



ADA TOWNSHIP

DOWNTOWN DEVELOPMENT AUTHORITY

DEVELOPMENT PLAN AND
TAX INCREMENT FINANCING PLAN

Approved by Ada Township Downtown Development Authority Board: March 23, 2009

Approved by Ada Township Board: May 11, 2009

**ADA TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN**

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EXHIBIT LIST

Exhibit

- A. Ordinance No. O-111008-1 (creating the Ada Township Downtown Development Authority), adopted November 10, 2008.
- B. Ordinance No. O-051109-1 approving this Development Plan and Tax Increment Financing Plan, adopted May 11, 2009
- C. Legal Description of Properties Included Within the Development District
- D. Map of Development District Boundary
- E. Map of Existing Land Use, Existing Streets, Public Land and Undeveloped Land.
- F. Map of Planned Future Land Use Within the Development District
- G. Map of Current Zoning Within the Development District
- H. Map Depicting Development Plan Public Improvements
- I. Schedule of the Initial Assessed Value of all real and personal property in the Development District as finally equalized in May of 2008.
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- K-1. Millage Rates Subject to Capture
- K-2. Tax Increment Revenue Projections
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SECTION I DEVELOPMENT PLAN

A. Creation of the Ada Township Downtown Development Authority and District

On November 10, 2008, the Ada Township Board adopted Ordinance No. O-11-10-08-1, which created the Ada Township Downtown Development Authority (the "Authority"). Ordinance No. O-11-10-08-1 is attached to this Plan as Exhibit A. The Authority was given all of the powers and duties prescribed for a Downtown Development Authority pursuant to Act 197 of the Public Acts of 1975, also known as the Downtown Development Authority Act, with the exception of the authority to levy an ad valorem tax on property located within the Development District, and with the exception of taking private property for public purposes.

On January 19, 2009, the Township Board approved the appointment of the Authority Board of Directors. The Board has since held monthly meetings, with its initial efforts focused on organizational matters, as well as the preparation and adoption of this Plan.

On February 9 and February 23, 2009, the Township Board approved the appointment of 9 members to a Development Area Citizens Council, which is comprised entirely of persons whose residence is located within the Development District. In accordance with Act 197, the Citizens Council is charged with advising the Authority Board and the Township Board on the development and implementation of this Development Plan and Tax Increment Financing Plan. The Citizens Council has since held two meetings at which it reviewed the draft Plan, and prepared formal comments to the Authority Board and Township Board.

On May 11, 2009, the Township Board adopted Ordinance No. O-051109-1 approving this Plan, a copy of which ordinance is attached as Exhibit B.

The intent of Act 197 is to provide a means for municipalities to address property value deterioration and economic decline within downtown business districts. The Act authorizes the establishment of downtown development authorities and the use of tax increment financing to finance and encourage the revitalization of and economic growth within business districts. Act 197 specifically authorizes local units of government to establish a downtown development authority to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans and development areas in the districts; to promote the economic growth of the districts; to create a board and prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; and to provide for rule promulgation.

The primary tool available to local governments to revitalize their downtown business districts is tax increment financing. Through tax increment financing, a portion of the increase in the tax base resulting from the economic growth and development of facilities, structures or improvements within a development area is reinvested in the area and used for infrastructure improvements and facilities enhancement, thereby reinvigorating the development area and facilitating economic growth and development.

Act 197 seeks to accomplish its goals by providing local units of government with the necessary legal, monetary and organizational tools to eliminate property value deterioration and to promote economic growth through publicly initiated projects undertaken cooperatively with privately initiated projects.

B. History of the Ada Downtown Area and Development Plan Objectives

The Ada Township Downtown Development Authority Development District is legally described in Exhibit C and shown on the map attached as Exhibit D.

The Development District is comprised of predominantly commercial and industrial-zoned lands along the Fulton St. (M-21) corridor within Ada Township, as well as the historic, unincorporated traditional town center and adjacent residential neighborhood known as the Ada Village area.

The settlement and growth of the Village in the mid-1830's was tied to its strategic location at the confluence of the Grand and Thornapple Rivers. Even before the platting and settling of the Village, it had become a river transport-based fur trading center, thanks to the efforts of Rix Robinson, the first permanent, non-native settler in Kent County. The rivers also brought commerce to the Village in the form of the massive quantities of timber that were floated in rafts down the Grand River, along with their accompanying crews of "river rats." The rich soil in the river floodplain attracted rural settlement of the area surrounding the Village and a modest agricultural economy.

The growth of resident population and commerce in the Village did not occur in earnest until the 1850's, with the construction of a new bridge over the Grand River, the laying of the railroad line through the Village with its local depot, and the clearing up of legal encumbrances that had interfered with obtaining clear title to land in the Village for a number of years.

After its mid-19th century growth spurt, the Village didn't change much, and its size and appearance today are not significantly different than at the turn of the 20th century. The Village was and has remained a small "satellite" community to the regional economic center in downtown Grand Rapids.

Conditions did change significantly, however, on the highway corridor that runs adjacent to the Village. In the 1950's, Fulton St. (M-21) was widened from a 2-lane road to a 4-lane highway with a wide median. The Fulton St. bridge over the Grand River was also re-located from its former location near Honey Creek Ave. to its current location. The bridge relocation also required re-routing of a portion of the Thornapple River channel and moving of its confluence with the Grand River to a point upstream of its original location. The highway widening and bridge re-location accommodated the rapid growth in auto ownership and use that followed World War II. It provided a faster and more convenient travel route between Ada Township and downtown Grand Rapids.

In the 1960's, the land adjacent to the widened highway and across the road from the Village became the corporate headquarters and manufacturing complex of the Amway Corporation. With well over 3,000 employees and nearly 3 million square feet of office, manufacturing and distribution floor space on its main campus, the Amway corporate complex, the traffic it generates and its employees have a significant impact on the economy, tax base and traffic patterns in the Development District and in the Township overall.

In the 1990's, Amway developed its Catalog Distribution Center on Spaulding Ave., south of Fulton St., with nearly 700,000 square feet of warehouse space and over 100,000 square feet of office space. In 2008, the 210-unit Stone Falls of Ada apartment complex began construction, immediately across the street from Amway's Catalog Distribution Center.

The balance of the Fulton St. corridor within the Development District retains a largely rural character. The corridor is one of the few major road corridors radiating out from the Grand Rapids urban center that has not become intensely-developed with commercial and retail uses in a distinctly linear, strip-like pattern. This is due in part to the topographic constraints along the north side of the highway corridor, and the presence of the rail line on the south side of the highway. However, it is also in part due to the deliberate, explicitly-stated and long-standing land use policies adopted by the Township, which

discourage retail development along the highway corridor, and express the Township's desire for the Ada Village area to be the primary center of retail and commercial services in the Township.

The relatively static conditions in the Village area led the Township in the early 1990's to prepare the "Ada Village Restoration Plan." Public improvements that were completed in the mid-1990's as recommended in this Plan included re-construction of Ada Drive and Thornapple River Dr. through the Village with new pavement, curb, gutter and sidewalk, with streetscape improvements that included brick paver sidewalks in the heart of the Village business district, decorative street lighting, irrigated planting beds along the sidewalk and street tree planting. The Township also completed re-construction of Bronson St. between Ada Drive and River St., with the addition of parking spaces adjacent to the street.

Extension of these improvements to include the portion of Bronson St. west of Ada Drive and to Headley St., as called for in the Village Restoration Plan, has not yet been accomplished.

In the summer of 2006, the Township undertook a more extensive, Township-wide planning process focusing on the Village area – the "Ada Village Design Charrette" process. This facilitated process engaged hundreds of citizens from the entire Township in a week-long design exercise for the Village. In this process, community members were engaged in defining the desired and valued physical characteristics of the Village, including both the public and private built environments, as well as the natural environment. The most negatively-perceived aspects of the Village were also identified. Based on the results of this exercise, a physical plan for the Village was developed that reinforces and builds upon the valued characteristics of the Village, and lessens or removes the negatively-perceived features. The basic structure of potential new zoning regulations for the Village was also developed, based on "form-based" coding principles that encourage desired urban form in new development and redevelopment. A draft form-based code for the Village commercial and residential areas is under development by the Planning Commission.

Physical conditions in the Village today remain largely the same as they were 10 years ago. The perception of the retail business sector is that there is not a sufficiently large enough base of complementary retail businesses to effectively attract clientele, and compete with other similar retail areas in the region, such as downtown Rockford and Gaslight Village in East Grand Rapids. There are a number of vacant commercial spaces in the Village, totaling 5,000-10,000 square feet of floor area. There are also several vacant sites in the Village with significant development potential, for either commercial, residential or mixed use development.

On the Fulton St. corridor, commercial/retail development is limited to the area between the Kulross Ave. and Grand River Dr. intersections. The Ada Hilltop Center is only partially built-out, and has had completed, but vacant office/retail space available for over two years. Within the entire Fulton St. corridor, there is currently 90,000 to 100,000 square feet of vacant floor space, in retail, office and industrial categories.

The Authority intends to improve retail and commercial areas located within the Development District through the improvements described in Section I.D., below, to stimulate economic growth, encourage redevelopment and private investment in existing buildings and businesses, and improve both vehicular and pedestrian access to businesses located within the Development District. This Development Plan and the accompanying Tax Increment Financing Plan (collectively, the "Plan") identify improvement needs and consider how those needs will be implemented and financed.

C. Land Use

1. Existing and Planned Land Use

A map of the Development District showing existing streets, existing land uses, public land and undeveloped land is shown in Exhibit E. Residential, commercial, industrial and public land uses and facilities are included. A map showing planned Future Land Use for the Development District is included in Exhibit F.

Existing use of land in the Development District covers a broad range, from the large manufacturing, distribution and office complexes of Amway Corporation on the north side of Fulton St. and on Spaulding Ave. to small, cottage-style homes on small lots in the Village residential area.

Spaulding Ave. Area:

At the west end of the Development District, the most significant land uses include the 210-unit Stone Falls of Ada apartment community, on the east side of Spaulding Ave, south of Fulton St., and Amway's Catalog Distribution Center, with over 600,000 square feet of floor area, on the west side of Spaulding Ave. A large, visually prominent use of land is the Consumers Energy electrical substation at the southeast corner of Fulton St. and Spaulding Ave. Other uses in this area include a small manufacturing facility, Perforated Tube, Inc., on the south side of Fulton St., at the west edge of the Development District, and an auto body repair shop on the north side of Fulton St. Significant vacant parcels include approximately 35 acres of industrial-zoned land southwest of Fulton St. and Spaulding Ave., and about 25 acres of land zoned "Rural Residential" on the north side of Fulton, east of Spaulding Ave.

Fulton St. Corridor:

The Development District includes all of the industrial-zoned land on the south side of Fulton St., between Alta Dale Ave. and Kulross Ave, as well as commercially-zoned land between Kulross Ave. and Grand River Dr. This area contains a mix of manufacturing/processing, distribution, heavy commercial and office uses. In addition to office uses, the corridor land uses include a specialty meat processing, packaging and sales business, a specialty metal forming facility, an offset printing business, several general contractors and construction trade contractors, a paper distribution company, a book publisher and wholesaler, a church congregation housed in a converted office building, two auto repair facilities and a lumber yard. There is also one single-family home located along the south side of the Fulton St. corridor. There are no retail businesses located in this industrially-zoned area.

Commercial uses located east of Kulross Ave. include a small grocery store at the Fulton St./Kulross Ave. intersection, and a variety of retail, office and restaurant uses in the Ada Hillside Center, on the north side of Fulton, west of Grand River Dr.

There is little vacant land in this part of the Development District. The approved design for the Ada Hillside Center calls for one additional building to be constructed. There is also infill development potential on the vacant land east of O'Brien's Market, on the south side of Fulton St. There is also potential for redevelopment of a number of the small, industrial-zoned parcels along the south side of Fulton St.

East Ada Area:

This part of the Development District includes the commercially-zoned parcels located east of the Fulton St. bridge over the Grand River, on Fulton St. and Pettis Ave. Land uses in this area include several office buildings, miscellaneous commercial/service businesses, a day care center, a self-service storage center,

an auto repair business and two eating and drinking establishments. A multi-tenant commercial center with some vacant space is located at the corner of Fulton St. and Pettis Ave.

On the south side of the Fulton St. bridge, adjacent to the Grand River, is approximately 5 acres of permanent open space land owned by Ada Township, most of which is located in the Grand River floodplain.

Ada Village Area and Amway:

Amway Corporation's world headquarters and manufacturing facilities are located on the north side of Fulton St., across from the historic Ada Village area, on approximately 300 acres of land adjacent to the Grand River. Land use in the Village includes a variety of businesses that serve the local area, including several banks, a credit union, several restaurants, a hardware store, gourmet market and coffee shop, dry cleaners, hair salons and barber shops, dental offices, florist, gas station/convenience stores and an auto repair facility.

There are also a number of specialty retail shops in the Village, including an art gallery, two pottery studios, several gift shops and a bicycle shop.

Public facilities in the Village include a post office, the Township government offices, a fire station and the Averill Historical Museum, which is owned by the Township and operated by the Ada Historical Society. One corner of the Ada Drive/Thornapple River Dr. intersection is occupied by an AT&T switching station.

There are approximately 35 single family homes located in the Village, on Ada Dr., Bronson St., Thornapple River Dr., Headley St., River St. and Teeple Ave. There are also a small number of dwelling units located on the upper floors of 2-story buildings on Ada Drive in the heart of the Village.

Open space uses include Leonard Field Park, owned and operated by Ada Township, a Michigan DNR public boat launch site on the Grand River, north of the Fulton St. bridge, and approximately 20 acres of natural floodplain land owned by Ada Township at the confluence of the Grand and Thornapple rivers.

There are several large vacant sites with significant development potential in the Village, including a 5-acre site on the south side of Fulton St., east of Ada Drive, and approximately 10 acres in an area bounded by the Thornapple River, Ada Drive and the railroad. There are also a few scattered vacant sites located within the Village. One other potential redevelopment site is the former Ada High School building on the east side of Ada Drive, south of the rail line. This former school building, now owned by Amway, is currently used as a rehearsal facility by the West Michigan Youth Ballet, a non-profit organization.

2. Existing and Proposed Zoning

Existing zoning is shown on the Current Zoning map, Exhibit G. At the time of the adoption of this Development Plan, the only zoning change contemplated within the Development District is the adoption of form-based zoning rules for the unincorporated Ada Village area, including the traditional town center area and adjacent residential neighborhood. A draft of proposed form-based zoning rules was prepared by the Planning Commission in 2008. The Commission has not yet completed a final draft of the proposed rules for consideration at a Planning Commission public hearing. It is anticipated that the process of adopting the form-based zoning regulations will be completed in 2009.

The proposed form-based zoning rules are intended to build upon and reinforce the desired characteristics of the built environment in the Village that were identified by the public in the 2006 Ada Village Design Charrette process. While the existing zoning rules currently applicable in the Village place great emphasis

on regulation of land uses, and less on building placement and form, the form-based zoning rules place less emphasis on regulation of uses, and greater emphasis on how the placement of buildings and the design of buildings relates to the public street frontage.

No zoning changes are contemplated or proposed for lands along the M-21 (Fulton St.) corridor, other than those lands adjacent to the Village core, along the south side of Fulton St., between the Grand River and Bronson St.

3. Proposed Changes in Street, Traffic Flow or Utilities.

The Development Plan includes several proposed changes to the street layout and traffic flow in the Development District, including the installation of two “roundabouts” to replace conventional 4-way intersections at specific locations in the Village, and extension of new street connections between Ada Drive and Fulton St. and between Headley St. and Fulton St. The construction of these new streets may also include placement of new public water, sanitary sewer and storm sewers within the public right-of-way.

These changes to the street network are intended to improve traffic flow and reduce vehicular and pedestrian conflicts, distribute traffic over a greater number of traffic routes, and increase facilities to encourage pedestrian and non-motorized access to and within the Development District.

The Authority may also undertake installation of new public water and sewer facilities to serve existing undeveloped parcels within the Development District that do not currently have access to these services. Extension of utility services to these parcels will facilitate and incentivize the development of these properties and thereby increase the property tax base within the Development District.

The proposed street and utility system improvements are identified on the Development Plan Map, Exhibit H, and are described in more detail in Section D., Description of Proposed Improvements.

4. Residential Uses and Number of Residents

Residential uses within the Development District consist of approximately 45 detached single-family residences adjacent to the Village center, as well as 210 multiple family dwelling units in 21 apartment buildings either completed or under construction on the east side of Spaulding Ave., south of Fulton St. (M-21). There are also approximately four residential living units located on the upper floors of a few of the 2-story commercial buildings in the Ada Village center.

At the time of the adoption of this Plan, it is estimated that there are approximately 150 persons residing within those dwellings within the Development District.

There is no plan to displace or relocate residents from the Development District as part of the Development Plan and as such, the Authority has not adopted a plan for establishing priority in the relocation of residents or costs associated with such relocation. If relocation is necessary during the term of this Plan, the Authority will amend the Plan to include those requirements set forth in Act 197, including the preparation of a plan for compliance with Act 227 of the Public Acts of Michigan of 1972, as amended.

D. Description of Proposed Improvements

The following is a description of the general improvements the Authority plans to undertake, with respect to the Development District. These improvements are graphically depicted on the Development Plan Map, attached as Exhibit H. It should be noted that most of the public improvements included in this Plan originated from the 2006 Ada Village Design Charrette. The proposed improvements and their relative timing and priorities are also based on input from the Development Area Citizens Council.

1. Expansion of Local Street Network / Street Re-Construction / Traffic Controls.

The Development Plan proposes to expand the local street network in the Ada Village area, to distribute traffic over a larger number of streets and provide greater connectivity in the street network. New streets proposed include a connection between Ada Drive and Fulton St., in front of the Thornapple Village Shopping Center, and a short street connection between Headley St. and Fulton St. The existing Ada Dr./Fulton St. intersection is planned to be re-configured and the traffic signal removed. A secondary street connection is also proposed between Thornapple River Dr. and Headley St., west of the Community Reformed Church. This connection could either be a public street or a private street.

Other proposed additions to the Village street network include 2 roundabouts, and new traffic signals at both of the new street intersections with Fulton St., which are aligned with major driveway entries to the Amway world headquarters complex.

Re-construction of Bronson St., between Ada Drive and Thornapple River Dr. is also proposed, to include curb/gutter and storm sewers, a sidewalk, decorative street lighting and landscaping. The proposed street cross-section includes one traffic lane in each direction, with a parallel parking lane on one side of the street.

Another area of needed traffic control measures is the Bronson St./Ada Drive intersection and the adjacent downhill section of Ada Drive into the Village. Measures are needed to calm traffic and reduce traffic speeds on the northbound, downhill section of Ada Drive leading to the intersection. Possible means of accomplishing this include making the intersection a 4-way stop-sign controlled intersection, lane narrowing of Ada Drive on the downhill segment, or other measures. Since addressing this need is not likely to involve a major capital expenditure, it is not identified in the schedule of public improvements contained in Table 1.

2. Pedestrian Access Improvements.

Proposed pedestrian access improvements in the District include construction of new sidewalks and reconstruction of existing sidewalks; construction of multi-use, non-motorized trails; construction of a pedestrian/bicycle bridge over the Thornapple River; and construction of pedestrian crossings on Fulton St. at the two proposed new street intersections.

Non-motorized trails proposed to be installed include the following:

- a trail along the Thornapple River between Thornapple River Drive and the Fulton St. bridge over the Grand River. This trail will pass underneath the planned replacement M-21 bridge, and connect to the dedicated pedestrian/bicycle lane that is planned on the north side of the new bridge. Planned construction of this trail is to occur so that it is completed at the time the new M-21 bridge over the Grand River is completed, which is expected in 2010.
- a pedestrian/bicycle bridge across the Thornapple River, located behind the Thornapple Village Shopping Center. This bridge is planned to connect to a Township-planned trail on the south side of the

Thornapple River, located just outside of the Development District boundary. This trail would extend from Thornapple River Dr., across from Leonard Field Park, to the Grand River Natural Area open space owned by Ada Township, upstream on the Grand River.

- a trail that would extend from the west end of the Covered Bridge south along the west bank of the Thornapple River, before heading west and connecting to Ada Drive. Construction of this trail is planned to occur and be coordinated with the development of adjacent land.
- a trail along Spaulding Ave., connecting between an existing trail at the corner of Spaulding Ave. and Clear Springs Dr., and extending north to Fulton St. and east on Fulton St. to Carl Drive. This trail would also connect to an existing trail that extends through the Stone Falls of Ada apartment development, and would provide access to the Township's non-motorized trail system for both Stone Falls residents and residents of the West Village development, located just outside of the Development District.

3. Parks and Civic Spaces

Design and construction of a new Township park is proposed, on land located between M-21 and Headley St. This site is currently privately-owned and used for several annual civic events by Ada Township, through a license agreement with the owner. It is anticipated that the site will be obtained and developed by Ada Township. The DDA may allocate funds to the Township to assist in the costs of developing this park, based on the expected economic benefits to the Development District.

4. Utility Improvements.

In conjunction with new development that is anticipated to occur within the Development District, there will be a need to extend public water and sewer system mains to provide service. The DDA may consider paying for some or all of these costs on a case-by-case basis, as a means of encouraging new investment and re-development in the District, and the incorporation of desired design features in new development and redevelopment.

5. Streetscape Improvements and Landscaping.

Installation of new and replacement of existing landscaping and irrigation; installation of street furniture, trash receptacles, decorative street lighting and directional signage at multiple locations in the Development District are included in the Development Plan.

Design, installation, construction and maintenance of "gateway" improvements at entrance points within the Development District are proposed, to provide a stronger identity and more attractive appearance to the major entrances to the Development District. Planned locations for these improvements are near the intersection of Fulton St. and Spaulding Ave., and near the Fulton St./Pettis Ave. intersection. Gateway improvements may include landscaping, signage and public art or sculpture. At the Spaulding Ave. "gateway," landscaping may be used to provide visual screening of the Consumers Energy electrical substation. Additional signage may include directory signs, identification of major public destinations within the Development District, lighting of such signage and landscaping associated with it; design and installation of other entry-point features to assist in identifying the Development District and to promote public awareness of the District as a destination for shopping and other commercial activity.

6. Site Acquisition and Redevelopment.

The Authority may participate with the Township to acquire real property for use as public park land or public open space land within the Development District, as described in Section D.3., above, or to acquire interests in land and/or easements for road right-of-way purposes or for the construction of publicly-accessible non-motorized trails. Other than the above, the Authority does not expect to acquire real property within the Development District for redevelopment purposes.

E. Disposal, Conveyance or Acquisition of Interests in Real Property

In accordance with Act 197, the Authority may acquire real property in furtherance of this Plan, however, consistent with Section 9 of Ordinance No. 11-10-08-1, which established the Authority, the Authority cannot acquire property by eminent domain. If the Authority acquires any real property in furtherance of this Plan, the Authority will do so by negotiated purchase, exchange or donation. However, at the time of adoption of this Plan and except as otherwise provided in Section D.3 and Section D.6 of this Plan, the Authority does not propose to either: (a) acquire from or convey to the Township any specific real property located within the Development District; or (b) lease, sell or convey any specific property to private entities or individuals.

In the event that the Authority determines that it is in the best interest of the Authority and/or the Township to dispose or convey interests in real property in the Development District in furtherance of the achievement of the purposes set forth in this Plan and Act 197, the Plan will be amended by the Authority in accordance with Act 197 and such amendment will set forth the means by which such property interests will be disposed of or conveyed and any bidding procedures to be used for the lease or sale of such property interests. If real property is to be acquired by the Authority in furtherance of this Plan and Act 197 other than through negotiated purchase, exchange or donation, the Plan will be amended to set forth the means by which the real property is to be acquired.

F. Development Cost Estimates and Financing.

The total cost of completing all activities, projects and improvements proposed by the Authority Development Plan as set forth in Section I.D. above and to be undertaken and financed by the Authority is estimated to be approximately \$5.57 million, which includes administrative expenses, reimbursement of preliminary costs incurred by the Township to establish the Authority, and contingencies. A breakdown of the estimated cost and estimated schedule for completion for each of those activities and projects is set forth in Table 1. Map reference numbers for each line item correspond to label numbers on the Development Plan Public Improvements Map, Exhibit H.

It should be noted that for several of the public improvements included in Table 1, such as the proposed public park/multi-use pavilion on Fulton St., the proposed “civic building,” and re-construction of Bronson St., the cost included in Table I is an assumed DDA share of a project which would likely be undertaken by another entity, such as Ada Township and/or the Kent County Road Commission or Michigan Department of Transportation. At this time, the extent, if any, of the DDA’s financial contribution to these projects is not known with certainty and will not be determined until more detailed information is available regarding (1) the scope and cost of the projects, and (2) the likely economic benefits that would result within the Development District from completion of the projects.

The Authority expects to finance the activities and projects set forth in the Development Plan including, but not limited to, the Authority’s operating and planning expenditures, and any Authority-related expenditures by the Township, from any one or more of the following sources:

- Future tax increment revenues

- Interest on investments
- Donations received by the Authority
- Proceeds from State and Federal Grants
- Proceeds from any property, building or facility that may be owned, leased, licensed, operated or sold by the Authority
- Special assessments as may be approved by the Township Board
- Proceeds of bonds issued by Ada Township
- Proceeds of bonds issued by the Authority, including revenue bonds or tax increment bonds

It is anticipated that the costs to prepare, adopt, and implement the Plan will be paid from tax increment revenues as received.

Projections of future tax increments revenues (including tax increment revenues paid to the Authority pursuant to tax sharing agreements with the various taxing jurisdictions) are contained in Section II of this Plan. In comparing these projected revenues to the total cost of planned public improvements as set forth in Table 1, it is clear, based upon the conservative assumptions underlying the projections, that tax increment revenues alone will generate only a portion of the total funds needed to implement this Plan, recognizing also that a portion of the tax increment revenues generated will be used to finance the ongoing operational costs of the Authority (including, but not limited to, staffing costs (either through direct employment or contracting for services), marketing and promotion of the District, and other costs of operation of the District), thereby reducing the amount of tax increment revenues available to finance planned public improvements.

The difference between projected tax increment revenues and estimated public improvement costs underscores the need for the Authority to establish partnerships with key property owners within the District and with other parties, including Ada Township, the Kent County Road Commission, Michigan Department of Transportation, public and private foundations, corporations and individuals, to provide supplemental sources of funding for various public improvement projects in the District. Efforts will also be needed to identify sources of State and Federal grant funds that can be used to “leverage” locally-generated funds for these projects.

The timeframe, estimated costs, prioritization of projects, and potential funding sources for the projects identified in Table 1 are all tentative at the time of adoption of this Plan and subject to revision by the Authority Board without further amendment to this Plan. The Authority Board reserves the right to modify the timeframe, estimated cost, prioritization and potential funding sources for those projects based upon various factors including, but not limited to, tax increment revenues, construction bids, new developments within the District, and other improvement projects by other governmental entities (i.e., the Township, County or Road Commission).

G. Other Planned Activities of the Authority

In addition to undertaking the public improvements identified in this Plan, the Authority may develop and carry out other programs, studies and projects, of a non-capital nature, for the overall improvement of the living conditions, business conditions and property tax base in the District. Among the programs of this type that the Authority may develop and implement are the following:

- studies of the existing retail market and potential growth of the retail market in the District.
- development and implementation of marketing, promotion and business recruitment plans for the District.
- studies of the market demand for various types of residential, commercial and industrial development in the District.

- organization, promotion and carrying out of special events in the District, with the goal of attracting customer traffic to the businesses within the District.
- operating and maintaining public facilities within the District, to include such functions as:
 - maintenance of parking space striping within on-street parking areas within the District.
 - removal of snow from public sidewalks within the District.
 - maintenance of landscaping and streetscape furnishings within the District.

The costs of these potential ongoing activities and programs of the Authority are unknown at this time, but will be included in the annual operating budget of the Authority.

H. Amendments to Plan

In accordance with Act 197, the Authority reserves the right to amend this Plan to add new improvement projects, extend the duration of the Plan, or for other lawful purposes. Any amendments to the Plan shall be approved by the Authority and the Township Board in accordance with the requirements of Act 197.

ADA TOWNSHIP DOWNTOWN DEVELOPMENT AUTHORITY
TABLE 1 - DEVELOPMENT PLAN PUBLIC IMPROVEMENTS
 May 11, 2009

Public Improvements	Map Label No.	Timeframe	Quantity	Units	Unit Cost	Estimated Cost	Potential Funding Sources
Street Network Expansion and Improvements							
Bronson Street Re-construction, with curb/gutter/storm sewer, sidewalk, landscaping and lighting - Ada Drive to Thornapple River Dr. (DDA share of DDA/Township/KCRC project)	1	1-2 yrs.	1	Lump Sum		\$200,000*	DDA, Ada Twp., KCRC
New Street Connection Between Ada Drive and Fulton St., with traffic signals and right-turn lane	2	3-5 yrs.	1	Lump Sum		\$536,500	DDA, MDOT, Private
Roundabout on Ada Drive, in front of Thornapple Village Center	3	3-5 yrs.	1	Lump Sum		\$430,000*	DDA, Ada Twp., KCRC
Re-configure Ada Drive/Fulton St. Intersection	4	3-5 yrs.	1	Lump Sum		\$75,000*	DDA, MDOT
Extension of Headley Street to Fulton St., with traffic signals and right-turn lane.	5	5-8 yrs.	1	Lump Sum		\$585,250	DDA, MDOT, Private
New Street Connection Between Thornapple River Dr. and Headley St.	6	8-14 yrs.	300	Linear Ft.	\$300	\$90,000	DDA
Convert Fulton St. to a Landscaped Boulevard Cross-Section - Bronson to the Grand River	7	8-14 yrs.	6,000	Linear Ft.	\$200	\$1,200,000*	DDA, MDOT, Private
Roundabout at Thornapple River Dr. and Bronson	8	14-20 yrs.	1	Lump Sum		\$430,000*	DDA, Ada Twp., KCRC
Pedestrian Access/Trail Improvements							
Thornapple River non-motorized trail - from Thornapple Village Center to M-21 bridge	9	1-2 yrs.	3,200	Linear Ft.	\$60	\$192,000*	DDA, Ada Twp., MDNR
Non-Motorized Trail - Spaulding Ave., from Clear Spring Dr. to Fulton St., Fulton St. To Carl Drive (estimated DDA share only)	10	1-2 yrs.	4,000	Linear Ft.	\$60	\$100,000*	DDA, Ada Twp., Private
Improved pedestrian crossings on Fulton St. - contrasting pavement.	11	8-14 yrs.	26,000	Square Ft.	\$20	\$520,000*	DDA, MDOT, Private
Thornapple River non-motorized trail - from Covered bridge to Ada Drive	12	8-14 yrs.	2,000	Linear Ft.	\$60	\$120,000	DDA, Private
Pedestrian bridge across Thornapple River	13	14-20 yrs.	1	Lump Sum		\$500,000*	DDA, MDNR

Public Improvements	Map Label No.	Timeframe	Quantity	Units	Unit Cost	Estimated Cost	Potential Funding Sources
Parks and Civic Spaces							
Develop public park/multi-use pavilion/small performance stage on Alticor property on M-21 (DDA contribution to Township project)	14	1-2 yrs.	1	Lump Sum		\$100,000*	DDA, Ada Twp., Private
Pocket parks at Thornapple River Dr./Ada Drive intersection - Speedway corner and Peninsular Oil corner.	15	3-5 yrs.	1	Lump Sum		\$50,000	DDA, Private
"Gateway" landscaping/signage at east and west ends of the Fulton St. corridor.	16	3-5 yrs.	2	Each	\$50,000	\$100,000*	DDA, Ada Twp.
Streetscape/landscape improvements at multiple locations (Ada Dr., Thornapple River Dr., Headley St.)	None	3-5 yrs.	1	Lump Sum		\$100,000	DDA
Civic building (possible uses - community center, library, township hall, arts center.) (DDA contribution to Township project)	17	8-14 yrs.	1	Lump Sum		\$100,000*	DDA, Ada Twp., Private
Public Water and Sewer							
Construction of water and/or sewer main extensions to serve new development, offered as a development incentive.	None	None	1	Lump Sum		\$200,000	DDA
TOTAL PUBLIC IMPROVEMENT COST						\$5,628,750	

* As discussed in Section I. F. of the Plan narrative, for projects in which cost-sharing with other governmental agencies is anticipated, the amount of funding to be provided by the DDA is not known with certainty at this time.

SECTION II TAX INCREMENT FINANCING PLAN FOR THE DEVELOPMENT DISTRICT

Tax increment financing, under Act 197, is a funding technique which employs the increase in taxes on real and personal property within a specific development area to secure and pay the cost of public improvements or bonds issued by a municipality or Downtown Development Authority to finance the costs of an approved development plan, to pay the Authority's costs of operation, and to finance portions of an approved development plan which do not involve the issuance of bonds.

A. Tax Increment Financing Procedures.

The tax increment financing procedure as outlined in the Act requires the adoption a development plan and a tax increment financing plan by Township ordinance.

When the Authority determines that it is necessary for the purpose of Act 197, the Authority prepares and submits a tax increment financing plan to the Township Board. The plan must include a development plan as provided in Section 17 of the Act, and include a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred and the duration of the program, and a statement of the estimated impact of the tax increment financing on the assessed values of all taxing jurisdictions in which the Development District is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the Authority shall be clearly stated in the plan.

The tax increment financing plan may be included as part of the development plan. When combined into one plan document, only one hearing and approval procedure is required to adopt both the development plan and the tax increment financing plan.

Once a development plan and tax increment financing plan have been approved and recommended by the Authority Board, the Township Board conducts a public hearing on the proposed plan after providing notice of such public hearing by mail, posting and publication in accordance with Act 197. If required by Act 197, a development area citizens council must be established and appointed and be provided an opportunity to review and comment on the development plan and tax increment financing plan prior to adoption of the plan by ordinance.

Following the adoption of the ordinance to approve the Plan, the Township Treasurer and the County Treasurer are required by law to transmit to the Authority that portion of the tax levy of all taxing bodies paid each year of the "Captured Assessed Value," defined in Act 197 as the amount in any one year by which the current assessed value of the development area, including the assessed value of the property for which specific taxes are paid in lieu of property taxes, exceeds the "Initial Assessed Value" of the Development District.

"Initial Assessed Value" is defined as the assessed value of all taxable property within the boundaries of the Development District at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the Township for which equalization has been completed at the time the ordinance is adopted; provided, however, that the initial assessed value of property subject to a specific tax is equal to the quotient of the specific tax paid divided by the ad valorem millage rate.

Presented in Exhibit E-1 is a schedule showing the historical growth in state equalized value and taxable value of the properties in the Development District and the initial assessed value of all real and personal property in the Development District as finally equalized in May, 2008.

B. Estimates of Captured Assessed Values and Tax Increment Revenues; Amount to be Captured

The schedules beginning in Exhibit F demonstrate the estimated dollar amounts of captured assessed values and tax increment revenues to be realized from projected increases in the assessed value during the next 20 years. Increases in assessed values within a development area, which result in the generation of tax increment revenues, can result from any of the following:

- Construction of new developments occurring after the date establishing the “initial assessed value.”
- Construction of new rehabilitation, remodeling alterations, or additions occurring after the date establishing the “initial assessed value.”
- Increases in property values which occur for any other reason.

C. Use of Tax Increment Revenue.

Tax increment revenues transmitted to the Authority shall be deposited in a separate fund of the Authority (the “Project Fund”) and used as they accrue annually in the following manner and with the following order of priority:

- First, to pay the administrative, auditing, legal and operating costs of the Authority and the Township pertaining to the Plan and the Development District, including planning, promotion and operations, to the extent provided in the annual budget of the Authority.
- Second, to repay amounts advanced by the Township for project costs, including costs for preliminary plans, projects, fees, and for other professional services.
- Third, to pay, or to set aside in a reserve account for the purpose of paying when feasible, the cost of undertaking, completing and reimbursing the Township for any public improvements as set forth in the Plan, to the extent those costs are not financed from other sources (the “Project Reserve Fund”).
- Fourth, to pay the cost of any additional improvements identified in the Plan that are determined necessary by the Authority and approved by the Township Board in accordance with the Act.

In accordance with Act 197, and to the extent that the Authority and the Township deem it necessary and in the best interests of the Authority, the Development District, and the Township and its residents and property owners, the Authority may enter into tax sharing arrangements with affected taxing jurisdictions to share all or a portion of tax increment revenues on such terms as the Authority and the Township Board determine to be most equitable for the Authority, the Development District and the Township.

D. Indebtedness to be Incurred.

Revenues to support these costs shall be derived from any of the following sources, or a combination of these sources:

1. The issuance of one or more series of revenue bonds by the Authority which may be supported by a limited tax pledge if authorized by resolution of the Township Board or, if authorized by the voters of the Township, the unlimited tax, full faith and credit of the Township.

2. General obligation bonds of the Township, subject to approval of Township electors.
3. Tax increment bonds which are secured by tax increment revenue generated by and received from property within the Development District, or other revenues of the Authority.
4. Funds borrowed from the Township at rates and terms to be agreed upon or as set forth elsewhere in the Development Plan and Tax Increment Financing Plan;
5. Grant funds from federal, state or local sources; and/or
6. Cash or donations to the Authority.

Tax collections expected to be generated by the captured assessed value of property within the Development District are expected to be adequate to provide for payment of principal and interest on bonds issued by the Authority or the Township, or funds borrowed from the Township.

The amounts of bonded indebtedness or indebtedness to be incurred by the Authority and/or the Township for all bond issues or loans, including payments of capitalized interest, principal and required reserve, shall be determined by the Township Board, upon the recommendations of the Authority.

While the Authority intends to pay for many of the improvements and projects identified in this Development Plan and Tax Increment Financing Plan on a “pay as you go” basis utilizing the resources identified in Section F of the Development Plan and Section D of this Tax Increment Financing Plan, consistent with Act 197 and this Tax Increment Financing Plan, the Authority reserves the right to issue the types of bonds specified in Act 197 and this Plan, in a principal amount not to exceed that which is necessary to undertake and complete the improvements and projects described in the Development Plan.

As of the adoption of this Plan, the maximum estimated principal amount of bonded indebtedness which may be issued during the term of this Development Plan and Tax Increment Financing Plan is approximately \$2,000,000, including preliminary costs, project costs and financing expenses.

E. Duration of Program.

The duration of this Tax Increment Finance Plan is 20 years.

F. Estimated Impact on all Taxing Jurisdictions.

Adoption of this Tax Increment Financing Plan will initially result in the use of all revenues derived from increases in assessed value of the real and personal property of the Development District for purposes of the Development Plan. As soon as adequate increments have been generated to pay for the development projects, excess tax increment will be returned to the taxing jurisdictions.

Exhibits F-1, F-2 and F-3 demonstrate the current millage levied by each jurisdiction, the anticipated growth in assessed value and the resulting tax increment revenues to be generated during the life of the Plan, and the estimated fiscal and economic implications on taxing jurisdictions resulting from the implementation of the Plan and capture of millage by the Authority.

The Authority proposes to strengthen the Development District and arrest the current stagnation and deterioration in property values. This is to be accomplished by using the additional tax revenues generated in the Development District to make public improvements and induce private redevelopment.

Several taxing bodies currently receive property tax revenue from the property within the Development District. They will continue to receive tax revenues on the initial assessed value of this property throughout the duration of the Plan. When this Plan is terminated, these taxing jurisdictions will receive property tax revenues from all taxable property located within the Development District, including new development and appreciation in value stimulated by the development projects and inflation.