



DOWNTOWN DEVELOPMENT AUTHORITY

June 14, 2016

**CITY OF PORTAGE
DOWNTOWN DEVELOPMENT AUTHORITY**

A G E N D A

June 14, 2016

CALL TO ORDER:

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

APPROVAL OF MINUTES:

- * September 14, 2014

BUSINESS:

- *1. Election of Officers
 - Member listing
 - Articles of Incorporation
- *2. FY 2013-2014 and 2014-2015 Annual Reports
 - Communication from the Community Development Director.
 - Resolution approving and authorizing the transmission of the financial reports on the status of the tax increment financing account

STATEMENT OF CITIZENS:

ADJOURNMENT:

MATERIALS TRANSMITTED

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

DRAFT

PORTAGE DOWNTOWN DEVELOPMENT AUTHORITY

Thursday, September 18, 2014

The Portage Downtown Development Authority meeting on September 18, 2014 was called to order at 8:05 a.m. in Conference Room #1 of Portage City Hall, 7900 South Westnedge Avenue.

MEMBERS PRESENT:

Terryl Patterson, Jeff Chrystal, Dorothy Robinett, Walter Hansen, Colin Macguire, Benjamin Boyer, Rich MacDonald, Phil Stinchcomb, and Larry Shaffer

MEMBERS EXCUSED:

Matt Milks

IN ATTENDANCE:

Vicki Georgeau, Director of Community Development, Robert Luders, Director of Finance and Purchasing, and William Furry, Deputy Director of Revenue/Capital Improvements.

APPROVAL OF MINUTES:

The minutes of the February 16, 2012 meeting were introduced for approval. A motion was offered by Hansen and seconded by MacDonald to approve the meeting minutes as presented. Upon voice vote, the motion was unanimously approved.

BUSINESS:

1. Election of Officers. Ms. Georgeau reviewed the Articles of Incorporation, and the current officers of the Board. The current slate includes Patterson, President; Boyer, Vice-President; Huberty, Treasurer and Milks, Secretary. There was discussion of the continuation of the current officers with the exception of Treasurer. Jeff Chrystal indicated a willingness to serve as Treasurer, and a motion was offered by Boyer, seconded by Stinchcomb that the Patterson serve as President; Boyer, as Vice-President; Chrystal as Treasurer and Milks as Secretary. Upon voice vote, the motion was unanimously approved.
2. Resolution Approving the FY2011-12 and 2012-13 Annual Financial Reports. Ms. Georgeau summarized the communication to the Board concerning the annual reports included in the agenda. Following review by the Board, Ms. Georgeau noted the information will be forwarded to City Council and then to the State Tax Commission. In FY 2012-13, staff noted debt expenditures exceeded revenues by \$93,311 and in FY 2011-12 expenditures exceeded revenues by \$50,076. This trend has occurred primarily due to a decrease in commercial property values that began concurrent with the economic recession that began in 2008. MacDonald inquired if the hotel development along Trade Centre Way has assisted the DDA with tax increment revenue. Mr. Luders indicated that while the development is positive, due to the arrangement established in the

Phase III Development Agreement, tax increment revenue is used to pay for the special assessment established to finance the 2011 public infrastructure improvements. Robinett inquired as to why the principal repayment in 2012-13 notably increased in comparison to the prior year. Mr. Luders indicated that fluctuations are common due to a variety of outstanding bonds in any given year. MacDonald inquired if the DDA boundaries can be expanded to include new development occurring along Kilgore Road. Ms. Georgeau indicated this idea has been discussed before, but to expand the DDA the city would have to demonstrate that property value deterioration is detrimental to local economic growth. Given the redevelopment that has occurred since the DDA was created in 1998, it may be difficult to demonstrate a detrimental impact. Ms. Georgeau further indicated that when the DDA met in February 2012, refinancing of bonds was approved and subsequently accomplished which has assisted the city with reducing debt expenditures. Mr. Luders indicated the city will seek other opportunities to further refinance debt obligations within the DDA. After further discussion, a motion was made by Robinett, seconded by Boyer, to approve the resolution and authorize the transmission of the FY 2011-12 and 2012-13 Annual Financial Reports on the status of the tax increment financing plan. Upon a voice vote, the resolution was unanimously approved.

STATEMENT OF CITIZENS:

None.

ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned at 8:22 a.m.

Respectfully Submitted,

Vicki Georgeau, AICP
Director of Community Development

BOARDS AND COMMISSIONS CONTINUED

DOWNTOWN DEVELOPMENT AUTHORITY

Matt Milks (Quality Acquisitions LLC)	383-8481 H 323-2441 W 217-1907 C	5124 Mapleridge Dr, 49024 (700 Mall Dr, 49002) mmilks@mcweiner.com	07/01/18
Terryl V. Patterson, President (Treystar Company)	324-3445 H 329-1808 W 323-8705 Fax	7491 Dunross Dr, 49024 (7950 Moorsbridge Rd, 49024) tpatterson@treystar.com	07/01/18
Jeff Chrystal (Signature Associates)	343-6928 H 207-5431 C	1231 Cobblestone Lane (950 Trade Centre Way)	07/01/19
Dorothy Robinet (Plaza Corp.)	383-5775 W	211 E Water Street Suite 201 Kalamazoo MI 49007 drobinett@plazacorp.net	07/01/19
Walter Hansen (Hansen Building & Design Corp.)	323-1985 H 323-3315 W	3027 Woodhams Ave, 49002 wvrhansen@aol.com	07/01/16
Colin Maguire (Maguire Zoeller, LLC)	517-482-2400	124 W. Allegan St Suite 700 Lansing, MI 49833 cwmaguire@loomislaw.com	07/01/16
Benjamin J. Boyer, Vice President (Boyer Construction Inc.)	329-2467 H	3524 East Shore Dr, 49002 gusphupa@hotmail.com	07/01/17
Rich MacDonald (Hinman Company)	342-8600 W	760 Trade Centre Way, 49002 richm@hinmancompany.com	07/01/17
Scott McGraw (Kalamazoo County)	548-7004 C	10608 Dandale St Portage MI 49002 scottmcgraw@icloud.com	07/01/18
Laurence Shaffer Acting City Manager	329-4400 W	7900 S Westnedge Ave, 49002	
Victoria Georgeau Director of Community Development (Non-member, Staff Liaison)	329-4480 W	7900 S Westnedge Ave, 49002 georgeav@portagemi.gov	

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

CITY OF PORTAGE
ORDINANCE NO. 98-14

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

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

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

THE CITY OF PORTAGE ORDAINS:

ARTICLE I
INCORPORATION, BOUNDARIES, AND
DETERMINATION OF NEED

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II THE BOARD

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

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

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

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

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

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

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

ARTICLE III MEETINGS

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

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

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

ARTICLE IV FREEDOM OF INFORMATION ACT, EXPENSES AND FINANCIAL RECORDS

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

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

ARTICLE V POWERS OF THE AUTHORITY

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

ARTICLE VI

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

ARTICLE VII
BOUNDARY AREA OF THE DOWNTOWN DISTRICT

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

ARTICLE VIII
BUDGET - FISCAL YEAR

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

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

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

ARTICLE IX
SECTION HEADINGS
SEVERABILITY - REPAIR

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

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

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

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

ARTICLE XI
PUBLICATION; EFFECTIVE DATE

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

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

INTRODUCED: June 16, 1998

ADOPTED: July 7, 1998

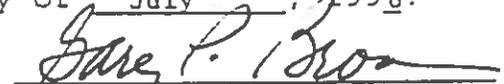
EFFECTIVE: Upon Publication

PUBLISHED: July 11, 1998

ORDINANCE NO. 98-14

CERTIFICATION

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

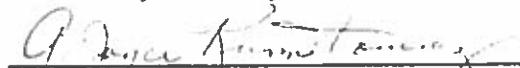


Mayor GARY P. BROWN



Clerk JAMES R. HUDSON

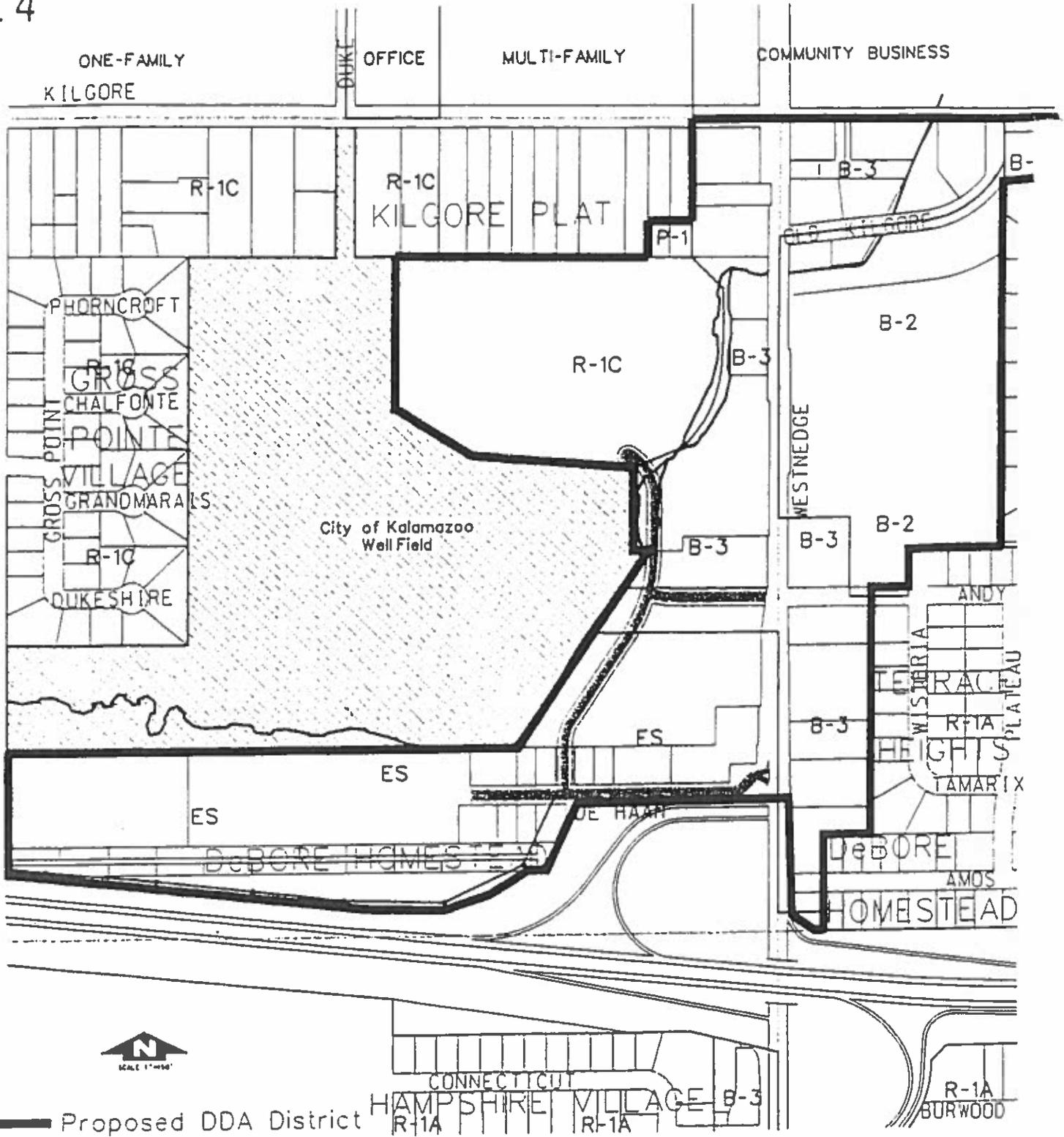
Subscribed and sworn to before me this 7th day of July 1998.



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

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

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



-  Proposed DDA District
-  Sanitary Sewer Relocation
-  Proposed Street

Map 1: DDA District Map

(Map Shows Existing Zoning Districts)

TO: Downtown Development Authority Board of Directors

DATE: June 8, 2016

FROM: Vicki Georgeau, Authority Director

SUBJECT: Annual Financial Reports

Attached find a resolution to approve and authorize transmission of the FY 2013-2014 and 2014-2015 Annual Financial Reports to the City Council and State Tax Commission per the Downtown Development Authority Act (PA 197 of 1975). The Annual Financial Reports include final audited information for each fiscal year and are attached as Appendix A and Appendix B to the resolution. The annual reports are only transmitted after the Board has had the opportunity to review the applicable annual audit information for the City of Portage, which has been provided by the City of Portage Finance Director.

With regard to the annual report of activities, the public improvement projects that were funded in 1998, 2003 and 2011 are complete. For Board information, the 2011 public improvement projects included re-alignment of Trade Centre Way and West Fork Crossing, improvements to the South Westnedge Avenue and Trade Centre Way intersection, land acquisition and associated activities.

As shown in the Revenues, Expenditures and Changes in Fund Balances table at the end of the report, the revenue collected was less than debt expenditures. Revenues less expenditures were (\$123,328) at the end of FY 2013-2014, and (\$22,066) at the end of FY 2014-2015. In both fiscal years, the fund balance was sufficient to cover the difference between expenditures and revenues. However, and due to start of the debt service for the 2011 DDA capital improvement projects, a \$100,000 loan/transfer from the General Fund was accomplished in FY 2014-2015 to cover the expenses and maintain a suitable fund balance. It is noted that revenues are projected to improve as a result of additional development within the DDA along Trade Centre Way. For FY 2015-2016 year-to-date, revenues have increased to approximately \$361,500 and with the transfer in from the General Fund, FY 2015-2016 revenues will exceed expenditures by approximately \$103,000.

Attached is a resolution approving and authorizing the transmission of the Financial Reports to the Portage City Council, and then subsequently to the State Tax Commission. Approval of the accompanying resolution is recommended.

Attachment: Resolution with Annual Financial Reports

CITY OF PORTAGE

At a _____ meeting of the Board of the Downtown Development Authority of the City of Portage, Michigan, held on June 14, 2016, at 8:00_a.m. at the City Hall, Portage, Michigan, there were:

PRESENT:

ABSENT:

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

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

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

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

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

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

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

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

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

YES: _____

NAYS: _____

ABSTAIN: _____

THE RESOLUTION WAS DECLARED ADOPTED:

SECRETARY'S CERTIFICATE

The undersigned, being the duly qualified and acting Secretary of the Board of the Downtown Development Authority of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board at a _____ meeting held on _____, 2014, 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

[SEAL]

Dated: _____

ANNUAL FINANCIAL REPORT

CITY OF PORTAGE DOWNTOWN DEVELOPMENT AUTHORITY

for

FY 2013 - 2014

Portage, Michigan

APPENDIX A

DOWNTOWN DEVELOPMENT AUTHORITY

OF

THE CITY OF PORTAGE

FY 2013-14 ANNUAL FINANCIAL REPORT

As Approved by the Authority Board

on

June __, 2016

INTRODUCTION

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

By way of example, the City of Portage has utilized this approach to construct public improvements on West Centre Avenue and Angling Road to facilitate construction of the Allen Testproducts Facility in 1985 (now occupied by several Borgess Medical related affiliates). Also, Portage utilized tax increment financing to construct several important infrastructure projects to assist Pfizer, Inc. (formerly Pharmacia & Upjohn) and the Stryker Corporation with significant development projects during the early 1990's and 2000's.

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

In 2003 and again in 2011, additional efforts to further stimulate private sector investment were initiated and the Development Plan/Tax Increment Finance Plan was amended. In 2003, additional property was acquired to facilitate public street, storm water retention, underground utility installation and related activities. In 2011, Trade Centre Way was realigned, the intersections of Trade Centre Way/West Fork Crossing and Trade Centre Way/South Westnedge Avenue were reconstructed, among other related public improvements. These additional street, utility and related public activities were included in the 2011 Amended DDA plan to promote development of additional vacant and underutilized land in the existing development area.

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

Following are descriptions of the public improvements and activities undertaken in 1998, 2003 and 2011. The descriptions encompass several public improvements and activities that were completed to foster private sector investment in the DDA.

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

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

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

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

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

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

Notes: The public right-of-way and storm water retention area purchased by the City of Portage through the DDA is immediately north of I-94.
Wayfinding signs by H&G, LLC have been installed along South Westnedge Avenue and I-94.

**2011 AMENDED DDA TAX INCREMENT FINANCE PLAN / DEVELOPMENT PLAN –
PROPERTY ACQUISITION AND PUBLIC IMPROVEMENT PROJECTS (COMPLETED)**

Public Improvements	Estimated Time Required for Completion	Estimated Cost
<p>1. SWEPS project improvements:</p> <ul style="list-style-type: none"> a) The widening of portions of South Westnedge Avenue from north of Market Place to Kilgore Road including related land acquisition, design, and street and utility construction activities. b) Traffic signal upgrades, overhead utility relocation activities, and access management activities along South Westnedge Avenue in the DDA district to facilitate safe and efficient traffic flow. 	FY 2018/FY2020	\$1,250,000
<p>2. Agreement to Purchase. The City agreed to purchase approximately 8,400 sq. ft. from the Developer to be used for public roadway purposes</p>	Summer 2011	\$191,623
<p>3. Trade Centre Way/West Fork Crossing/South Westnedge Avenue improvements:</p> <ul style="list-style-type: none"> a) Trade Centre Way realigned and improved from South Westnedge Avenue west 900 feet to just west of West Fork Crossing. The realignment included curb and gutter, storm sewer, utility relocation, boulevards, first class road landscaping, lighting, fencing and related construction. b) West Fork Crossing realigned and improved to intersect with realigned Trade Centre Way easterly of the existing street intersection. The realignment and improvement matched existing West Fork Crossing street cross section characteristics. Private storm drainage will be relocated to adjacent property c) The Trade Centre Way and West Fork Crossing intersection reconstructed incorporating additional right-of-way from the State of Michigan. The intersection improvement matched existing Trade Centre Way and West Fork Crossing cross section characteristics. Excess public street right-of-way not necessary for reconstruction of Trade Centre Way and West Fork Crossing vacated/disposed of by the City. Former State of Michigan right-of-way retained by the City for transportation purposes. 	Fall 2011	\$1,148,377

<p>d) A portion of South Westnedge Avenue south of Trade Centre Way will be reconstructed to facilitate left turn-in and right turn-in movements from South Westnedge Avenue to Trade Centre Way and right turn-out movements from Trade Centre Way to South Westnedge Avenue. The improvements matched existing South Westnedge Avenue cross section characteristics.</p>		
<p>Note: The costs to be paid by City of Portage includes:</p> <ol style="list-style-type: none"> 1. SWEPs project improvements. 2. The Phase III Development Agreement with Trade Center Holdings, LLC and includes a planned land purchase and Trade Centre Way/West Fork Crossing/South Westnedge Avenue improvements contemplated to facilitate private investment to be accomplished by Trade Center Holdings, LLC. 3. With regard to the SWEP's Project Improvements, after additional study it was determined this project did not need to be completed in order to maintain traffic flow and safety along South Westnedge Avenue between Market Place. 		

FY 2013-2014 FINANCIAL INFORMATION

The Annual Financial Report has been prepared pursuant to Section 15 (1) of PA 197 of 1975, as amended, The Downtown Development Authority Act. The Annual Report is for FY13-14 and contains the information required by the Act.

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

Tax Increment Revenue	\$250,495
Interest	\$ 420
Sale of Land	\$51,625

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

In the DDA bond reserve account there is \$117,287

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

\$422,868 was transferred to the Bond paying agent to pay debt service.

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

\$5,875,504 as of June 30, 2014.

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

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

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

The captured value is established at \$13,294,073 for FY 2013-14

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

The tax increment revenues received in 2013-2014 = \$250,495

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

It is estimated that 1,255 jobs have been created. (includes 275 jobs at Trade Centre II, which is just outside the DDA district)

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

Attached find a page from the Comprehensive Annual Financial Report detailing actual revenues and expenditures. This information provides supporting documentation for this financial report.

CITY OF PORTAGE, MICHIGAN

Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2014

	General Obligation Debt Fund	Motor Vehicle Highway Fund	Downtown Development Authority Fund
Assets			
Cash and investments	\$ 189,468	\$ 3,763	\$ 117,287
Fund balances			
Restricted for debt service	\$ 189,468	\$ 3,763	\$ 117,287

CITY OF PORTAGE, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Debt Service Funds

For the Year Ended June 30, 2014

	General Obligation Debt Fund	Motor Vehicle Highway Fund	Downtown Development Authority Fund
Revenues			
Property taxes	\$ -	\$ -	\$ 250,495
Interest and rents	-	-	-
Net increase in fair value of investments	668	13	420
Other revenue	-	-	51,625
Total revenues	668	13	302,540
Expenditures			
Debt Service:			
Principal	2,037,724	995,000	260,000
Interest	956,232	224,367	162,868
Total expenditures	2,993,956	1,219,367	422,868
Revenues under expenditures	(2,993,288)	(1,219,354)	(120,328)
Other financing sources (uses)			
Transfers in			
Capital improvement fund	2,952,000	1,223,000	-
Leaf pickup/spring cleanup fund	19,862	-	-
Water fund	66,785	-	-
Transfers out			
Capital improvements fund	-	-	(6,271)
Total other financing sources (uses)	3,038,647	1,223,000	(6,271)
Net change in fund balances	45,359	3,646	(126,599)
Fund balances, beginning of year	144,109	117	243,886
Fund balances, end of year	\$ 189,468	\$ 3,763	\$ 117,287

ANNUAL FINANCIAL REPORT

CITY OF PORTAGE DOWNTOWN DEVELOPMENT AUTHORITY

for

FY 2014 - 2015

Portage, Michigan

APPENDIX A

DOWNTOWN DEVELOPMENT AUTHORITY

OF

THE CITY OF PORTAGE

FY 2014-15 ANNUAL FINANCIAL REPORT

As Approved by the Authority Board

on

June __, 2016

INTRODUCTION

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

By way of example, the City of Portage has utilized this approach to construct public improvements on West Centre Avenue and Angling Road to facilitate construction of the Allen Testproducts Facility in 1985 (now occupied by several Borgess Medical related affiliates). Also, Portage utilized tax increment financing to construct several important infrastructure projects to assist Pfizer, Inc. (formerly Pharmacia & Upjohn) and the Stryker Corporation with significant development projects during the early 1990's and 2000's.

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

In 2003 and again in 2011, additional efforts to further stimulate private sector investment were initiated and the Development Plan/Tax Increment Finance Plan was amended. In 2003, additional property was acquired to facilitate public street, storm water retention, underground utility installation and related activities. In 2011, Trade Centre Way was realigned, the intersections of Trade Centre Way/West Fork Crossing and Trade Centre Way/South Westnedge Avenue were reconstructed, among other related public improvements. These additional street, utility and related public activities were included in the 2011 Amended DDA plan to promote development of additional vacant and underutilized land in the existing development area.

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

Following are descriptions of the public improvements and activities undertaken in 1998, 2003 and 2011. The descriptions encompass several public improvements and activities that were completed to foster private sector investment in the DDA.

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

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

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

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

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

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

Notes: The public right-of-way and storm water retention area purchased by the City of Portage through the DDA is immediately north of I-94.
Wayfinding signs by H&G, LLC have been installed along South Westnedge Avenue and I-94.

**2011 AMENDED DDA TAX INCREMENT FINANCE PLAN / DEVELOPMENT PLAN –
PROPERTY ACQUISITION AND PUBLIC IMPROVEMENT PROJECTS (COMPLETED)**

Public Improvements	Estimated Time Required for Completion	Estimated Cost
<p>1. SWEPS project improvements:</p> <ul style="list-style-type: none"> a) The widening of portions of South Westnedge Avenue from north of Market Place to Kilgore Road including related land acquisition, design, and street and utility construction activities. b) Traffic signal upgrades, overhead utility relocation activities, and access management activities along South Westnedge Avenue in the DDA district to facilitate safe and efficient traffic flow. 	FY 2018/FY2020	\$1,250,000
<p>2. Agreement to Purchase. The City agreed to purchase approximately 8,400 sq. ft. from the Developer to be used for public roadway purposes</p>	Summer 2011	\$191,623
<p>3. Trade Centre Way/West Fork Crossing/South Westnedge Avenue improvements:</p> <ul style="list-style-type: none"> a) Trade Centre Way realigned and improved from South Westnedge Avenue west 900 feet to just west of West Fork Crossing. The realignment included curb and gutter, storm sewer, utility relocation, boulevards, first class road landscaping, lighting, fencing and related construction. b) West Fork Crossing realigned and improved to intersect with realigned Trade Centre Way easterly of the existing street intersection. The realignment and improvement matched existing West Fork Crossing street cross section characteristics. Private storm drainage will be relocated to adjacent property c) The Trade Centre Way and West Fork Crossing intersection reconstructed incorporating additional right-of-way from the State of Michigan. The intersection improvement matched existing Trade Centre Way and West Fork Crossing cross section characteristics. Excess public street right-of-way not necessary for reconstruction of Trade Centre Way and West Fork Crossing vacated/disposed of by the City. Former State of Michigan right-of-way retained by the City for transportation purposes. 	Fall 2011	\$1,148,377

d) A portion of South Westnedge Avenue south of Trade Centre Way will be reconstructed to facilitate left turn-in and right turn-in movements from South Westnedge Avenue to Trade Centre Way and right turn-out movements from Trade Centre Way to South Westnedge Avenue. The improvements matched existing South Westnedge Avenue cross section characteristics.

Note: The costs to be paid by City of Portage includes:

1. SWEPs project improvements.
2. The Phase III Development Agreement with Trade Center Holdings, LLC and includes a planned land purchase and Trade Centre Way/West Fork Crossing/South Westnedge Avenue improvements contemplated to facilitate private investment to be accomplished by Trade Center Holdings, LLC.
3. With regard to the SWEP's Project Improvements, after additional study it was determined this project did not need to be completed in order to maintain traffic flow and safety along South Westnedge Avenue between Market Place.

FY 2014-2015 FINANCIAL INFORMATION

The Annual Financial Report has been prepared pursuant to Section 15 (1) of PA 197 of 1975, as amended, The Downtown Development Authority Act. The Annual Report is for FY14-15 and contains the information required by the Act.

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

Tax Increment Revenue	\$291,899
Interest	\$ 460

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

In the DDA bond reserve account there is \$134,617

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

\$314,425 was transferred to the Bond paying agent to pay debt service.

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

\$5,561,628 as of June 30, 2015.

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

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

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

The captured value is established at \$15,920,364 for FY 2014-15

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

The tax increment revenues received in 2014-2015 = \$291,899

Section 15 (3) (h): THE NUMBER OF JOBS CREATED AS A RESULT OF THE

IMPLEMENTATION OF THE TAX INCREMENT FINANCING PLAN

It is estimated that 1,420 jobs have been created. (includes 310 and 80 jobs at Trade Centre II and Earth Fare, respectively, which are just outside the DDA district)

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

Attached find a page from the Comprehensive Annual Financial Report detailing actual revenues and expenditures. This information provides supporting documentation for this financial report.

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CITY OF PORTAGE, MICHIGAN

Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2015

	General Obligation Debt Fund	Special Assessment Debt Fund	Motor Vehicle Highway Fund	Downtown Development Authority Fund
Assets				
Cash and investments	\$ -	\$ 488,097	\$ 3,648	\$ 134,617
Accounts receivable	-	-	-	-
Special assessments receivable	-	1,609,269	-	-
Prepaid items	1,987,636	-	-	-
Total assets	\$ 1,987,636	\$ 2,097,366	\$ 3,648	\$ 134,617
Liabilities				
Accounts payable	\$ 8,614	\$ -	\$ -	\$ -
Interfund payable	1,775,131	-	-	-
Total liabilities	1,783,745	-	-	-
Deferred inflows of resources				
Unavailable revenue - special assessments	-	1,609,269	-	-
Fund balances				
Nonspendable	1,987,636	-	-	-
Restricted	-	488,097	3,648	134,617
Unassigned	(1,783,745)	-	-	-
Total fund balances	203,891	488,097	3,648	134,617
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,987,636	\$ 2,097,366	\$ 3,648	\$ 134,617

CITY OF PORTAGE, MICHIGAN

Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended June 30, 2015

	General Obligation Debt Fund	Special Assessment Debt Fund	Motor Vehicle Highway Fund	Downtown Development Authority Fund
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ 291,899
Special assessments	-	190,609	-	-
Interest and rents	101	6,469	32	195
Net increase in fair value of investments	-	2,331	7	265
Total revenues	101	199,409	39	292,359
Expenditures				
Debt service:				
Principal	2,146,694	230,000	1,135,000	155,000
Interest and other fiscal charges	963,837	97,710	197,154	159,425
Total expenditures	3,110,531	327,710	1,332,154	314,425
Revenues under expenditures	(3,110,430)	(128,301)	(1,332,115)	(22,066)
Other financing sources (uses)				
Issuance of long-term debt	4,782,403	-	-	-
Payment to refunding bond escrow agent	(4,798,239)	-	-	-
Premium on refunding debt	76,689	-	-	-
Transfers in:				
General fund	-	-	-	100,000
Capital improvement fund	3,064,000	-	1,332,000	-
Downtown Development Authority fund	-	60,604	-	-
Transfers out -				
Capital improvements fund	-	-	-	(60,604)
Total other financing sources (uses)	3,124,853	60,604	1,332,000	39,396
Net change in fund balances	14,423	(67,697)	(115)	17,330
Fund balances, beginning of year	189,468	555,794	3,763	117,287
Fund balances, end of year	\$ 203,891	\$ 488,097	\$ 3,648	\$ 134,617