appointed and sworn into office, and

WHEREAS, the Board has received and reviewed an Amended Development Plan meeting the requirements of Section 15 of the Act which is a part of an Amended Tax Increment Financing Plan (the "Plan") meeting the requirements of Section 12 of the Act, and

WHEREAS, this Board approves the Plan, a copy of which is attached to this resolution as Exhibit A.

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

1. The Amended Development Plan and the Amended Tax Increment Financing Plan (together the "Plan") attached hereto as Exhibit A are hereby approved for submission to the City Council of the City of Portage as required by the Act.

2. The City Council of the City of Portage is requested to call a public hearing on the Plan as required by the Act.

3. The Chairperson of the Authority is authorized to transmit the Plan to the City Council of the City of Portage.

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

YES: Tim Wenzel, Louise Anderson, Michael Batterson, Dennis Brooks,

Engel Corstange, Michael Marshburn, Robert Seely

NO: None

ABSTAIN: None

THE RESOLUTION WAS THEREUPON DECLARED ADOPTED.

SECRETARY'S CERTIFICATE

The undersigned, being the duly qualified and acting Secretary of the Board of the Local Development Finance Authority of the City of Portage, hereby certifies that (1) the foregoing is a true and complete copy of a resolution adopted by the Board at a scheduled meeting held on November 14, 2003, 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.

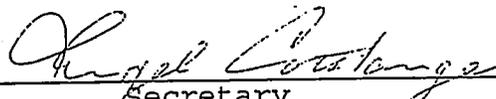
  
Secretary

EXHIBIT A

**Amended Tax Increment Finance Plan/Amended  
Development Plan**

**Local Development Finance Authority  
of the City of Portage**

November 12, 2003

**Department of Community  
Development**  
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Portage, Michigan 49002  
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(269) 329-4506 Fax

Reviewed by:  
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LOCAL DEVELOPMENT FINANCE AUTHORITY BOARD

Louise Anderson

Nasim Ansari

Michael Batterson

Dennis Brooks

Engel Corstange

Rick DeKam

Michael Marshburn

Robert Seely

Tim Wenzel — CHAIR

Mary Lou Wright

CITY OF PORTAGE OFFICIALS

CITY COUNCIL

James G. Graham, Mayor

Ted W. Vliek, Mayor Pro Tem

Larry B. DeShazor

Margaret O'Brien

Betty Lee Ongley

Peter J. Strazdas

Terry R. Urban

CITY MANAGER

Michael L. Stampfler

CITY CLERK

James Hudson

FINANCE DIRECTOR

Daniel Foecking

COMMUNITY DEVELOPMENT DIRECTOR

Jeffrey M. Erickson

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## INTRODUCTION

Pursuant to the provisions of Act No. 281, Public Acts of Michigan, 1986, as amended ("PA 281"), the City of Portage (the "City") has established the Local Development Finance Authority of the City of Portage (the "Authority"). PA 281 provides that the Board of the Authority, if it determines it is necessary for the achievement of the purposes of PA 281, shall prepare and submit a tax increment financing plan to the City Council. PA 281 further provides that a tax increment financing plan shall include a development plan.

The City is interested in stimulating economic activity in the manufacturing sector of the economy. Given the significant loss of manufacturing employment in the state and local area, the promotion of additional economic expansion in the manufacturing sector through additional investment in public infrastructure is both timely and appropriate. Inducements to facilitate manufacturing upgrades, renovations and additions to industrial facilities located in the proposed expanded LDFA area are necessary to the success of local companies and to the tax base of affected taxing jurisdictions.

Discussions with manufacturers located in the LDFA district and proposed expanded area suggest substantial investment is possible with the availability of needed public infrastructure capacity. In September 2003 Pfizer announced the potential investment of \$100 million in manufacturing operations to enhance production facilities and ensure up to date technology and related industrial activities. Initially, two more immediate projects involving Building #41 would be initiated with a potential investment in real and personal property involving an estimated \$30 million. While job creation was unknown, it was anticipated that the projects would involve retention of existing jobs.

Several additional projects are also probable along the Sprinkle Road Industrial Corridor. Planned investments in research and development, manufacturing and distribution were anticipated in the estimated amount of \$34 million. A potential new manufacturing facility was also in the planning stages and involved the potential investment of \$33 million. These investments involved both real and personal property. Manufacturing jobs were estimated with these projects to be in the area of 225 new positions as well as the retention of 1600 existing employees. Inducements to facilitate the expansion and upgrades of manufacturing facilities and incentives to facilitate the construction of a new manufacturing plant in the city would be beneficial to the company and would be considered in its final decision to proceed with company plans and proposals. Such plans and proposals would also enlarge the tax base of affected taxing jurisdictions and be beneficial.

Cooperative commitments have been made by the City and affected taxing jurisdictions to accomplish actions necessary to bring the planned expansions, upgrades and potential new facilities to fruition. Contained in the appendix is the agreement between the City, Portage Public Schools, Kalamazoo County, Kalamazoo Valley Community College,

Kalamazoo Regional Educational Service Agency and Portage District Library for this purpose.

To ensure that the City can be in the position to facilitate these planned projects, it is anticipated that with the inducements contained within this Plan, and also including tax incentives pursuant to PA 198 of 1974, as amended, expansions, upgrades and new facilities will be developed with an estimated value approximating \$97 million (real and personal property). Construction could be expected to commence as early as 2003 and 2004 with completion as early as 2005 and 2006 depending on the final decisions by the companies. A legal description of the Pfizer project (LDFA District No. 1) and the expansion of the district are shown in the appendix.

The purpose of this Development Plan and Tax Increment Financing Plan (LDFA Plan) is to position the City so that inducements to the companies can be financed with tax increment financing and public facilities are available to accommodate potential industrial developments. The LDFA Plan would provide for the acquisition, construction and financing of eligible public facilities and activities (as defined in PA 281) necessary to serve planned manufacturing investment projects. The acquisition and construction of the eligible public facilities and activities described herein would facilitate the construction and development of the projects and thereby create economic growth and development in the Authority District and other areas of the City and surrounding area.

The Development Plan element contains the information required by Section 15(2) of Act 281 and the Tax Increment Financing Plan element contains the information required by Section 12(2) of Act 281. Additional information is available from the Director of Community Development of the City, who also serves as the Director of the Authority.

The LDFA Plan and the appropriate Development Agreement between the parties will contain mutual commitments to proceed. If the decision is to not proceed in the City of Portage LDFA District No. 1 and/or the expanded district areas, this LDFA Plan, the capture of tax increment revenue, related bond financing, and other activities related to the use of PA 281 will terminate.

PART I: DEVELOPMENT PLAN

**A DESCRIPTION OF THE PROPERTY TO WHICH THE PLAN APPLIES IN RELATION TO THE BOUNDARIES OF THE AUTHORITY DISTRICT AND A LEGAL DESCRIPTION OF THE PROPERTY.**

The property to which the Development Plan applies includes:

- planned Pfizer projects within facilities commonly known as Building No. 41 and located on approximately 95 acres of the total Pfizer property holdings within the City, and
- planned and potential projects along the Sprinkler Road Industrial Corridor.

The existing LDFA District No. 1 consists of Pfizer property (formal owner of record as Pharmacia & Upjohn Company) and will be expanded to include property along the Sprinkle Road Industrial Corridor. There are several other owners of property in the proposed expansion areas that include the County of Kalamazoo, Mueller Refrigeration Company Incorporated, Superior Business Forms Incorporated, Mann-Hummell Automotive Incorporated, Stryker Corporation, Consumers Energy Company and the City of Portage.

The legal description of the Pfizer projects in Building No. 41 and potential projects along the Sprinkle Road Industrial Corridor are contained in the appendix of this LDFA Plan. The legal description of LDFA Authority District No. 1, and the legal descriptions of the expansion areas, are also contained in the appendix of this LDFA Plan. Also included in the appendix is a map showing the expansion areas.

THE DESCRIPTION OF BOUNDARIES OF THE PROPERTY TO WHICH THE  
PLAN APPLIES IN RELATION TO HIGHWAYS, STREETS, OR OTHERWISE.

See Appendices 2 and 3 and Appendices 4 and 5.

THE LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES IN THE VICINITY OF THE PROPERTY TO WHICH THE PLAN APPLIES; THE LOCATION, CHARACTER, AND EXTENT OF THE CATEGORIES OF PUBLIC AND PRIVATE LAND USES THEN EXISTING AND PROPOSED FOR THE PROPERTY TO WHICH THE PLAN APPLIES, INCLUDING RESIDENTIAL, RECREATIONAL, COMMERCIAL, INDUSTRIAL, EDUCATIONAL, AND OTHER USES.

Maps are presented in the Appendix that show:

- Existing Streets in the vicinity,
- Water Distribution Network in the vicinity,
- Sewer Distribution Network in the vicinity,
- Existing public and private land uses in the area, and
- Future land uses as indicated in the 2002 City of Portage Comprehensive Plan.

A DESCRIPTION OF PUBLIC FACILITIES TO BE ACQUIRED FOR THE PROPERTY TO WHICH THE PLAN APPLIES. A DESCRIPTION OF ANY REPAIRS AND ALTERATIONS NECESSARY TO MAKE THOSE IMPROVEMENTS, AND AN ESTIMATE OF THE TIME REQUIRED FOR THE COMPLETION OF THE IMPROVEMENTS.

PROPOSED INFRASTRUCTURE IMPROVEMENT PROJECTS and PUBLIC ACTIVITIES

	<u>ESTIMATED TIME DESIGN &amp; CONSTRUCTION</u>
1) Sprinkle Road widening, East Centre to Zylman. Design and construct a 2640 foot long, multi-lane street to serve the increased needs of planned manufacturing facilities and the current needs of adjacent land uses. East Centre to Zylman in cooperation with the Kalamazoo County Road Commission, which has jurisdictional authority.	24 months
2) Sprinkle Road/Zylman and Sprinkle Road/East Milham Access improvements. Signalization improvements at the intersection and drives with acceleration and deceleration facilities to serve the industrial and employment traffic projected along Sprinkle and Zylman.	12-24 months
3) 80 acre land purchase. Acquire property for the purposes of conveying the land to industry to facilitate development of manufacturing facilities in the city.	12 months
4) Water and Sewer facilities to serve planned manufacturing. Construct public water and sewer facilities necessary for the development of the property for industrial purposes.	12-24 months
5) East Milham-Kalamazoo/Battle Creek International Airport water main improvement. Design and construct 2150 feet of 20-inch water transmission main under the airport to connect facilities on East Milham to ensure sufficient water supply to facilitate industrial growth.	12-24 months
6) Water Main Improvement, Sprinkle, Tiffany to Hayes. Design and construct 7775 foot of larger, replacement water main (12-inch diameter) to ensure sufficient capacity for industrial growth.	12-24 months

(continued)

PROPOSED INFRASTRUCTURE IMPROVEMENT PROJECTS and PUBLIC ACTIVITIES

	<u>ESTIMATED TIME DESIGN &amp; CONSTRUCTION</u>
7) Zylman Improvements. Design and constuct a 2640 foot long, multi-lane street with boulevard, curb and gutter, and related appurtenances to serve the needs of industry and to protect the adjacent residential properties in this vicinity.	12-24 months
8) Ramona Lane, Lovers to Portage water main improvement. Design and construct 6140 feet of 16-inch water main to ensure sufficient water supply to facilitate industrial growth.	12-24 months
9) Ramona Lane, Lovers to Portage sanitary sewer improvement. Design and construct 3875 feet of 12-inch sewer to serve industrial facilities on Pfizer property and future growth and development.	12-24 months

Notes: Projects will be funded through tax increment revenue if available or other sources.

THE LOCATION, EXTENT, CHARACTER, AND ESTIMATED COST OF THE PUBLIC FACILITIES FOR THE PROPERTY TO WHICH THE PLAN APPLIES, AND THE ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.

PROPOSED INFRASTRUCTURE IMPROVEMENT PROJECTS and PUBLIC ACTIVITIES

<u>PUBLIC IMPROVEMENTS</u>	<u>ESTIMATED COST</u>	<u>ESTIMATED TIME DESIGN &amp; CONSTRUCTION</u>
1) Sprinkle Road widening, East Centre to Zylman	\$1,010,000	12-24 months
2) Sprinkle Road/Zylman and Sprinkle Road/East Milham Access improvements	\$ 300,000	12-24 months
3) 80 acre land purchase	\$2,400,000	12 months
4) Water and Sewer facilities to serve interior property	\$ 110,000	12-24 months
5) East Milham-Kalamazoo/Battle Creek International Airport water main improvement	\$1,200,000	12-24 months
6) Water main Improvement, Sprinkle, Tiffany to Hayes	\$ 880,000	12-24 months
7) Zylman Improvements	\$1,210,000	12-24 months
8) Ramona Lane, Lovers to Portage water main improvement	\$ 500,000	12-24 months
9) Ramona Lane, Lovers to Portage sanitary sewer <u>improvement</u>	<u>\$ 990,000</u>	12-24 months
TOTAL	\$8,600,000	

Notes: Projects will be funded through tax increment revenue if available or other sources.

**A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE TIME OF COMPLETION OF EACH STAGE.**

PROPOSED INFRASTRUCTURE IMPROVEMENT PROJECTS and PUBLIC ACTIVITIES

<u>PUBLIC IMPROVEMENTS</u>	<u>PHASE</u>	<u>START</u>	<u>COMPLETION</u>
1) Sprinkle Road widening, East Centre to Zylman	Design Construct	January '05 July '06	Dec. '05 July '07
2) Sprinkle Road/Zylman and Sprinkle Road/East Milham Access improvements	Design Construct	January '05 July '06	Dec. '05 July '07
3) 80 acre land purchase	Acquisition	January '04	July '04
4) Interior property water and sewer facilities	Design Construct	January '04 July '04	June '04 July '05
5) East Milham-Kalamazoo/Battle Creek International Airport water main improvement	Design Construct	January '06 July '07	Dec. '06 July '08
6) Water main Improvement, Sprinkle, Tiffany to Hayes	Design Construct	January '04 July '05	Dec. '04 July '06
7) Zylman Improvements	Design Construct	January '05 July '06	Dec. '05 July '07
8) Ramona Lane, Lovers to Portage water main improvement	Design Construct	January '04 July '05	Dec. '04 July '06
9) Ramona Lane, Lovers to Portage sanitary sewer improvement	Design Construct	January '04 July '05	Dec. '04 July '06

Notes: Projects will be funded through tax increment revenue if available or other sources.

**A DESCRIPTION OF ANY PORTIONS OF THE PROPERTY TO WHICH THE PLAN APPLIES, WHICH THE AUTHORITY DESIRES TO SELL, DONATE, EXCHANGE, OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS.**

The public facilities to be acquired by the issuance of bonds by the Authority will be transferred to the City. Some of the public facilities will be acquired by the City using as revenues to retire bonds to be issued by the City payments from the Authority to the City which will be provided for in a contract between the City and the Authority.

The Authority will not be paid any consideration for property which it transfers to the City.

## A DESCRIPTION OF DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES.

### Zoning Changes

No zoning changes are anticipated.

### Street Changes

Sprinkle Road, East Centre to Zylman, will be reconstructed and widened to a multi-lane cross section with driveways and related appurtenances.

Zylman, Sprinkle to Cox's Drive, will be reconstructed and widened to a multi-lane cross section with boulevard, driveways and related appurtenances.

### Street Levels

No significant changes are anticipated, as existing streets will remain very close to current elevations.

### Street Intersections

Intersection improvements will be undertaken to accommodate the widened roadways at intersections including, Zylman and East Centre and Cox's Drive. Signalization upgrades and enhancements will also be made at the Sprinkle and Zylman intersection.

### Utilities

Sprinkle Road, East Centre to Zylman water improvement will consist of upgrading the existing water main to ensure adequate water supply.

Milham Avenue water main improvement will consist of connecting water main facilities east and west of the Kalamazoo/Battle Creek International Airport with an appropriately sized transmission main to ensure water flow and pressure to facilitate industrial growth.

Ramona water main improvement will involve installation of a water main between Lovers Lane and Portage Road to ensure adequate water supply to facilitate industrial growth.

Ramona sewer improvement will involve construction of a sewer main between Lovers Lane and Portage Road to ensure sewer service is available to facilitate industrial growth.

Public water and sewer facilities to serve the manufacturing development south of East Centre will be accomplished so that planned manufacturing activities will be connected to public utilities.

**AN ESTIMATE OF THE COST OF THE PUBLIC FACILITY OR FACILITIES, A STATEMENT OF THE PROPOSED METHOD OF FINANCING THE PUBLIC FACILITY OR FACILITIES, AND THE ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING.**

It is anticipated that the plan components will cost an additional \$9,300,000 million. There are several plan elements and the costs include all eligible costs including legal, environmental, administrative, financing and bond issuance costs.

PROPERTY ACQUISITION	\$2,400,000
PUBLIC UTILITY DESIGN & CONSTRUCTION	6,200,000
FINANCING COSTS	<u>220,000</u>
Subtotal	\$8,820,000
CAPITALIZED INTEREST	375,000 (2004 taxable)
	<u>105,000 (2005 tax-exempt)</u>
Total	\$9,300,000

NOTES: A Breakdown of the Projects are as follows:

80 acre land purchase	\$2,400,000	Issued in 2004 as LDFA Bonds
Water and Sewer facilities to serve interior property	\$ 110,000	Issued in 2004 as a part of a Revenue Bond Issue
Water main Improvement, Sprinkle, Tiffany to Hayes	\$ 880,000	Issued in 2005 as LDFA Bonds
Ramona Lane, Lovers to Portage water main improvement	\$ 500,000	Issued in 2005 as LDFA Bonds
Ramona Lane, Lovers to Portage sanitary sewer improvement	\$ 990,000	Issued in 2005 as LDFA Bonds
Sprinkle Road widening, East Centre to Zylman	\$1,010,000	Issued in 2006 as Capital Improvement Bonds
Sprinkle Road/Zylman and Sprinkle Road/East Milham Access improvements	\$ 300,000	Issued in 2006 as Capital Improvement Bonds
Zylman Improvements	\$1,210,000	Issued in 2006 as Capital Improvement Bonds
East Milham-Kalamazoo/Battle Creek International Airport water main improvement	<u>\$1,200,000</u>	Issued in 2007 as Rev. Bonds
Total	\$8,600,000	

The foregoing breakdowns of individual bond issues are based upon current estimates of revenues and debt service requirements for each such bond issue. The LDFA intends to either issue the bonds directly as LDFA Bonds or enter into a contract with the City of Portage whereby the City will issue the Bonds and the LDFA will repay the City for the debt service on such Bonds.

In some cases the reimbursement to the City may be delayed to later years because the LDFA revenues in earlier years are not sufficient to make such reimbursements.

The Plan covers reimbursements to the City on all bond issues which the City expects to issue to assist the LDFA in the carrying out of the Development Plan.

The actual final estimated bond payments for bonds of all types, revenues, debt service requirements and advances by the City together with later reimbursements are set forth on Appendix 17.

DESIGNATION OF THE PERSON OR PERSONS, NATURAL OR CORPORATE, TO WHOM ALL OR A PORTION OF THE PUBLIC FACILITY OR FACILITIES IS TO BE LEASED, SOLD, OR CONVEYED AND FOR WHOSE BENEFIT THE PROJECT IS BEING UNDERTAKEN, IF THAT INFORMATION IS AVAILABLE TO THE AUTHORITY.

Property will be sold to a prospective manufacturing corporation, consistent with this LDFA Plan and with the terms of a development agreement that will contain the commitment by the manufacturer and the City of Portage.

The purpose of this Development Plan and Tax Increment Financing Plan (LDFA Plan) is to position the City so that inducements to manufacturing companies can be financed with tax increment financing and public facilities are available to accommodate these potential industrial developments. The LDFA Plan would provide for the acquisition, construction and financing of eligible public facilities and activities (as defined in PA 281) necessary to serve the companies. The acquisition and construction of the eligible public facilities and activities described herein would facilitate the construction and development of the projects and thereby create economic growth and development in the Authority District and other areas of the City and surrounding area.

The LDFA Plan and the appropriate Development Agreement between the parties will contain mutual commitments to proceed. If the decision is to not proceed in the City of Portage LDFA District No. 1 and/or the expanded district areas, this LDFA Plan, the capture of tax increment revenue, related bond financing, and other activities related to the use of PA 281 will terminate.

THE PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING, OR CONVEYING OF ALL OR A PORTION OF THE PUBLIC FACILITY UPON ITS COMPLETION, IF THERE IS NO EXPRESS OR IMPLIED AGREEMENT BETWEEN THE AUTHORITY AND PERSONS, NATURAL OR CORPORATE, THAT ALL OR A PORTION OF THE DEVELOPMENT WILL BE LEASED, SOLD, OR CONVEYED TO THOSE PERSONS.

Not applicable

ESTIMATES OF THE NUMBER OF PERSONS RESIDING ON THE PROPERTY IN WHICH THE PLAN APPLIES AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED. IF OCCUPIED RESIDENTS ARE DESIGNATED FOR ACQUISITION AND CLEARANCE BY THE AUTHORITY, A DEVELOPMENT PLAN SHALL INCLUDE A SURVEY OF THE FAMILIES AND INDIVIDUALS TO BE DISPLACED, INCLUDING THEIR INCOME AND RACIAL COMPOSITION, A STATISTICAL DESCRIPTION OF THE HOUSING SUPPLY IN THE COMMUNITY, INCLUDING THE NUMBER OF PRIVATE OR PUBLIC UNITS IN EXISTENCE OR UNDER CONSTRUCTION, THE CONDITION OF THOSE IN EXISTENCE, THE NUMBER OF OWNER-OCCUPIED AND RENTER-OCCUPIED UNITS, THE ANNUAL RATE OF TURNOVER OF THE VARIOUS TYPES OF HOUSING AND THE RANGE OF RENTS AND SALE PRICES, AND ESTIMATE OF THE TOTAL DEMAND FOR HOUSING IN THE COMMUNITY, AND THE ESTIMATED CAPACITY OF PRIVATE AND PUBLIC HOUSING AVAILABLE TO DISPLACED FAMILIES AND INDIVIDUALS.

Not Applicable

A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF  
PERSONS DISPLACED BY THE DEVELOPMENT.

Not Applicable

PROVISION FOR THE COSTS OF RELOCATING PERSONS DISPLACED BY THE DEVELOPMENT, AND FINANCIAL ASSISTANCE AND REIMBURSEMENT OF EXPENSES, INCLUDING LITIGATION EXPENSES AND EXPENSES INCIDENT TO THE TRANSFER OF TITLE, IN ACCORDANCE WITH THE STANDARDS AND PROVISIONS OF THE FEDERAL UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970, 42 U.S.C. 4601 TO 4655.

Not Applicable

A PLAN FOR COMPLIANCE WITH ACT NO. 227 OF THE PUBLIC ACS OF 1972, BEING SECTIONS 213.321 TO 213.332 OF THE MICHIGAN COMPILED LAWS.

Not Applicable

OTHER MATERIAL WHICH THE AUTHORITY OR GOVERNING BODY  
CONSIDERS PERTINENT.

None

PART II - TAX INCREMENT FINANCING PLAN

A STATEMENT OF THE REASONS THAT THE PLAN WILL RESULT IN THE DEVELOPMENT OF CAPTURED ASSESSED VALUE WHICH COULD NOT OTHERWISE BE EXPECTED. THE REASONS MAY ALSO INCLUDE, BUT ARE NOT LIMITED TO, ACTIVITIES OF THE MUNICIPALITY, AUTHORITY, OR OTHERS UNDERTAKEN BEFORE FORMULATION OR ADOPTION OF THE PLAN IN REASONABLE ANTICIPATION THAT THE OBJECTIVES OF THE PLAN WOULD BE ACHIEVED BY SOME MEANS.

In September and October 2003, the City was approached by companies seeking incentives to construct new manufacturing facilities and to upgrade existing facilities in the community. The necessary inducements included tax abatements and other eligible activities that the City would be unable to accomplish without some financial means. The capture of tax revenue to accomplish eligible activities so that these industrial projects could be realized and to be able to grant tax abatements without negative financial impacts was essential. The projects proposed will be able to be adequately served by public infrastructure, including streets, water and sewer facilities, through utilization of PA 281.

The construction of the potential manufacturing projects will provide assessed valuation increases resulting in the tax increments which will then be used to finance the needed public improvements and eligible activities. Without use of the economic development tool provided through PA 281, it could not be expected that the City would be able to facilitate the growth of these manufacturing entities. Moreover, the elements proposed in this LDFA Plan provide reasonable anticipation that the objectives of the City and State of Michigan as indicated in PA 281 to "promote economic growth and prevent conditions of unemployment" can be achieved.

AN ESTIMATE OF THE CAPTURED ASSESSED VALUE FOR EACH YEAR OF THE PLAN. THE PLAN MAY PROVIDE FOR THE USE OF PART OR ALL OF THE CAPTURED ASSESSED VALUE, BUT THE PORTION INTENDED TO BE USED SHALL BE CLEARLY STATED IN THE PLAN. THE BOARD OR MUNICIPALITY CREATING THE AUTHORITY MAY EXCLUDE FROM CAPTURED ASSESSED VALUE A PERCENTAGE OF THE CAPTURED ASSESSED VALUE AS SPECIFIED IN THE PLAN OR GROWTH IN PROPERTY VALUE RESULTING SOLELY FROM INFLATION. IF EXCLUDED, THE PLAN SHALL SET FORTH THE METHOD FOR EXCLUDING GROWTH IN PROPERTY VALUE RESULTING SOLELY FROM INFLATION.

Please refer to Appendix 15 for an estimated of the captured assessed value for each year of the plan.

The LDFA will utilize all tax increment revenues except those in excess of amounts stipulated in the related inter-local agreement (refer to Appendix 1).

**THE ESTIMATED TAX INCREMENT REVENUES FOR EACH YEAR OF THE PLAN.**

Please refer to Appendix 15.

## A DETAILED EXPLANATION OF THE TAX INCREMENT PROCEDURE.

Tax increment financing permits the Authority to capture tax revenues attributable to increases in the value of real and personal property resulting from the acquisition and construction of eligible property as defined in Act 281. Property value increases, in the case of the development within the district boundaries, will be attributable to the construction of projects.

At the time the tax increment financing plan is approved by the City Council, the value of the eligible property to which the plan pertains (the initial value) is established. The initial value is the taxable value of the eligible property on that date.

In each subsequent year for the duration of the tax increment financing plan the "current value" of the eligible property will be determined. The current value for each year is the taxable value of the eligible property for that year.

The amount by which the current value exceeds the initial value in any one year is the captured value. For the duration of the tax increment financing plan, the local taxing jurisdictions will continue to receive tax revenues based upon the initial value. The Authority, however, (subject to the provisions of agreements for the sharing of captured value) receives that portion of the tax levy of all taxing jurisdictions paid each year on the captured value of the eligible property included in the tax increment financing plan; provided, however, that the Authority does not receive any part of millage specifically levied for the payment of principal of and interest on obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit.

For example, in year one a tax increment financing plan relating to eligible property having a taxable value of \$500,000 is established. The initial value is \$500,000. Assume that the tax rate applicable to the eligible property is 52 mills and, of the 52 mills, 2 mills are levied for the payment of principal and interest on obligations described above. In year one, the taxes on the eligible property will be 52 mills times \$500,000 or \$26,000. None of those taxes will be paid to the Authority. In year two, because of the construction of eligible property, the taxable value of the eligible property is \$750,000. The current value in year two is \$750,000 and the captured value in year two is \$250,000 (\$750,000 less than the initial value of \$500,000). If there were no agreements for the sharing of captured value, the Authority would receive tax increments of \$13,000 (52 mills times \$250,000). The taxing jurisdictions would receive \$26,500 (52 mills time \$500,000 which represents the initial value, plus 2 mills times \$250,000 which represents the captured value). In each subsequent year for the duration of the tax increment financing plan a similar computation would be made.

If agreements to share captured value were in place the calculations would be adjusted to reflect the terms of those agreements.

In this case, dollar amounts to be captured are specified in the inter-local agreement rather than as shares of assessed value or portions of millage rates.

See Appendix 1.

**THE MAXIMUM AMOUNT OF NOTED BONDED INDEBTEDNESS TO BE INCURRED, IF ANY.**

The maximum amount of note or bond indebtedness is estimated at \$2,845,000 including capitalized interest for taxable bonds issued in 2004 and \$6,455,000 for tax-exempt bonds issued in 2004, 2005, 2006 and 2007 (for a total of \$9,300,000), including capitalized interest for the 2005 bond issue.

The LDFA intends to either issue the bonds directly as LDFA Bonds or enter into a contract with the City of Portage whereby the City will issue the Bonds and the LDFA will repay the City for the debt service on such Bonds.

In some cases the reimbursement to the City may be delayed to later years because the LDFA revenues in earlier years are not sufficient to make such reimbursements.

The Plan covers reimbursements to the City on all bond issues which the City expects to issue to assist the LDFA in the carrying out of the Development Plan.

The Estimated Debt Service Schedules are attached as Appendix 16 and the Total Estimated Captured Value Compared to Debt Service is attached as Appendix 17.

THE AMOUNT OF OPERATING AND PLANNING EXPENDITURES OF THE AUTHORITY AND MUNICIPALITY, THE AMOUNT OF ADVANCES EXTENDED BY OR INDEBTEDNESS INCURRED BY THE MUNICIPALITY, AND THE AMOUNT OF ADVANCES BY OTHERS TO BE REPAID FROM TAX INCREMENT REVENUES.

The amount of operating and planning expenditures in connection with the Authority may be paid by the City and then repaid by the LDFA to the City. The actual amounts each year will vary.

See 15(2)(1) of the Development Plan for anticipated City bond indebtedness.

Tax increment financing may also be used to repay the City for any bonded indebtedness incurred by the LDFA plan (see 15(2)(i) of the Development Plan).

The City may also advance planning, engineering, and other funds prior to the issuance of bonds which will be repaid from bond, TIF proceeds or LDFA revenues. The City will not be repaid for more than it spends on such expenses.

**THE COSTS OF THE PLAN ANTICIPATED TO BE PAID FROM TAX INCREMENT REVENUES AS RECEIVED.**

It is anticipated that the costs of the improvements described in the Development Plan will be paid from bond proceeds as described in the Development Plan (see Section 15(2)(i)).

**THE DURATION OF THE DEVELOPMENT PLAN AND THE TAX INCREMENT FINANCING PLAN.**

The development plan and the tax increment financing plan are to continue for the period of time needed to complete the plan and collect and disburse tax increments resulting from taxes levied prior to December 31, 2030, or such longer or shorter period as may be needed to pay and retire any tax increment bonds issued by the Authority, or the City and to permit the Authority to repay all loans to it from the City.

It is anticipated that the program identified in the amended plan will extend through the year 2030.

**AN ESTIMATE OF THE IMPACT OF TAX INCREMENT FINANCING ON THE REVENUES OF ALL TAXING JURISDICTIONS IN WHICH THE ELIGIBLE PROPERTY IS LOCATED.**

The Authority intends to use all tax revenues from eligible property except those in excess of the amounts specified in the related inter-local agreement.

See Appendices 1 (Interlocal Agreement) and 15 (Estimate of Annual Captured Assessed Value).

**A LEGAL DESCRIPTION OF THE ELIGIBLE PROPERTY TO WHICH THE  
TAX INCREMENT FINANCING PLAN APPLIES.**

The eligible property to which the Tax Increment Financing Plan applies consists of land in the City of Portage, County of Kalamazoo, State of Michigan, together with all buildings and improvements thereon and all fixtures, machinery and equipment therein, which land is described as:

See Appendices 2 and 3.

See Appendices 4 and 5.

**AN ESTIMATE OF THE NUMBER OF JOBS TO BE CREATED AS A RESULT OF IMPLEMENTATION OF THE TAX INCREMENT FINANCING PLAN.**

It is estimated that the construction of the manufacturing projects induced through LDFA financed improvements would be expected to result in the creation of an estimated 275 jobs in the City. It is expected that the existence of these projects will result in additional indirect jobs. Also, jobs will result from construction activity. Finally, and of significant importance to the City and to all the taxing jurisdictions, more than an estimated 1600 jobs could be expected to be retained in the community with attendant positive economic impacts.

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## APPENDICES

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APPENDIX 1

\$2,000,000  
Local Development Finance Authority of the City of Portage  
1990 Tax Increment Bonds

October 1, 2004                      \$240,000

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APPENDIX 1

This Interlocal Agreement, dated as of May 15, 1990, is made and entered into pursuant to Act No. 7 of the Public Acts of Michigan of 1967, Extra Session, as amended, known as the "Urban Cooperation Act of 1967", Act No. 35 of the Public Acts of Michigan of 1951, as amended, and Act No. 281 of the Public Acts of Michigan of 1986 (the "Enabling Acts"), by and among the City of Portage, Portage Public Schools, County of Kalamazoo, Kalamazoo Valley Intermediate School District, and Kalamazoo Valley Community College (the "Constituent Municipal Corporations") for the purposes set forth in this Agreement.

WITNESSETH

WHEREAS, the City Council of the City of Portage has created a Local Development Finance Authority (the "Authority") under Act No. 281 of the Public Acts of Michigan of 1986 ("Act 281") for the purposes set forth in Act 281 in an area within the City of Portage (the "District"), and

WHEREAS, to induce other public corporations having an interest in the real and personal property taxes within the District (the "other constituent municipal corporations") to support the District and the Tax Increment Financing Plan to be approved by the City Council of the City of Portage in the future, the City of Portage is willing to commit to all

other constituent municipal corporations as to its intentions at the time the Tax Increment Financing Plan is presented to the City Council, pursuant to Act 281.

NOW THEREFORE, pursuant to the power granted to them by the Enabling Acts, the Constituent Municipalities hereby agree as follows:

**ARTICLE A**  
**DEFINITIONS**

Unless otherwise provided, or unless the context clearly requires otherwise, the following terms shall have the following meanings in this Agreement:

(a) Act 281. Act No. 281 of the Public Acts of Michigan of 1986.

(b) Agreement. This Interlocal Agreement entered into pursuant to the Enabling Acts, as from time to time amended.

(c) Authority. The Local Development Finance Authority of the City of Portage which is the legal entity established by the City of Portage to carry out the purposes set forth in the Articles of Incorporation.

(d) Articles of Incorporation. The Articles of Incorporation are the Articles of Incorporation of the Authority set forth in Appendix 6.

(e) Board. The governing body of the Authority.

(f) Building 335. A facility currently designated by this name to be constructed and equipped by Upjohn Company, which is described in Appendix 2 of this Agreement.

(g) Captured Taxes. The taxes on Building 335 to be captured by the Authority pursuant to the Development Plan which is part of the Tax Increment Financing Plan, all as described in Appendix 3 of this Agreement.

(h) Constituent Municipal Corporations. The Constituent Municipal Corporations are: The City of Portage, Portage Public Schools, County of Kalamazoo, Kalamazoo Valley Intermediate School District, and Kalamazoo Valley Community College.

(i) Development Plan. The Development Plan which is part of Appendix 4 of this Agreement.

(j) District. the Local Development Finance Authority District described in Appendix 1 of this Agreement.

(k) Enabling Acts. Act No. 7 of the Public Acts of Michigan of 1967, Extra Session, as amended, known as the "Urban Cooperation Act of 1967", Act No. 35 of the Public Acts of Michigan of 1951, as amended, and Act No. 281 of the Public Acts of Michigan of 1986.

(l) Other Constituent Municipal Corporations. Other Constituent Municipal Corporations are all the Constituent Municipal Corporations except the City of Portage.

(m) Project. The public projects described in Appendix 5 of this Agreement.

(n) Tax Increment Financing Plan. The Tax Increment Financing Plan which is set forth in Appendix 4 of this Agreement.

ARTICLE B  
GENERAL PROVISIONS

Section 1. The Constituent Municipal Corporations agree to exercise jointly the power and authority set forth in this Agreement pursuant to the Enabling Acts.

Section 2. The Constituent Municipal Corporations agree to the formation of a public body corporate known as the "Local Development Finance Authority of the City of Portage" which shall have all of the powers and duties set forth in Appendix 6 of this Agreement.

Section 3. The Authority shall be authorized to construct or cause to be constructed in whole or in part, the projects described in Appendix 5 hereof.

Section 4. The purposes of the Authority shall be as set forth in Appendix 6 of this Agreement.

Section 5. The Constituent Municipal Corporations shall, to the extent they have representation on the Authority, have that representation provided for in the Articles of Incorporation of the Authority as set forth in Appendix 6.

Section 6. To further any of such purposes, the Authority may contract with the City of Portage or any other entity.

ARTICLE C  
POWERS OF THE AUTHORITY AND CONSTITUTION OF BOARD

Section 1. The Authority shall have the powers provided for in its Articles of Incorporation as granted by Act 281.

Section 2. The Board shall be chosen as provided in the Articles of Incorporation and the members of the first board shall be those named in Appendix 7.

ARTICLE D  
AGREEMENT BY THE CITY OF PORTAGE

Section 1. The City of Portage agrees with the Other Constituent Municipalities to follow the provisions of the Development Plan and the Tax Increment Financing Plan and not to amend the same without the prior consent expressed as an Amendment to this Agreement of the Other Constituent Municipalities.

Section 2. Except as to taxes captured from a facility known as Building 335 proposed to be constructed by Upjohn Company, the City will not seek to capture further taxes on any property within the District, nor will the City approve any development plan or tax increment financing plan or modification thereof that attempts to capture more funds than set forth in Appendix 3.

Section 3. The City will, as a part of the Tax Increment Financing Plan to be approved by it, capture property taxes as follows:

- a) Real property taxes for not to exceed 12 years.
- b) Personal property taxes for not to exceed 6 years.
- c) The actual taxes to be captured from the public corporations receiving taxes from property within the District and the amounts thereof are as set forth in Appendix 3.

Section 4. The City shall not permit the Authority to capture any revenue that is produced by voter-approved extra voting millages which did not exist as of the effective date of this Agreement.

Section 5. The Portage City Council, on behalf of the City of Portage, agrees that it will not approve any development plan or tax increment financing plan which involves the capture of more revenue than as outlined in Appendix 3. The City also agrees that it will not approve any development plan or tax increment financing plan involving any other projects than those outlined in Appendix 5, unless the governing bodies of the other constituent municipal corporations have agreed to said amendments, modifications, or changes.

Section 6. The City further agrees that if there are any future attempts to amend, modify or in any other way change the initial development plan or tax increment financing plan as proposed in attached Appendix 4, that the City Council will not approve any said amendments,

modifications or other changes unless the governing bodies of the affected taxing jurisdictions have agreed to said amendments, modifications or changes.

Section 7. The City agrees that when any and all bonds issued to finance the Projects described in Appendix 5 are retired, it will cause the Authority to dissolve as provided in Section 20 of Act 281.

Section 8. The City agrees no further local development finance authority districts will be created by the City except by mutual agreement of the Other Constituent Municipal Corporations.

Section 9. While the parties to this Agreement are of the opinion that the restrictions contained in this agreement are legally binding upon all parties, it is further agreed that if some future Portage City Council fails to abide by any of the restrictions contained within this agreement and a court of competent jurisdiction determines that the City is not bound to honor said restrictions, then the City of Portage will be responsible to indemnify the affected taxing jurisdictions for any and all future loss of revenue in excess of that set forth in Appendix 3.

**ARTICLE E**  
**AGREEMENT BY THE OTHER CONSTITUENT MUNICIPAL CORPORATIONS**

Section 1. The Other Constituent Municipal Corporations agree to the creation of the Authority and the District, and to the amount of the Captured Taxes.

Section 2. The Other Constituent Municipal Corporations agree to the Development Plan, Tax Increment Financing Plan and the Project.

Section 3. The Other Constituent Municipal Corporations agree that they will accept the Capture of the Captured Taxes by the Authority and will not challenge the same.

ARTICLE F  
ADDITIONAL MUNICIPAL CORPORATIONS AND  
WITHDRAWAL OF MUNICIPAL CORPORATIONS

Section 1. No additional public corporations may join in this Agreement.

Section 2. No Constituent Municipal Corporation may withdraw from this Agreement at any time until the purposes for which it was established have been completed.

ARTICLE G  
TERMINATION AND AMENDMENT

Section 1. This Agreement and the Board shall continue in full force and effect so long as the Authority is in existence unless sooner terminated by a vote of the governing body of each and every Constituent Municipal Corporation.

Section 2. This Agreement may be amended by a written document signed by authorized officers of each and

every Constituent Municipal Corporation after approval of such amendment by resolution of its governing body.

Section 3. This Agreement is dated as of May 15, 1990 for convenience of reference, but it shall become effective upon the filing of a true copy with the County Clerk of Kalamazoo County and the Secretary of State.

IN WITNESS WHEREOF, the undersigned Constituent Municipal Corporations have caused this Agreement to be made and entered into as of May 15, 1990.

CITY OF PORTAGE

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

PORTAGE PUBLIC SCHOOLS

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

COUNTY OF KALAMAZOO

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

KALAMAZOO VALLEY INTERMEDIATE  
SCHOOL DISTRICT

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

KALAMAZOO VALLEY COMMUNITY COLLEGE

By: Harold E. Trabler

Its: Chairman

By: Anna Whitten

Its: Secretary

ldfaia

APPENDIX A

AMENDMENT TO INTERLOCAL AGREEMENT

This Amendment to Interlocal Agreement dated November 1, 2003 (the "Amendment to Interlocal Agreement") is made and entered into pursuant to Act No. 7 of the Public Acts of Michigan of 1967, Extra Session, as amended, known as the "Urban Cooperation Act of 1967", Act No. 35 of the Public Acts of Michigan of 1951, as amended, and Act No. 281 of the Public Acts of Michigan of 1986 (the "Enabling Acts"), by and among the City of Portage, Portage Public Schools, County of Kalamazoo, Kalamazoo Regional Education Services Agency (formerly Kalamazoo Valley Intermediate School District), and Kalamazoo Valley Community College (the "Constituent Municipal Corporations") for the purposes set forth in this Amendment to Interlocal Agreement.

WITNESSETH

WHEREAS, the Constituent Municipal Corporations entered into an interlocal agreement dated as of May 15, 1990 (the "Interlocal Agreement") for the purpose of permitting the City of Portage (the "City") to use the City of Portage Local Development Finance Authority ("Authority") to finance a project under Act No. 281 of the Public Acts of Michigan of 1986 ("Act 281"); and

WHEREAS, the City proceeded to construct or cause to be constructed in whole or in part the project described in Appendix 5 of the Interlocal Agreement; and

WHEREAS, in order to finance the construction of the project described in Appendix 5 of the Interlocal Agreement the Authority issued the following bonds (together the "Bonds"):

1. \$2,000,000 Local Development Finance Authority of the City of Portage 1990 Tax Increment Bonds.
2. \$650,000 Local Development Finance Authority of the City of Portage 1994 Tax Increment Bonds.

of which bonds remain outstanding as set forth in Appendix 1 attached to this Amendment to Interlocal Agreement; and

WHEREAS, the Interlocal Agreement originally prohibited the City from expanding the Local Development Finance Authority District described in Appendix 1 of the Interlocal Agreement and then capture of additional millage not covered by the original development plan and tax increment financing plan without the

prior consent of the other Constituent Municipal Corporations;  
and

WHEREAS, it is necessary to amend the Interlocal Agreement dated as of May 15, 1990 in order to permit the City to induce the Stryker Corporation to locate a significant, new manufacturing facility within the City which will be a benefit to all Constituent Municipal Corporations; and

WHEREAS, the City urgently wishes to embark on such a project to induce expansion in the City by the Stryker Corporation and may wish to do an additional project for Pfizer Incorporated which will involve both the expansion of the Local Finance Authority Development District and the capture of other taxes in addition to the taxes necessary to be captured in order to retire the Bonds referred to above.

NOW, THEREFORE pursuant to the power granted to them by the Enabling Acts, the Constituent Municipal Corporations hereby agree as follows:

1. Article B, Sections 2, 3 and 4 of the Interlocal Agreement are hereby amended to read as follows:

ARTICLE B  
GENERAL PROVISIONS

Section 2. The Constituent Municipal Corporations agree to the continuation of a public body corporate known as the Local Development Finance Authority of the City of Portage which shall have all of the powers and duties set forth in Act 281.

Section 3. The Authority has already constructed or caused to be constructed the projects described in Appendix 5 of the Interlocal Agreement (the "Project").

Section 4. The purposes of the Authority shall be as set forth in Act 281.

2. Article C, Section 2 of the Interlocal Agreement is hereby amended to read as follows:

ARTICLE C  
POWERS OF THE AUTHORITY AND CONSTITUTION OF BOARD

Section 2. The Board shall be chosen as provided in the Articles of Incorporation.

3. Article D, Sections 1 through 9 of the Interlocal Agreement are repealed and the following Sections shall replace those Sections and shall read as follows:

ARTICLE D  
AGREEMENT BY THE CITY OF PORTAGE

Section 1. The City of Portage and the Authority have caused the Project to be constructed and have issued the Bonds described above for the purpose of raising sufficient funds to complete the Project.

Section 2. The City of Portage has on behalf of the Authority captured taxes from a facility known as Building 335 to be used to retire the Bonds which taxes have either been used for such purpose or will be so used in the future. A summary of these collections is described on Appendix 2. Such collections of captured taxes shall continue until all Bonds are retired.

Section 3. The City of Portage is authorized to expand the District or create other districts for the purpose of implementing projects to provide for the growth and expansion of the Stryker Corporation and Pfizer Incorporated so long as:

- A. No taxes for the Portage Public Schools or the Kalamazoo Regional Education Services Agency are captured and,
- B. The only properties that shall contain taxes which are to be captured are owned either by Stryker Corporation, or Pharmacia Corporation/Pfizer at the time the initial capture occurs and,
- C. The projects against which taxes are to be captured are included among those projects described in Appendix 3.

4. Article E, Sections 1, 2 and 3 are repealed and are replaced by Section 1 which shall provide as follows:

ARTICLE E  
AGREEMENT BY THE OTHER CONSTITUENT MUNICIPAL CORPORATIONS

Section 1. The Constituent Municipal Corporations agree to the continuation of the Authority.

5. Article G, Sections 1, 2 and 3 are amended to read as follows:

ARTICLE G  
TERMINATION AND AMENDMENT

Section 1. This Amendment to Interlocal Agreement and the Interlocal Agreement shall terminate automatically on the date on which the Bonds are retired in full from captured taxes.

Section 2. The Interlocal Agreement, as amended, may be amended by a written document signed by authorized officers of each and every Constituent Municipal Corporation after approval of such amendment by resolution of its governing body.

Section 3. This Amendment to Interlocal Agreement is dated as of November 1, 2003 for convenience of reference, but it shall become effective upon the filing of a true copy with the County Clerk of the County of Kalamazoo and the Secretary of State.

IN WITNESS WHEREOF, the undersigned Constituent Municipal Corporations have caused this Amendment to Interlocal Agreement to be made and entered into as of November 1, 2003.

CITY OF PORTAGE

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

PORTAGE PUBLIC SCHOOLS

By: \_\_\_\_\_

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

COUNTY OF KALAMAZOO  
BOARD OF COMMISSIONERS

By: [Signature] [Signature]

Its: Vice-Chair Person and Chair Person

By: [Signature]

Its: Chief Deputy Clerk / REGISTER

KALAMAZOO REGIONAL EDUCATIONAL  
SERVICES AGENCY

By: [Signature]

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

KALAMAZOO VALLEY COMMUNITY COLLEGE

By: [Signature]

Its: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

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APPENDIX 1

\$2,000,000  
Local Development Finance Authority of the City of Portage  
1990 Tax Increment Bonds

October 1, 2004

\$240,000

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APPENDIX 2

SUMMARY OF COLLECTION OF CAPTURED TAXES

<u>Year</u>	<u>Total Capture as of Previous Dec. 31st</u>
1992	\$ 93,562.00
1993	\$ 139,617.00
1994	\$ 501,911.00
1995	\$ 446,140.00
1996	\$ 554,403.00
1997	\$ 523,769.00
1998	\$ 499,425.00
1999	\$ 488,759.00
2000	\$ 551,331.00
2001	\$ 193,017.00
2002	\$ 372,141.00

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Appendix 2

Pfizer Inc. (Building 41):

A parcel of land situated in the Northeast quarter of Section 14 and the Northwest quarter of Section 13, T.3S., R.11W, City of Portage, County of Kalamazoo, Michigan being more particularly described as follows:

Commencing at the North Quarter post of Section 14, T.3S., R.11W., City of Portage, County of Kalamazoo, Michigan, said point also being the Place of Beginning; thence easterly, along the North line of said Section 14 and continuing along the North line of Section 13, 2653 feet; thence southerly, parallel with the North-South quarter line of said Section 14, 1100 feet; thence westerly, parallel with said North line of Section 14, 353 feet; thence southerly, parallel with said North-South line, 582 feet; thence westerly, parallel with said North line, 875 feet; thence northerly, parallel with said North-South quarter line, 382 feet; thence westerly, parallel with said North line, 675 feet; thence southerly, parallel with said North-South quarter line, 382 feet; thence westerly, parallel with said North line, 750 feet to a point on said North-South quarter line; thence northerly, along said North-South quarter line, 1682 feet to the Place of Beginning.

**SPECIFICS RELATED TO THE USE OF THE  
LOCAL DEVELOPMENT FINANCE AUTHORITY ACT  
IN CONNECTION WITH STRYKER CORPORATION AND PFIZER, INC.**

**STRYKER CORPORATION****PFIZER INC.****PROJECT DESCRIPTIONS**

- ① 4100 East Milham Avenue (R&D Addition)
  - \$25 million investment (\$18 million real/\$7 million personal)
  - Retain 800 employees with additional 100 new jobs.
- ② 6150 Sprinkle Road (New Product Component Building Manufacturing Facility)
  - \$6.15 million investment (\$3 million real/\$3 million personal)
  - 50 new jobs.
- ③ 6300 Sprinkle Road (Renovation – Distribution Center)
  - \$3 million investment (real property)
  - Job estimate unknown at this time.
- ④ 8000 block of Sprinkle Road (New 400,000 Square Foot Medical Manufacturing Center)
  - \$33 million investment (\$24 real/\$9 million personal)
  - Retain 800 employees with additional 75+ new jobs.

**TOTAL ESTIMATED INVESTMENT = \$ 67 MILLION**  
**JOBS RETAINED = 1600+**  
**JOBS CREATED = 225+**

**PROJECT DESCRIPTIONS**7000 Portage Road

- ① Building #41 Upgrade – “stopper process” project.
  - \$15.7 million investment.
  - Job estimate unknown at this time.
- ② Building #41 Addition – “gel-foam” product and process.
  - \$14 million investment.
  - Job estimate unknown at this time.

**TOTAL ESTIMATED INVESTMENT = \$ 29.7 MILLION**  
**JOBS RETAINED = Unknown at this time**  
**JOBS CREATED = Unknown at this time**

**PROJECT INDUCEMENTS TO BE PROVIDED THROUGH THE LDFA**

▪ 80 acre land purchase	\$2,400,000
▪ Sprinkle Road widening, between East Centre Avenue and Zylman Avenue	1,010,000
▪ Sprinkle Road/Zylman and Sprinkle Road/East Milham Avenue access improvements	300,000
▪ Zylman Avenue street improvements	1,210,000
▪ Water main improvement	880,000
▪ Water and sewer facilities to serve Stryker	110,000

**TOTAL INDUCEMENT \$5,910,000 \***

**PROJECT INDUCEMENTS TO BE PROVIDED THROUGH THE LDFA**

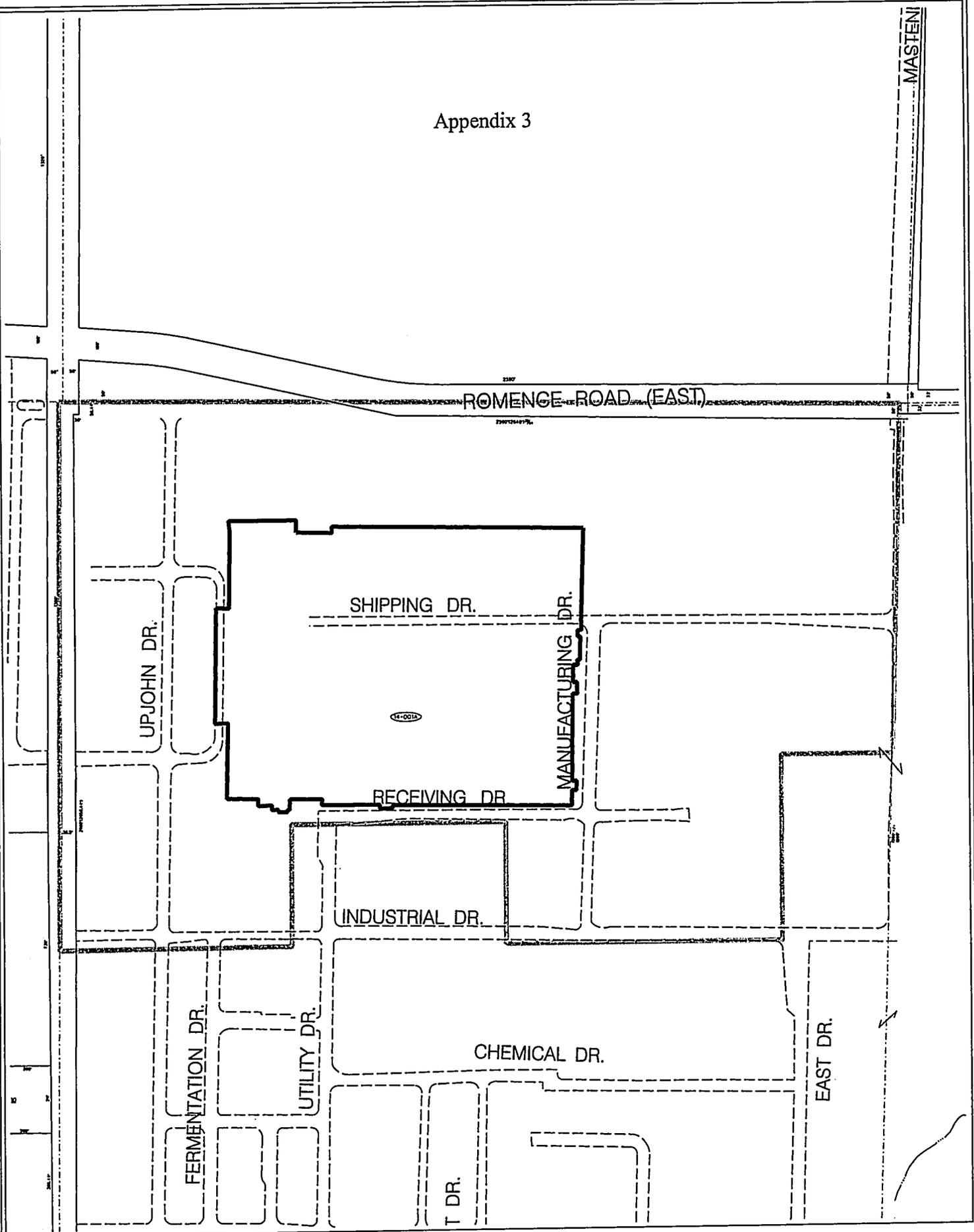
▪ Milham Avenue – Kalamazoo Battle Creek International Airport water main improvement	\$1,200,000
▪ Ramona Lane, Lovers Lane to Portage Road water main improvement	500,000
▪ Ramona Lane, Lovers Lane to Portage Road sanitary sewer improvement	990,000

**TOTAL INDUCEMENT \$2,690,000 \***

**SUMMARY OF BENEFITS TO KALAMAZOO COUNTY TAXING JURISDICTIONS FROM LDFA**

- Significant tax base growth in the industrial/manufacturing sector = \$100 million
- Industrial/manufacturing job retention at existing industries = 1600+
- New industrial/manufacturing job opportunities = 225+
- Existing tax revenue retained by all Kalamazoo County taxing jurisdictions
- Only new tax revenue – tax increment revenue – would be used to finance necessary public projects
- Tax increment revenue can only be used in accordance with an approved Development Plan and Tax Increment Finance Plan, developed, reviewed and approved per Act 281 of 1986
- Excess tax revenue not used to finance eligible public improvements and projects returned to respective taxing unit
- Spin-off economic impact throughout the area
- Public investment will support the potential future development of an additional 300+ acres of Pfizer, Inc. land

Appendix 3



PFIZER INC.  
BLDG. 41

**Sprinkle Road Industrial Corridor Properties**  
**2-070A Stryker 4100 Milham**

SEC 12-3-11 BEG AT N1/4 POST SEC 12, TH S 825 FT, TH E 348.48 FT, TH S 375 FT, TH E 196.52 FT, TH S 422.76 FT, TH E 560.44 FT, TH N 1627.27 FT TO N LI OF SEC 12, TH W ALG SD N LI 1105.5 FT TO P.O.B. 32.5 AC \*\*\*\* ALSO SEC 12-3-11 COM N1/4 POST SEC 12 TH S 825 FT ALG NS1/4 LI SD SEC TO PL OF BEG; TH E 348.48 FT TH S 125 FT TH W 348.48 FT TH N 125 FT TO PL OF BEG. EXC W 50 FT FOR HWY \*\*\*\* ALSO SEC 12-3-11 COM AT N 1/4 POST SEC 12 TH S 950. FT ALG NS 1/4 LI FOR PL OF BEG, TH E 174.24 FT TH S 250 FT TH W 174.24 FT TH N 250 FT TO PL OF BEG. EXC W 50 FT FOR HWY \*\*\*\* ALSO SEC 12-3-11 COM AT N 1/4 POST SEC 12 TH S 950. FT ALG NS 1/4 LI TH E 174.24 FT FOR PL OF BEG TH S 250 FT TH E 174.24 FT TH N 250 FT TH W 174.24 FT TO PL OF BEG.

**12-0810 Stryker 6255 Sprinkle**

SEC 12-3-11 BEG 1200 FT S OF N 1/4 POST SEC 12, TH E 545 FT, TH S 500 FT, TH W 545 FT, TH N 500 FT TO P.O.B, RES W 50 FT FOR HWY

**12-107A Stryker 6300 Sprinkle**

SEC 12-3-11 BEG AT A PT ON W LI SPRINKLE RD 50 FT W AND 1160.73 FT S OF N 1/4 POST SECTION 12, TH CONT S 800 FT, TH W 1242.69 FT TO E LI PENN RR ROW, TH N ALG SD ROW 800.05 FT, TH E PAR N LI SD SEC 1239.01 FT TO W LI SPRINKLE RD AND PL OF BEG \*\*\*\* ALSO SECTION 12-3-11 BEG AT N 1/4 POST SECTION 12, TH W ALG N LI SD SEC 409.50 FT, TH S 0 DEG 42 MIN W 633.77 FT, TH E 409.50 FT, TH N 0 DEG 42 MIN E 633.77 FT ALG N S 1/4 LI TO PL OF BEG. EXCEPT SPRINKLE RD & MILHAM AVE ROW \*\*\*\* ALSO SECTION 12-3-11 COM AT N 1/4 POST, TH S 633.77 FT FOR PL OF BEG, TH W 1221.05 FT, TH N 633.82 FT, TH W 66 FT, TH S ALG RR ROW 1160.78 FT, TH E 1087.04 FT, TH N 150 FT, TH E 134 FT TO W LI SPRINKLE ROAD, TH N ALG SD W LI 377 FT FOR PL OF BEG

**12-1050 Mann&Hummel 6400 Sprinkle**

SECTION 12-3-11 BEG AT A PT 50 FT W AND 1960.73 FT S OF N 1/4 POST SECTION 12, TH W 1242.69 FT TO E LI PENN RR ROW, TH S ALG SD RR ROW 695.34 FT MOL TO E W 1/4 LI, TH E 749.47 FT, TH N 175 FT, TH E 447.85 FT TO W LI SPRINKLE ROAD, TH N ALG SD W LI 521.47 FT MOL TO PL OF BEG.

**12-1100 Consumers Energy 6210 Sprinkle**

SEC 12-3-11 COM N1/4 POST SEC 12 TH S ALG NS1/4 LI 1010.73 FT FOR PL OF BEG TH W PAR N LI SD SEC 200 FT TH S PAR NS1/4 LI 150 FT TH E PAR N LI SD SEC 200 FT TO NS1/4 LI TH N ALG NS1/4 LI 150 FT TO PL OF BEG RES E 50 FT FOR HWY PURPOSES

**12-1060 Superior Business Forms 6490 Sprinkle**

SEC 12-3-11 BEG AT C 1/4 POST SEC 12 TH W 497.85 FT, TH N 175 FT, TH E 497.85 FT, TH S 175 FT TO P.O.B, RES E 50 FT FOR HWY

**12-100C Superior Business Forms 6500 Sprinkle**

SEC.12 T3S R11W  
 PART SW1/4 COM N0DEG 05'10"E 2492.81 FT FROM SE COR THEREOF N0DEG 05'10"E 155 FT S89DEG 27'07"W 497.85 FT S0DEG 05'10"W 155 FT N89DEG 27'07"E 497.85 FT TO BEG.

**12-100D City of Portage 6600 Sprinkle**

THE NORTH 789.6 FT OF THE E 1/2 OF THW SW 1/4 OF SEC 12, TWN 3 S, RANGE 11 W; EXCEPT THE SPRINKLE RD ROW; ALSO EXCEPT THE PAR THE SW 1/4 COMMENCING N 0 DEG 05'10" E 2494.81 FT FROM SE CORNER THEREOF N 0 05'10" E 155 FT, S 89 DEF 27'07" W W 497.85 FT, S 0 DEG 05'10" W 155 FT, N 89 DEG 27'07" E 497.85 FT TO BEGINNING; ALSO EXCEPT COMMENCING AT CENTER 1/4 POST OF SEC 12, THENCE S 789.60FT, THENCE N 38 FT THENCE E 639.70 FT THENCE S 84 DEG E 397.08 FT TO POINT OF BEGINNING AND FINALLY, EXCEPTHE W 49.5 FT TOTALING 19.23 ACRES

**12-100B MUELLER 6680 Sprinkle**

SECTION 12-3-11 BEG 849.61 FT S OF C 1/4 POST SEC 12, TH W 1299.58 FT, TH N 98 FT, TH E 639.70 FT, TH S 84 DEG E 397.08 FT, TH E 264.3 TO P.O.B.

**12-101B Mueller 6202 Sprinkle**

SECTION 12-3-11 COM AT S 1/4 POST SEC 12, TH N ALG N & S 1/4 LI 1798.02 FT AND W 406.28 FT TO P.O.B., TH S 2 DEG W 16.90 FT, TH S 85 DEG E 314.88 FT, TH NELY 28 FT, TH S 85 DEG E 91.43 FT TO N & S 1/4 LI OF SEC 12, TH S 66.16 FT, TH N 85 DEG W 95.02 FT, TH NELY 28 FT, TH N 85 DEG W 314.67 FT, TH S 2 DEG W 203.02 FT, TH N 88 DEG W 27 FT, TH S 1 DEG W 24.12 FT, TH S 88 DEG E 28.33 FT, TH S 2 DEG W 290.86 FT, TH W 639.48 FT, TH S 42 DEG W 355.92 FT, TO PENN RR ROW, TH N ALG S ROW 809.26 FT, TH E 893.30 FT TO P.O.B., RESV 25 FT PRIVATE EASEMENT ON E 406.28 FT EXC RD ROW FOR SPRINKLE RD

**12-010A Mueller 6700 Sprinkle**

SECTION 12-3-11 BEG AT A PT 1253.43 FT N OF S 1/4 POST SEC 12, TH CONT.N ALG N & S 1/4 LINE 544.59 FT, TH W 406.28 FT, TH S 2 DEG W 229.73 FT, TH N 88 DEG W 27 FT, TH S 1 DEG W 24.12 FT, TH S 88 DEG E 28.33 FT, TH S 2 DEG W 290.86 FT, TH E 425.12 FT TO P.O.B., EXC COM AT S 1/4 POST SEC 12, TH N 1798.02 FT, TH W 406.28 FT, TH S 2 DEG W 16.90 FT TO P.O.B., TH S 85 DEG E 314.88 FT, TH NELY 28 FT, TH S 50 DEG E 91.43 FT TO THE N & S 1/4 LI OF SEC 12, TH 66.16 FT, TH N 85 DEG W 95.02 FT, TH NELY 28 FT, TH N 85 DEG W 314.67 FT, TH N 2 DEG E 10.01 FT TO P.O.B., INC. 25 FT PRIVATE ROW DIRECTLY N OF SD PARCEL, EXC RD ROW FOR SPRINKLE RD

**12-1030 KALAMAZOO COUNTY 6800 SPRINKLE**

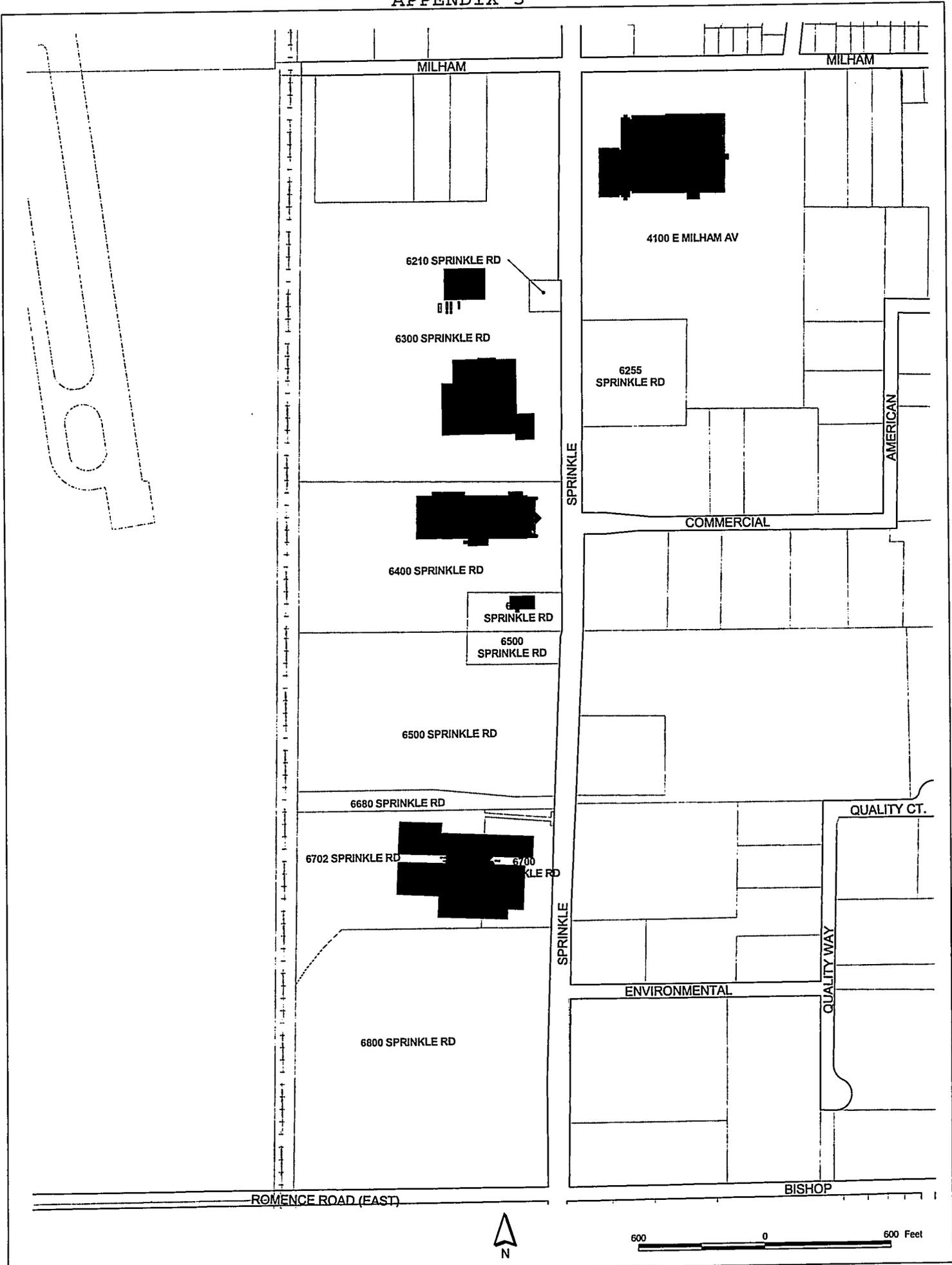
SEC 12-3-11 BEG AT S 1/4 POST SEC 12 TH N 1253.43 FT TH W 1064.60 FT, TH S 42 DEG 02 MIN 51 SEC W 355.92 FT TO E RR ROW LINE, TH S ALG SD LINE TO S LINE OF SEC 12, TH E ALG SD S LINE TO P.O.B, EXC HWY ROW.

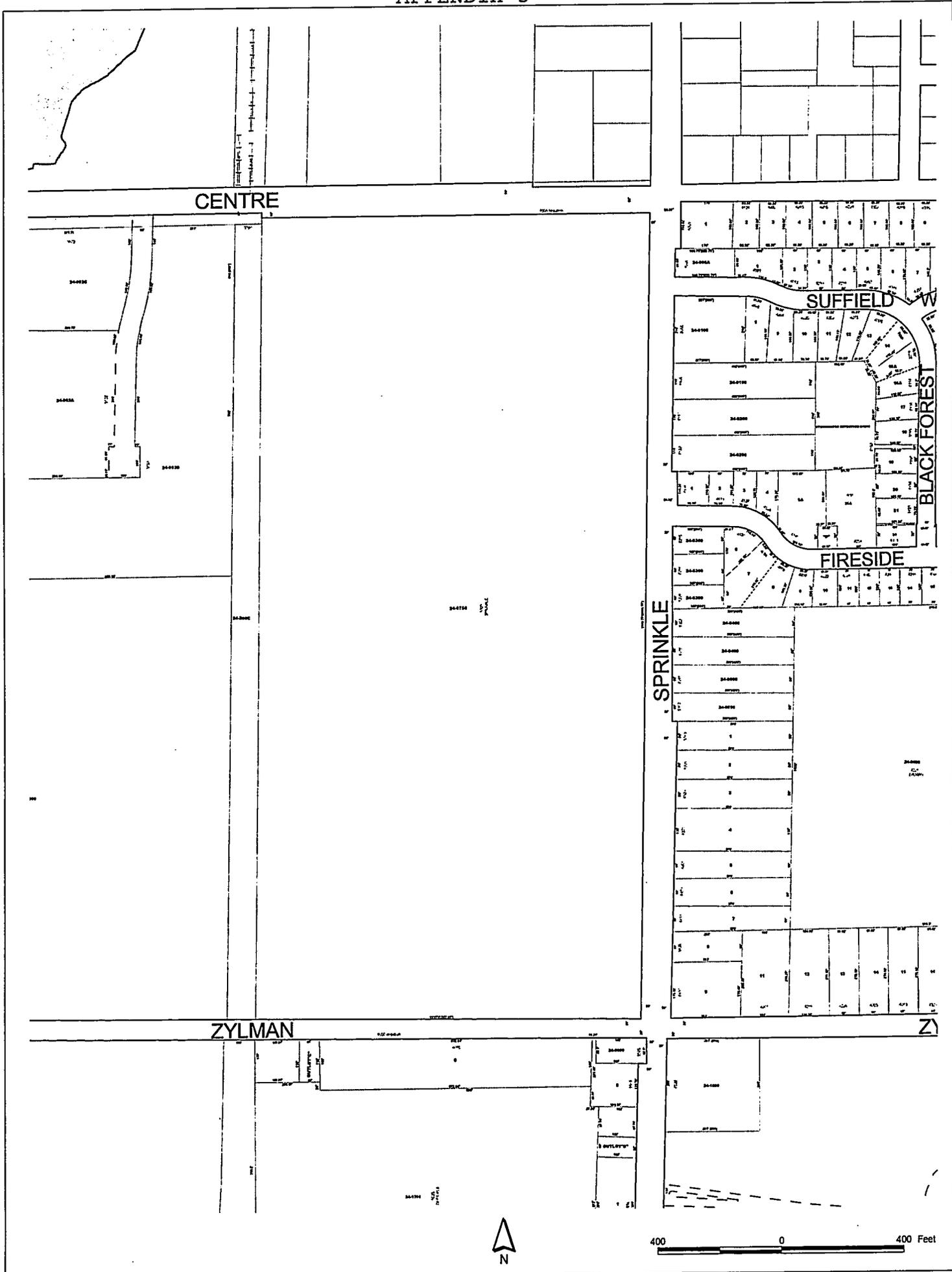
**24-075-O 8000 Sprinkle Rd - Pharmacia & Upjohn**

SEC 24-3-11 E1/2 NW1/4 SEC 24 EXC PENN RR ROW ALSO EXC E 50 FT AND N 50 FT FOR HWY

24-075-O C pfje TAXES old Road Prop  
Right of Way

APPENDIX 5



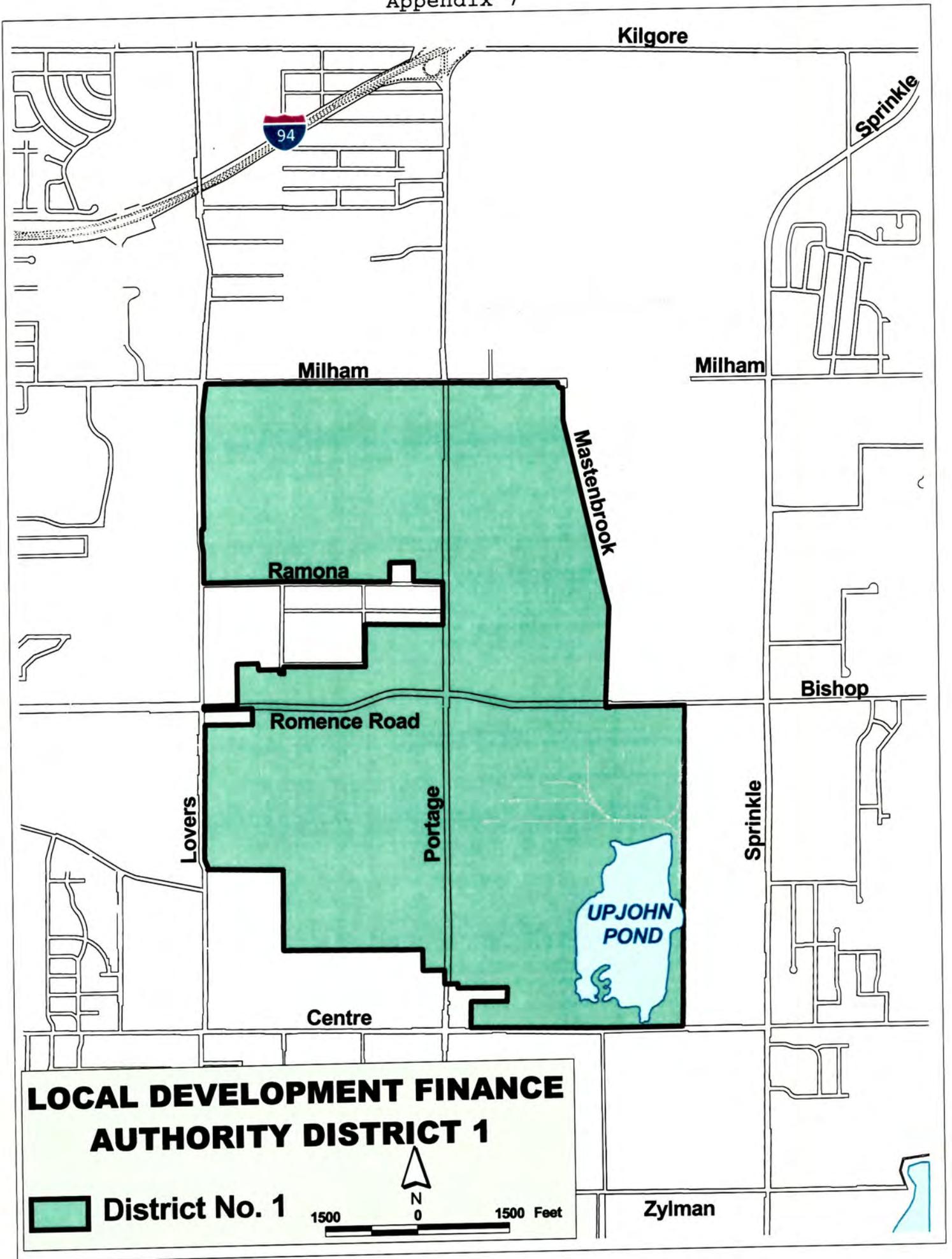


## Appendix 6

### L DFA District No. 1 (Legal Description/Boundaries)

The proposed L.D.F.A. District description for Upjohn involves lots 81 thru 84 plus the east 685 ft. of lots 85 thru 88, except the north 91 ft. of the east 360 ft of lot 88, also the south 507 ft. of vacated Gertrude Ave. within the plat of Portage Heights, also lots 28 thru 49 within the plat of Timberland Grove. Also unplatted land located within sections 10, 11, 13, 14 & 15.

Described as: Lands within the City of Portage described as commencing at the northeast corner of Section 10 thence south 33 ft. for place of beginning, thence westerly along the south line of East Milham Ave. 1247.22 ft. to the east line of Lovers Lane, thence southerly along said east line 3,234 ft. to the north line of Ramona Ave., thence easterly along said north line 3,019 ft. thence north 280.5 ft., thence east 396 ft., thence south 280.5 ft. to the north line of Ramona Ave., thence easterly along said north line 476 ft to the west line of Portage Rd., thence southerly along said west line 698 ft., thence westerly along the south line of Portage Heights #1 Plat 1,270 ft to the east line of Linneman Ave., thence southerly along said east line 700 ft to the south line of Kromdyke Ave., thence westerly along said south line 1,320 ft. to the east line of Gertrude Dr., thence south along said east line 120 ft., thence west 66 ft., thence north 74 ft., thence westerly 342 ft., thence north 91 ft., thence west 342 ft., thence south 673 ft., thence west 550 ft. to the east line of Lovers Lane, thence south along said east line 66 ft., thence east 800 ft, thence south 220 ft., thence west 800 ft. to the west line of Lovers Lane, thence south along said east line 2,385 ft. to the south line of the northeast 1/4 of Section 15, thence east along said south line 1,265 ft. to the west 1/4 Post of Section 14, thence south along west Section line, 1,320 ft., thence east 2,260 ft., thence south 330 ft., thence east 360 ft. to the west line of Portage Rd., thence south along said west line 210 ft., thence east 100 ft. to the east side of Portage Rd., thence east 125 ft., thence south 66 ft., thence east 792 ft., thence south 220 ft., thence west 578 ft., thence south 451 ft. to the north line of East Centre Ave., thence east along said north line 3,498 ft. to the west line of Conrail Railroad R.O.W., thence north along said west line 5,212 ft. to the south line of Bishop Rd., thence west along said south line 1,251 ft., thence south 17 ft., thence west 33 ft., thence north 100 ft. to the west line of Mastenbrook Dr., thence northerly along said west line approximately 5,312 ft. to the south line of East Milham Ave., thence westerly along said south line 4,569 ft. to the place of beginning. Except commencing at southwest corner of southeast 1/4 of southeast 1/4 of Section 14, thence north 264 ft. for beginning, thence north 36 ft., thence east 358.32 ft., thence south 36 ft., thence west 358.32 ft. to place of beginning.



**LOCAL DEVELOPMENT FINANCE  
AUTHORITY DISTRICT 1**



**District No. 1**

1500 0 1500 Feet



Zylman

## Appendix 8

### Parcel "A"

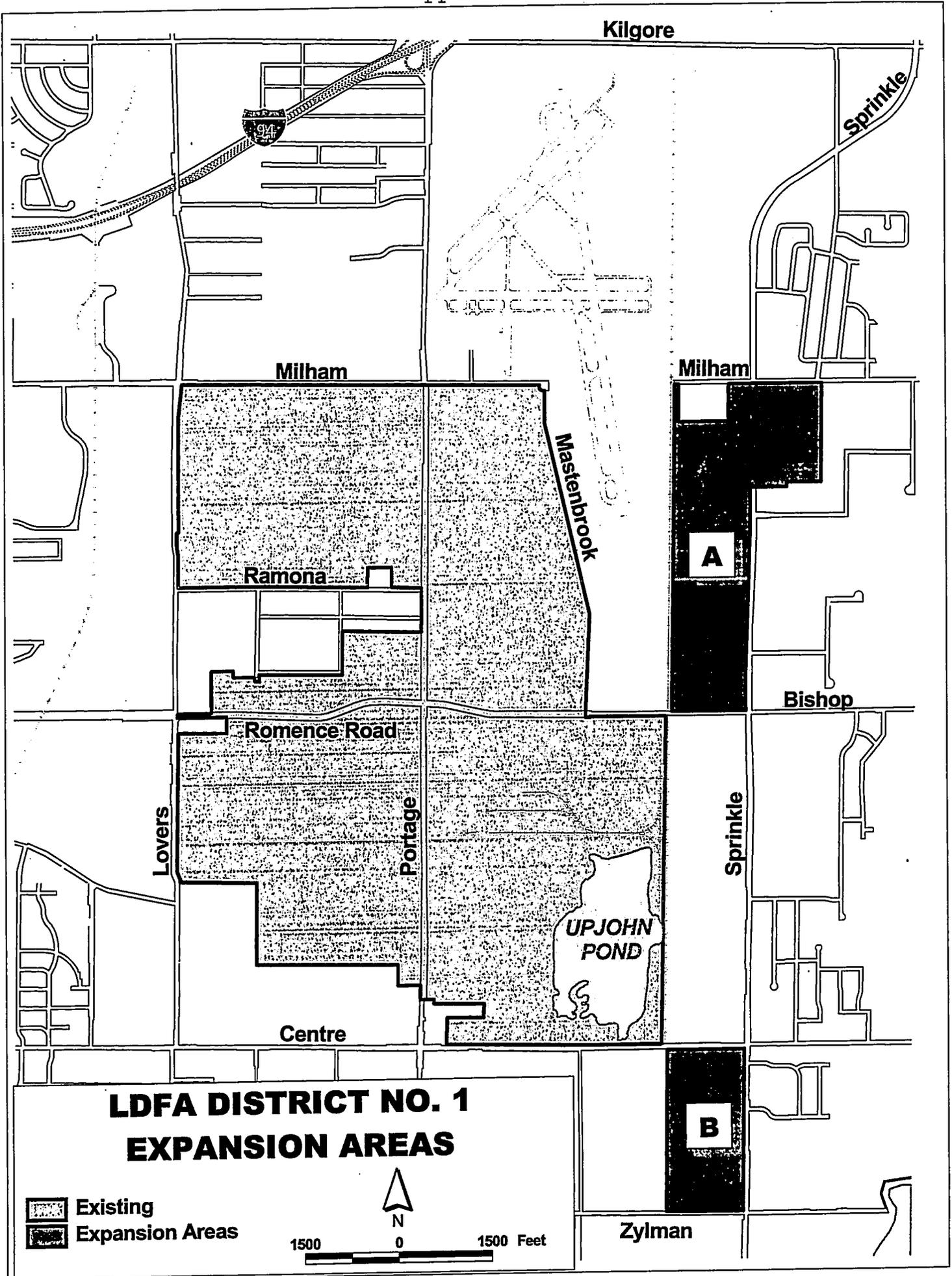
The proposed LDFA District expansion includes unplatted land in the City of Portage in section 12 described as:

Commencing at the north quarter post of section 12, thence south 33 feet, thence east 50 feet for the place of beginning, thence east along the south line of East Milham Avenue 1055.5 feet, thence south 1594.27 feet, thence west 560.5 feet, thence south 77.24 feet, thence west 595 feet to the west line of South Sprinkle Road, thence southerly along the west line of South Sprinkle Road 3575 feet more or less to the north line of Romence Road East, thence west 1197.32 feet along the north line of Romence Road East to the east line of the railroad right of way, thence northerly along the east line of the railroad right of way 5235 feet more or less to the south line of East Milham Avenue, thence east 66 feet, thence south 633.82 feet, thence east 811.55, thence north 633.77 feet, thence east 525.5 feet to the place of beginning.

### Parcel "B"

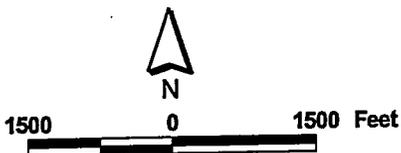
The proposed LDFA District expansion includes unplatted land in the City of Portage in section 24 described as:

Commencing at the north quarter post of section 24, thence south 50 feet, thence west 50 feet for place of beginning, thence south along west line of South Sprinkle Road 2583.77 feet to the north line of Zylman Avenue, thence west along the north line of Zylman Avenue 1237 feet to the east line of the abandoned railroad right of way, thence north on the east line of the abandoned railroad right of way 2583.77 to the south line of East Centre Avenue, thence east along the south line of East Centre Avenue 1237 feet to the place of beginning.



# LDFA DISTRICT NO. 1 EXPANSION AREAS

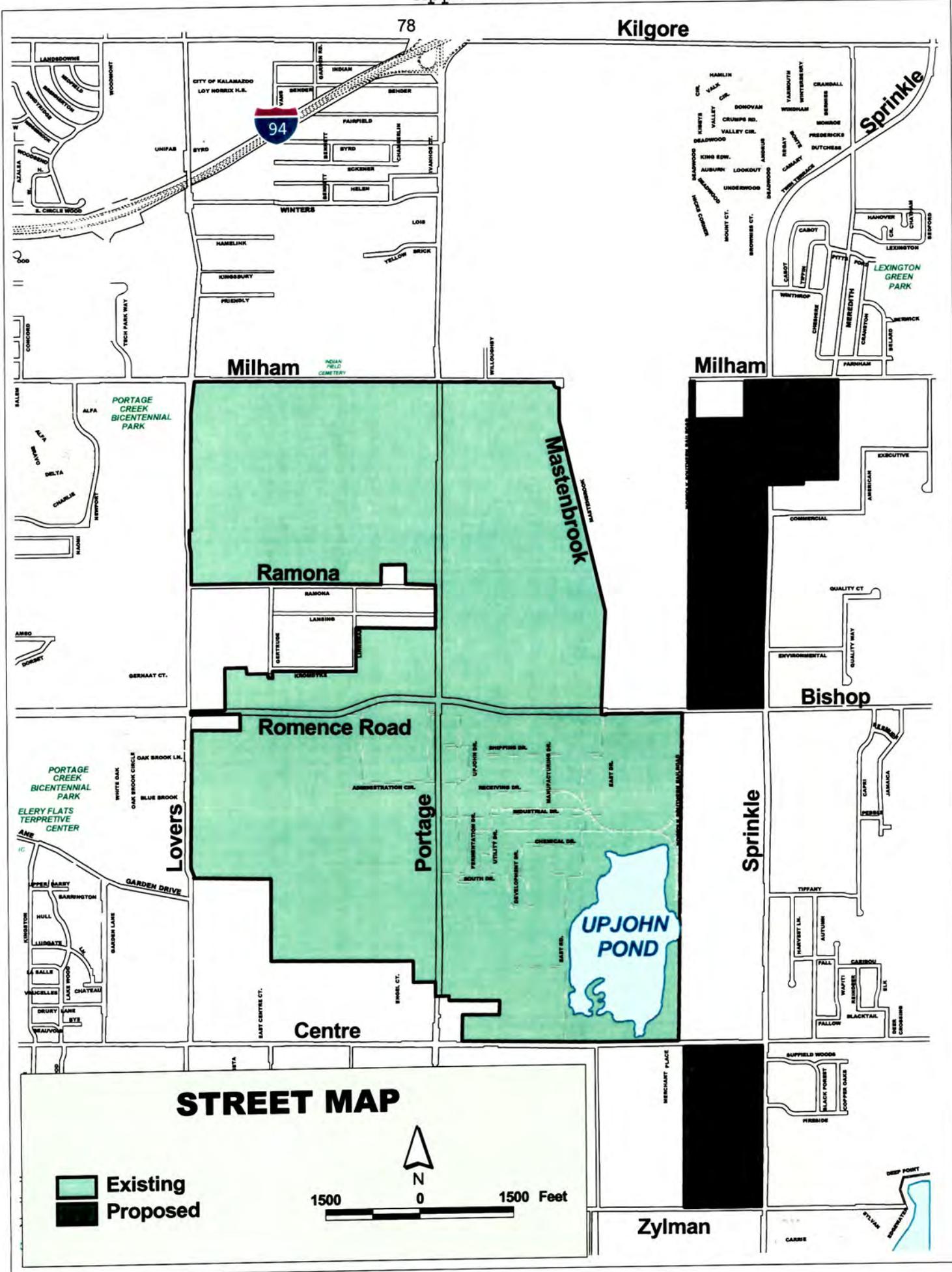
-  Existing
-  Expansion Areas



Zylman

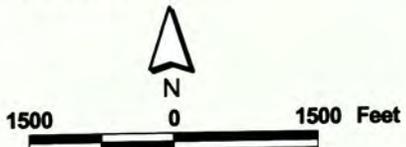
78

Kilgore



# STREET MAP

- Existing
- Proposed



Zylman

Sprinkle

Bishop

Milham

Milham

Mastenbrook

Ramona

Romence Road

Portage

Lovers

Centre

Sprinkle

Lexington Green Park

Portage Creek Bicentennial Park

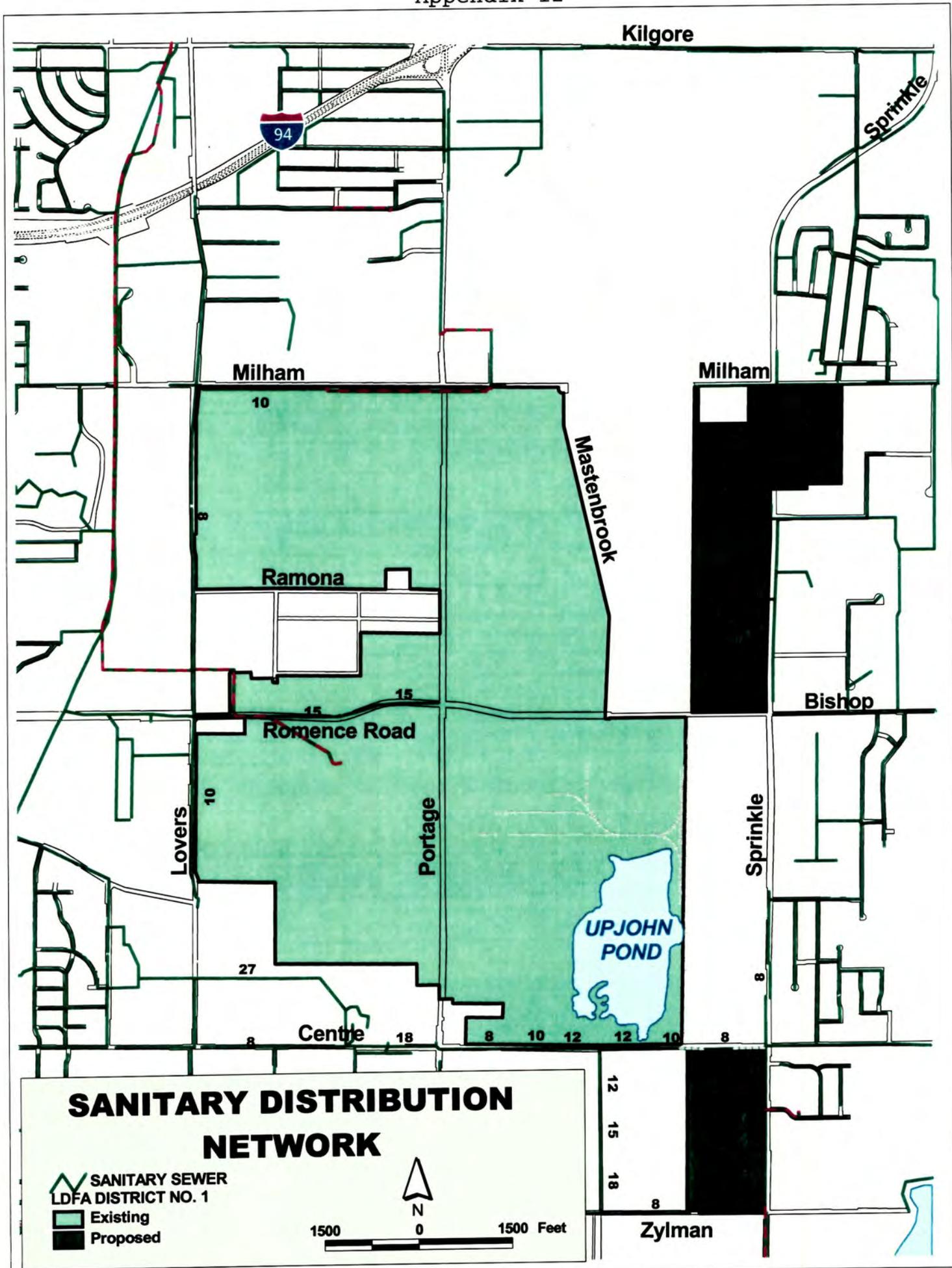
Elery Flats Interpretive Center

Merchant Place

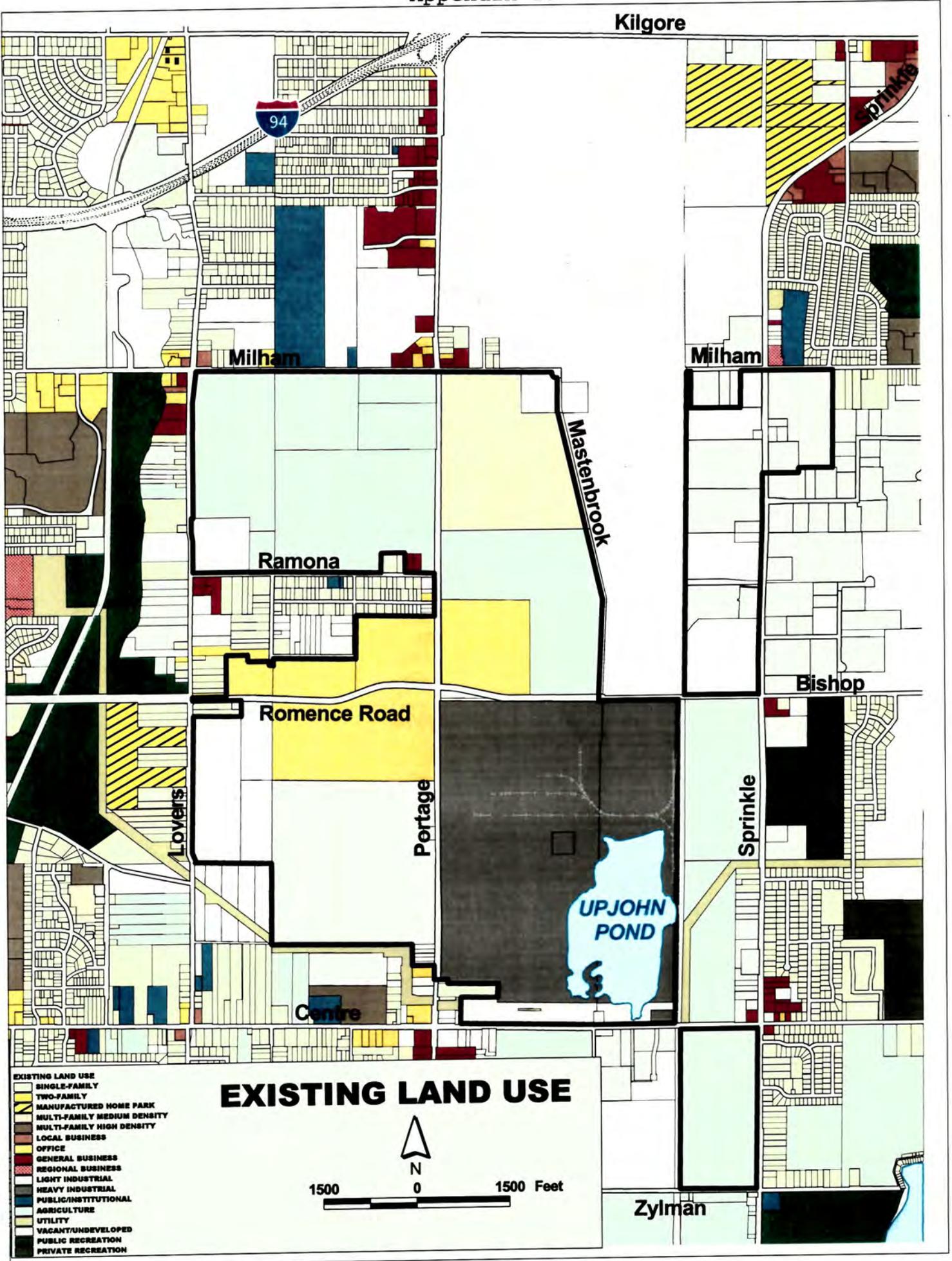
Supfield Woods

Deep Port

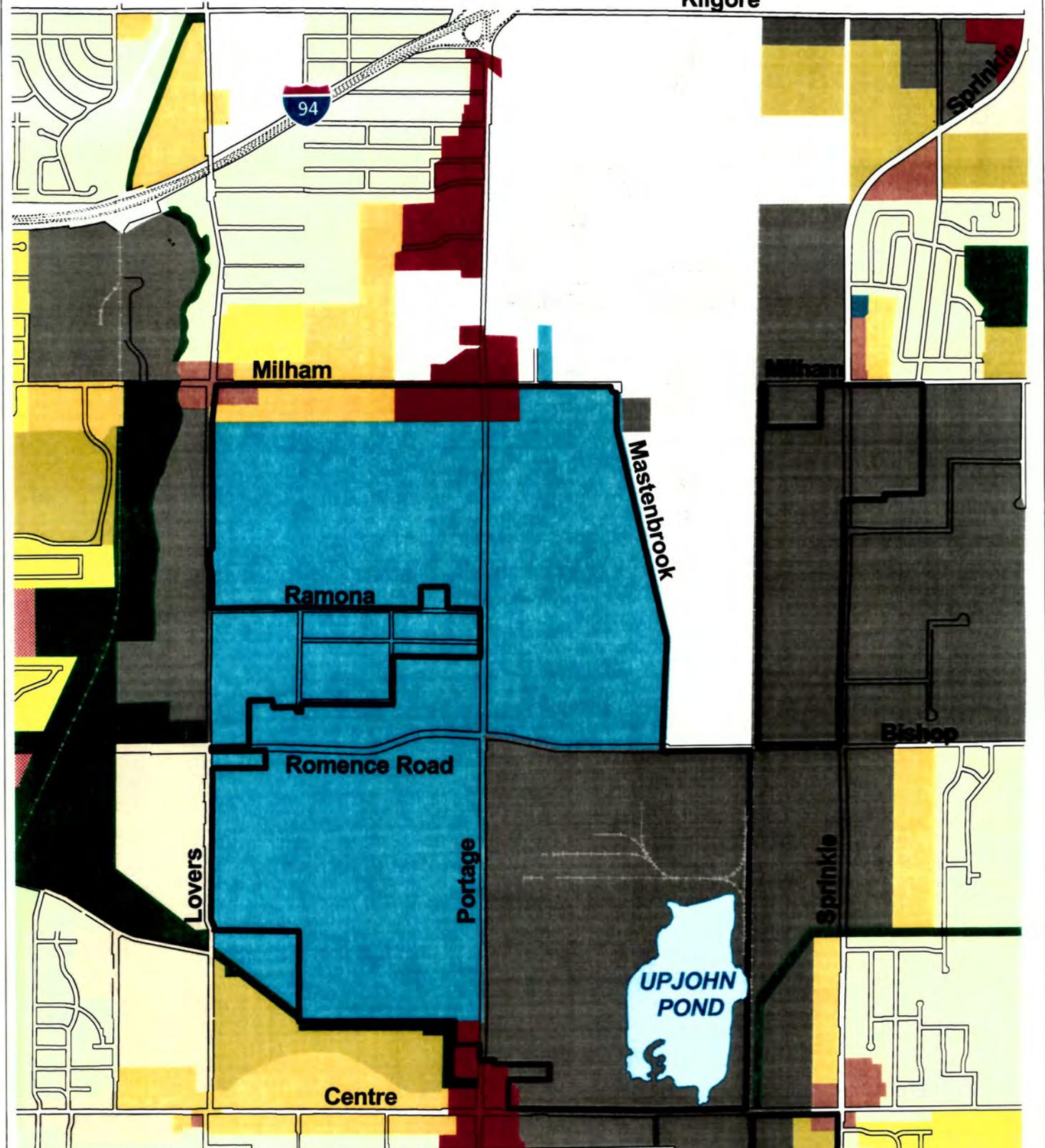




Kilgore



Kilgore



- FUTURE LAND USE**
- Low Density Residential
  - Medium Density Residential
  - High Density Residential
  - Single-Family Detached-Medium Density Residential
  - Medium Density Residential
  - Regional Business
  - General Business
  - General Industrial
  - Local Business
  - Office
  - Park
  - Public
  - Research, Development & Technology
  - City Centre
  - Shaver Road Business Corridor
  - Gourdneck State Game Area

**FUTURE LAND USE**



1500 0 1500 Feet



Zylman

UPJOHN POND

**APPENDIX 15**  
**City of Portage Estimated LDFA Capture**

<b>Year</b>	<b>Total Est. Total TV</b>	<b>KVCC 2.8139 mills</b>	<b>Kzoo County 6.1362 mills</b>	<b>PP Library 1.49 mills</b>	<b>Portage 10.1442 mills</b>	<b>Total Collections</b>
2006	\$ 22,970,500	\$ 64,637	\$ 140,952	\$ 34,226	\$ 233,017	\$ 472,832
2007	21,877,625	61,561	134,245	32,598	221,931	450,336
2008	21,231,016	59,742	130,278	31,634	215,372	437,026
2009	20,811,879	58,563	127,706	31,010	211,120	428,398
2010	20,510,925	57,716	125,859	30,561	208,067	422,203
2011	20,328,374	57,202	124,739	30,289	206,215	418,445
2012	25,191,945	70,888	154,583	37,536	255,552	518,559
2013	24,918,369	70,118	152,904	37,128	252,777	512,927
2014	24,435,378	68,759	149,940	36,409	247,877	502,985
2015	24,400,213	68,660	149,725	36,356	247,521	502,261
2016	24,156,118	67,973	148,227	35,993	245,044	497,237
2017	24,141,346	67,931	148,136	35,971	244,895	496,933
2018	41,923,309	117,968	257,250	62,466	425,278	862,962
2019	42,593,617	119,854	261,363	63,464	432,078	876,760
2020	42,410,158	119,338	260,237	63,191	430,217	872,983
2021	43,344,487	121,967	265,970	64,583	439,695	892,216
2022	44,302,174	124,662	271,847	66,010	449,410	911,929
2023	45,283,803	127,424	277,870	67,473	459,368	932,135
2024	46,289,973	130,255	284,045	68,972	469,575	952,847
2025	47,321,297	133,157	290,373	70,509	480,037	974,076
2026	48,378,405	136,132	296,860	72,084	490,760	995,836
2027	49,461,940	139,181	303,508	73,698	501,752	1,018,139
2028	50,572,563	142,306	310,323	75,353	513,018	1,041,001
2029	51,710,953	145,509	317,309	77,049	524,566	1,064,434
2030	52,877,801	148,793	324,469	78,788	536,403	1,088,453

**\$2,845,000**  
**Local Development Finance Authority of the City of Portage**  
**2004 Tax Increment Bonds**  
**(TAXABLE)**

**ESTIMATED DEBT SERVICE SCHEDULE**

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Annual Total</u>
01/01/05			\$67,028.33	\$67,028.33	
07/01/05			100,542.50	100,542.50	\$167,570.83
01/01/06			100,542.50	100,542.50	
07/01/06			100,542.50	100,542.50	201,085.00
01/01/07			100,542.50	100,542.50	
07/01/07			100,542.50	100,542.50	201,085.00
01/01/08	\$40,000.00	5.25%	100,542.50	140,542.50	
07/01/08			99,492.50	99,492.50	240,035.00
01/01/09	40,000.00	5.35%	99,492.50	139,492.50	
07/01/09			98,422.50	98,422.50	237,915.00
01/01/10	40,000.00	5.45%	98,422.50	138,422.50	
07/01/10			97,332.50	97,332.50	235,755.00
01/01/11	40,000.00	5.80%	97,332.50	137,332.50	
07/01/11			96,172.50	96,172.50	233,505.00
01/01/12	40,000.00	6.05%	96,172.50	136,172.50	
07/01/12			94,962.50	94,962.50	231,135.00
01/01/13	40,000.00	6.25%	94,962.50	134,962.50	
07/01/13			93,712.50	93,712.50	228,675.00
01/01/14	40,000.00	6.35%	93,712.50	133,712.50	
07/01/14			92,442.50	92,442.50	226,155.00
01/01/15	40,000.00	6.45%	92,442.50	132,442.50	
07/01/15			91,152.50	91,152.50	223,595.00
01/01/16	40,000.00	6.55%	91,152.50	131,152.50	
07/01/16			89,842.50	89,842.50	220,995.00
01/01/17	40,000.00	6.70%	89,842.50	129,842.50	
07/01/17			88,502.50	88,502.50	218,345.00
01/01/18	100,000.00	6.80%	88,502.50	188,502.50	
07/01/18			85,102.50	85,102.50	273,605.00
01/01/19	145,000.00	6.90%	85,102.50	230,102.50	
07/01/19			80,100.00	80,100.00	310,202.50
01/01/20	200,000.00	7.00%	80,100.00	280,100.00	
07/01/20			73,100.00	73,100.00	353,200.00
01/01/21	200,000.00	7.10%	73,100.00	273,100.00	
07/01/21			66,000.00	66,000.00	339,100.00
01/01/22	200,000.00	7.15%	66,000.00	266,000.00	
07/01/22			58,850.00	58,850.00	324,850.00
01/01/23	200,000.00	7.20%	58,850.00	258,850.00	
07/01/23			51,650.00	51,650.00	310,500.00
01/01/24	200,000.00	7.25%	51,650.00	251,650.00	
07/01/24			44,400.00	44,400.00	296,050.00
01/01/25	200,000.00	7.35%	44,400.00	244,400.00	
07/01/25			37,050.00	37,050.00	281,450.00
01/01/26	200,000.00	7.35%	37,050.00	237,050.00	
07/01/26			29,700.00	29,700.00	266,750.00
01/01/27	200,000.00	7.40%	29,700.00	229,700.00	
07/01/27			22,300.00	22,300.00	252,000.00
01/01/28	200,000.00	7.40%	22,300.00	222,300.00	
07/01/28			14,900.00	14,900.00	237,200.00
01/01/29	200,000.00	7.45%	14,900.00	214,900.00	
07/01/29			7,450.00	7,450.00	222,350.00
01/01/30	200,000.00	7.45%	7,450.00	207,450.00	207,450.00

\$2,845,000.00

\$3,695,558.33

\$6,540,558.33

\$6,540,558.33

Interest Start Date (Dated Date): 09/01/04

Appendix 16, page 2

**\$110,000**  
**City of Portage**  
**2004 Public Utility (Sewer and Water) Revenue Bonds**

ESTIMATED DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total Debt Service	Annual Total
01/01/05			\$1,586.67	\$1,586.67	
07/01/05	\$5,000.00	3.00%	2,380.00	7,380.00	\$8,966.67
01/01/06			2,305.00	2,305.00	
07/01/06	5,000.00	3.05%	2,305.00	7,305.00	9,610.00
01/01/07			2,228.75	2,228.75	
07/01/07	5,000.00	3.10%	2,228.75	7,228.75	9,457.50
01/01/08			2,151.25	2,151.25	
07/01/08	5,000.00	3.25%	2,151.25	7,151.25	9,302.50
01/01/09			2,070.00	2,070.00	
07/01/09	5,000.00	3.35%	2,070.00	7,070.00	9,140.00
01/01/10			1,986.25	1,986.25	
07/01/10	5,000.00	3.45%	1,986.25	6,986.25	8,972.50
01/01/11			1,900.00	1,900.00	
07/01/11	5,000.00	3.80%	1,900.00	6,900.00	8,800.00
01/01/12			1,805.00	1,805.00	
07/01/12	5,000.00	4.05%	1,805.00	6,805.00	8,610.00
01/01/13			1,703.75	1,703.75	
07/01/13	5,000.00	4.25%	1,703.75	6,703.75	8,407.50
01/01/14			1,597.50	1,597.50	
07/01/14	5,000.00	4.35%	1,597.50	6,597.50	8,195.00
01/01/15			1,488.75	1,488.75	
07/01/15	5,000.00	4.45%	1,488.75	6,488.75	7,977.50
01/01/16			1,377.50	1,377.50	
07/01/16	5,000.00	4.55%	1,377.50	6,377.50	7,755.00
01/01/17			1,263.75	1,263.75	
07/01/17	5,000.00	4.70%	1,263.75	6,263.75	7,527.50
01/01/18			1,146.25	1,146.25	
07/01/18	5,000.00	4.80%	1,146.25	6,146.25	7,292.50
01/01/19			1,026.25	1,026.25	
07/01/19	5,000.00	4.90%	1,026.25	6,026.25	7,052.50
01/01/20			903.75	903.75	
07/01/20	5,000.00	5.00%	903.75	5,903.75	6,807.50
01/01/21			778.75	778.75	
07/01/21	5,000.00	5.10%	778.75	5,778.75	6,557.50
01/01/22			651.25	651.25	
07/01/22	5,000.00	5.15%	651.25	5,651.25	6,302.50
01/01/23			522.50	522.50	
07/01/23	10,000.00	5.20%	522.50	10,522.50	11,045.00
01/01/24			262.50	262.50	
07/01/24	10,000.00	5.25%	262.50	10,262.50	10,525.00
<b><u>\$110,000.00</u></b>			<b><u>\$58,304.17</u></b>	<b><u>\$168,304.17</u></b>	<b><u>\$168,304.17</u></b>

Interest Start Date (Dated Date): 09/01/04

**\$2,535,000**  
**Local Development Finance Authority of the City of Portage**  
**2005 Tax Increment Bonds**  
**(TAX-EXEMPT)**

ESTIMATED DEBT SERVICE SCHEDULE

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Annual Total</u>
01/01/06			\$41,189.17	\$41,189.17	
07/01/06			61,783.75	61,783.75	\$102,972.92
01/01/07			61,783.75	61,783.75	
07/01/07			61,783.75	61,783.75	123,567.50
01/01/08			61,783.75	61,783.75	
07/01/08			61,783.75	61,783.75	123,567.50
01/01/09	\$25,000.00	3.35%	61,783.75	86,783.75	
07/01/09			61,365.00	61,365.00	148,148.75
01/01/10	25,000.00	3.45%	61,365.00	86,365.00	
07/01/10			60,933.75	60,933.75	147,298.75
01/01/11	110,000.00	3.80%	60,933.75	170,933.75	
07/01/11			58,843.75	58,843.75	229,777.50
01/01/12	125,000.00	4.05%	58,843.75	183,843.75	
07/01/12			56,312.50	56,312.50	240,156.25
01/01/13	125,000.00	4.25%	56,312.50	181,312.50	
07/01/13			53,656.25	53,656.25	234,968.75
01/01/14	125,000.00	4.35%	53,656.25	178,656.25	
07/01/14			50,937.50	50,937.50	229,593.75
01/01/15	125,000.00	4.45%	50,937.50	175,937.50	
07/01/15			48,156.25	48,156.25	224,093.75
01/01/16	125,000.00	4.55%	48,156.25	173,156.25	
07/01/16			45,312.50	45,312.50	218,468.75
01/01/17	125,000.00	4.70%	45,312.50	170,312.50	
07/01/17			42,375.00	42,375.00	212,687.50
01/01/18	125,000.00	4.80%	42,375.00	167,375.00	
07/01/18			39,375.00	39,375.00	206,750.00
01/01/19	125,000.00	4.90%	39,375.00	164,375.00	
07/01/19			36,312.50	36,312.50	200,687.50
01/01/20	125,000.00	5.00%	36,312.50	161,312.50	
07/01/20			33,187.50	33,187.50	194,500.00
01/01/21	125,000.00	5.10%	33,187.50	158,187.50	
07/01/21			30,000.00	30,000.00	188,187.50
01/01/22	125,000.00	5.15%	30,000.00	155,000.00	
07/01/22			26,781.25	26,781.25	181,781.25
01/01/23	125,000.00	5.20%	26,781.25	151,781.25	
07/01/23			23,531.25	23,531.25	175,312.50
01/01/24	125,000.00	5.25%	23,531.25	148,531.25	
07/01/24			20,250.00	20,250.00	168,781.25
01/01/25	125,000.00	5.35%	20,250.00	145,250.00	
07/01/25			16,906.25	16,906.25	162,156.25
01/01/26	125,000.00	5.35%	16,906.25	141,906.25	
07/01/26			13,562.50	13,562.50	155,468.75
01/01/27	125,000.00	5.40%	13,562.50	138,562.50	
07/01/27			10,187.50	10,187.50	148,750.00
01/01/28	125,000.00	5.40%	10,187.50	135,187.50	
07/01/28			6,812.50	6,812.50	142,000.00
01/01/29	125,000.00	5.45%	6,812.50	131,812.50	
07/01/29			3,406.25	3,406.25	135,218.75
01/01/30	125,000.00	5.45%	3,406.25	128,406.25	128,406.25

\$2,535,000.00

\$1,888,301.67

\$4,423,301.67

\$4,423,301.67

Interest Start Date (Dated Date): 09/01/05

**\$2,575,000**  
**City of Portage**  
**Capital Improvement Bonds, Series 2006**  
**(TAX-EXEMPT)**

**ESTIMATED DEBT SERVICE SCHEDULE**

<u>Date</u>	<u>Principal</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Annual Total*</u>
01/01/07			\$41,029.17	\$41,029.17	
07/01/07			61,543.75	61,543.75	\$102,572.92
01/01/08			61,543.75	61,543.75	
07/01/08			61,543.75	61,543.75	123,087.50
01/01/09			61,543.75	61,543.75	
07/01/09			61,543.75	61,543.75	123,087.50
01/01/10	\$50,000.00	3.45%	61,543.75	111,543.75	
07/01/10			60,681.25	60,681.25	172,225.00
01/01/11	50,000.00	3.80%	60,681.25	110,681.25	
07/01/11			59,731.25	59,731.25	170,412.50
01/01/12	50,000.00	4.05%	59,731.25	109,731.25	
07/01/12			58,718.75	58,718.75	168,450.00
01/01/13	125,000.00	4.25%	58,718.75	183,718.75	
07/01/13			56,062.50	56,062.50	239,781.25
01/01/14	200,000.00	4.35%	56,062.50	256,062.50	
07/01/14			51,712.50	51,712.50	307,775.00
01/01/15	200,000.00	4.45%	51,712.50	251,712.50	
07/01/15			47,262.50	47,262.50	298,975.00
01/01/16	200,000.00	4.55%	47,262.50	247,262.50	
07/01/16			42,712.50	42,712.50	289,975.00
01/01/17	200,000.00	4.70%	42,712.50	242,712.50	
07/01/17			38,012.50	38,012.50	280,725.00
01/01/18	200,000.00	4.80%	38,012.50	238,012.50	
07/01/18			33,212.50	33,212.50	271,225.00
01/01/19	200,000.00	4.90%	33,212.50	233,212.50	
07/01/19			28,312.50	28,312.50	261,525.00
01/01/20	200,000.00	5.00%	28,312.50	228,312.50	
07/01/20			23,312.50	23,312.50	251,625.00
01/01/21	200,000.00	5.10%	23,312.50	223,312.50	
07/01/21			18,212.50	18,212.50	241,525.00
01/01/22	200,000.00	5.15%	18,212.50	218,212.50	
07/01/22			13,062.50	13,062.50	231,275.00
01/01/23	250,000.00	5.20%	13,062.50	263,062.50	
07/01/23			6,562.50	6,562.50	269,625.00
01/01/24	250,000.00	5.25%	6,562.50	256,562.50	256,562.50
	<u>\$2,575,000.00</u>		<u>\$1,485,429.17</u>	<u>\$4,060,429.17</u>	<u>\$4,060,429.17</u>

\*The City of Portage will be reimbursed from LDFA Capture moneys as they become available.

Interest Start Date (Dated Date): 09/01/06

**\$1,235,000**  
**City of Portage**  
**2007 Public Utility (Sewer and Water) Revenue Bonds**  
**(TAX-EXEMPT)**

**ESTIMATED DEBT SERVICE SCHEDULE**

Date	Principal	Coupon	Interest	Total Debt Service	Annual Total*
01/01/08			\$20,955.00	\$20,955.00	
07/01/08			31,432.50	31,432.50	\$52,387.50
01/01/09			31,432.50	31,432.50	
07/01/09			31,432.50	31,432.50	62,865.00
01/01/10			31,432.50	31,432.50	
07/01/10			31,432.50	31,432.50	62,865.00
01/01/11	\$25,000.00	3.45%	31,432.50	56,432.50	
07/01/11			31,001.25	31,001.25	87,433.75
01/01/12	25,000.00	3.80%	31,001.25	56,001.25	
07/01/12			30,526.25	30,526.25	86,527.50
01/01/13	25,000.00	4.05%	30,526.25	55,526.25	
07/01/13			30,020.00	30,020.00	85,546.25
01/01/14	25,000.00	4.25%	30,020.00	55,020.00	
07/01/14			29,488.75	29,488.75	84,508.75
01/01/15	25,000.00	4.35%	29,488.75	54,488.75	
07/01/15			28,945.00	28,945.00	83,433.75
01/01/16	25,000.00	4.45%	28,945.00	53,945.00	
07/01/16			28,388.75	28,388.75	82,333.75
01/01/17	25,000.00	4.55%	28,388.75	53,388.75	
07/01/17			27,820.00	27,820.00	81,208.75
01/01/18	25,000.00	4.70%	27,820.00	52,820.00	
07/01/18			27,232.50	27,232.50	80,052.50
01/01/19	25,000.00	4.80%	27,232.50	52,232.50	
07/01/19			26,632.50	26,632.50	78,865.00
01/01/20	35,000.00	4.90%	26,632.50	61,632.50	
07/01/20			25,775.00	25,775.00	87,407.50
01/01/21	75,000.00	5.00%	25,775.00	100,775.00	
07/01/21			23,900.00	23,900.00	124,675.00
01/01/22	75,000.00	5.10%	23,900.00	98,900.00	
07/01/22			21,987.50	21,987.50	120,887.50
01/01/23	75,000.00	5.15%	21,987.50	96,987.50	
07/01/23			20,056.25	20,056.25	117,043.75
01/01/24	100,000.00	5.20%	20,056.25	120,056.25	
07/01/24			17,456.25	17,456.25	137,512.50
01/01/25	100,000.00	5.25%	17,456.25	117,456.25	
07/01/25			14,831.25	14,831.25	132,287.50
01/01/26	100,000.00	5.35%	14,831.25	114,831.25	
07/01/26			12,156.25	12,156.25	126,987.50
01/01/27	100,000.00	5.35%	12,156.25	112,156.25	
07/01/27			9,481.25	9,481.25	121,637.50
01/01/28	100,000.00	5.40%	9,481.25	109,481.25	
07/01/28			6,781.25	6,781.25	116,262.50
01/01/29	125,000.00	5.40%	6,781.25	131,781.25	
07/01/29			3,406.25	3,406.25	135,187.50
01/01/30	125,000.00	5.45%	3,406.25	128,406.25	128,406.25
			<u>\$1,041,322.50</u>	<u>\$2,276,322.50</u>	<u>\$2,276,322.50</u>

\*The City of Portage will be reimbursed from LDFA Capture moneys as they become available.

APPENDIX 17  
TOTAL ESTIMATED CAPTURED VALUE COMPARED TO DEBT SERVICE

Total Collections	Total 2006		Total 2007		Total 2005		Total 2004		Total 2003		Cumulative		L DFA's Repayments for City Loans*
	Capital Imp. Debt Service Following Year	Revenue Debt Service Following Year	Tax-Exempt Debt Service Following Year	2004 Revenue Debt Service Following Year	2004 Revenue Debt Service Following Year	2004 Taxable Debt Service Following Year	2004 Revenue Debt Service Following Year	2004 Taxable Debt Service Following Year	2003 Revenue Debt Service Following Year	2003 Taxable Debt Service Following Year	2003 Revenue Debt Service Following Year	2003 Taxable Debt Service Following Year	
\$ 472,832	\$ 102,572.92	\$ -	\$ -	\$ 18,576.67	\$ 201,085.00	\$ 27,029.58	\$ 27,029.58	\$ 27,029.58	\$ -	\$ -	\$ -	\$ -	-
450,336	123,087.50	52,387.50	123,567.50	9,457.50	240,035.00	(98,199.40)	(71,169.83)	(71,169.83)	-	-	-	-	-
437,026	123,087.50	62,865.00	149,146.75	9,302.50	237,915.00	(144,293.16)	(215,462.98)	(215,462.98)	-	-	-	-	-
428,398	172,225.00	62,865.00	147,298.75	9,140.00	235,755.00	(198,885.80)	(414,348.78)	(414,348.78)	-	-	-	-	-
422,203	170,412.50	87,433.75	229,777.50	8,972.50	233,505.00	(307,898.21)	(722,246.99)	(722,246.99)	-	-	-	-	-
418,445	169,450.00	86,527.50	240,156.25	8,800.00	231,135.00	(316,623.41)	(1,038,870.40)	(1,038,870.40)	-	-	-	-	-
418,559	239,781.25	85,546.25	234,968.75	8,610.00	228,675.00	(279,022.69)	(1,317,893.08)	(1,317,893.08)	-	-	-	-	-
512,927	307,775.00	84,508.75	229,593.75	8,407.50	226,155.00	(343,512.82)	(1,661,405.90)	(1,661,405.90)	-	-	-	-	-
502,985	299,975.00	83,433.75	224,093.75	8,195.00	223,895.00	(335,307.34)	(1,996,713.24)	(1,996,713.24)	-	-	-	-	-
502,261	289,975.00	82,333.75	218,468.75	7,977.50	220,995.00	(317,468.70)	(2,314,201.94)	(2,314,201.94)	-	-	-	-	-
497,237	280,725.00	81,208.75	212,687.50	7,755.00	218,345.00	(303,484.47)	(2,617,686.41)	(2,617,686.41)	-	-	-	-	-
496,933	274,225.00	80,052.50	206,750.00	7,527.50	213,805.00	(342,227.29)	(2,959,913.70)	(2,959,913.70)	-	-	-	-	-
862,982	261,525.00	78,865.00	200,687.50	7,292.50	310,202.50	4,389.48	(2,955,524.22)	(2,955,524.22)	4,389.48	4,389.48	4,389.48	4,389.48	4,389.48
876,760	251,625.00	87,407.50	194,500.00	7,052.50	353,200.00	(17,025.21)	(2,972,549.43)	(2,972,549.43)	-	-	-	-	-
872,983	241,525.00	124,675.00	188,187.50	6,807.50	339,100.00	(27,311.59)	(2,999,861.02)	(2,999,861.02)	-	-	-	-	-
892,216	231,275.00	120,887.50	181,781.25	6,557.50	324,850.00	26,864.66	(2,972,996.36)	(2,972,996.36)	26,864.66	26,864.66	26,864.66	26,864.66	26,864.66
911,929	269,625.00	117,043.75	175,312.50	6,302.50	310,500.00	33,145.48	(2,939,850.88)	(2,939,850.88)	33,145.48	33,145.48	33,145.48	33,145.48	33,145.48
932,135	256,562.50	137,512.50	168,781.25	11,045.00	296,050.00	62,164.14	(2,877,666.74)	(2,877,666.74)	62,164.14	62,164.14	62,164.14	62,164.14	62,164.14
952,847	256,562.50	132,287.50	162,156.25	10,525.00	281,450.00	366,427.94	(2,511,238.80)	(2,511,238.80)	366,427.94	366,427.94	366,427.94	366,427.94	366,427.94
974,076	256,562.50	126,987.50	155,468.75	10,525.00	266,750.00	424,869.53	(2,086,369.26)	(2,086,369.26)	424,869.53	424,869.53	424,869.53	424,869.53	424,869.53
995,836	256,562.50	121,637.50	148,750.00	10,525.00	252,000.00	473,448.10	(1,612,921.17)	(1,612,921.17)	473,448.10	473,448.10	473,448.10	473,448.10	473,448.10
1,018,139	256,562.50	116,262.50	142,000.00	10,525.00	237,200.00	522,676.91	(1,090,244.25)	(1,090,244.25)	522,676.91	522,676.91	522,676.91	522,676.91	522,676.91
1,041,001	256,562.50	135,187.50	135,218.75	10,525.00	222,350.00	549,244.57	(541,999.69)	(541,999.69)	549,244.57	549,244.57	549,244.57	549,244.57	549,244.57
1,064,434	256,562.50	128,406.25	128,406.25	10,525.00	207,450.00	1,088,452.53	1,146,624.10	1,146,624.10	600,171.26	600,171.26	600,171.26	600,171.26	600,171.26
1,088,453	256,562.50	128,406.25	128,406.25	10,525.00	207,450.00	1,088,452.53	1,146,624.10	1,146,624.10	1,088,452.53	1,088,452.53	1,088,452.53	1,088,452.53	1,088,452.53

\* LDFA generated revenue is not sufficient in the early years (2007-2020) to complete all projects necessary. The City of Portage, then, will use its various funding capacity through its capital improvement fund, water and sewer revenue bonds to facilitate completion of projects and cover the funding deficiency. The city will be reimbursed in full for these loans/advances per Public Act 281 of 1986, Section 7, and the agreement. The total advances by the City of Portage include debt repayments which exceed revenues from the LDFA in any given year, interest on such advances and administrative, engineering, legal and planning costs incurred by the city in connection with the Plan. This total amount will be loaned to the LDFA by the city over the life of the Plan. Total reimbursements to the city for loans including interest thereon are estimated at \$4,150,874. No other amounts will be payable to the city except for the items described above.