

CITY OF
PORTAGE

A Place for Opportunities to Grow

**LOCAL DEVELOPMENT
FINANCE AUTHORITY**

November 10, 2011

**CITY OF PORTAGE
LOCAL DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING**

A G E N D A

Thursday, November 10, 2011, 8:00 a.m.

CALL TO ORDER:

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

APPROVAL OF MINUTES:

- * September 23, 2010

BUSINESS:

- * 1. Election of Officers (Member listing and Articles of Incorporation)
- * 2. FY 2009-2010 Annual Financial Report - Resolution Approving and Authorizing Transmission of the Financial Report on the Status of the Tax Increment Financing Plan.
 - Communication from the Director

STATEMENT OF CITIZENS:

ADJOURNMENT:

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

MATERIALS TRANSMITTED

NOTE: It is necessary to ensure that a quorum of the Board of Directors is available. If you cannot attend, please contact the Department of Community Development at 329-4477.

DRAFT

PORTAGE LOCAL DEVELOPMENT FINANCE AUTHORITY

Thursday, September 23, 2010

The Portage Local Development Finance Authority meeting on September 23, 2010 was called to order at 8:05 a.m. in Conference Room #1 of Portage City Hall, 7900 South Westnedge Avenue.

MEMBERS PRESENT:

Rick DeKam; Dennis Brooks; Nasim Ansari; Karla Colestock; Jeff Gardner; Bob Seely; Michael Collins and Engel Corstange.

MEMBERS EXCUSED:

Tim Wenzel and Michael Marshburn

IN ATTENDANCE:

Christopher Forth, Deputy Director of Planning and Development Services.

APPROVAL OF MINUTES:

The minutes of the September 17, 2009 meeting were introduced for approval. A motion was offered by Gardner and seconded Ansari by to approve the meeting minutes as presented. The motion was unanimously approved.

BUSINESS:

1. Election of Officers. Per the Articles of Incorporation, officers are to be elected annually. The current slate of officers includes Tim Wenzel, Chair; Dennis Brooks, Treasurer; and Engel Corstange, Secretary. There was discussion of the continuation of the current officers and a motion was offered by Gardner, seconded by Collins that the current slate of officers continue and be reelected to the same positions for the coming year. The motion was unanimously approved.
2. Resolution Approving FY2008-09 Annual Financial Report. Forth summarized the communication to the Board concerning the annual report for the 2003 LDFA projects. Forth noted the revenue collected continues to slightly exceed the expenditures and, as a result, there is a fund balance of approximately \$1.8 million. The Board discussed use of the fund balance to complete the remaining two projects, which include improvements to Zylman Avenue and the Haverhill water tower. Forth indicated the city will complete the Zylman Avenue improvements when the Stryker Corporation completes the expansion project to the East Centre Avenue facility and the Haverhill water tower improvements are scheduled to be completed in FY2014-15. The Board also discussed the issue of declining taxable values and potential impact on the LDFA to repay the bonds that were sold to finance the projects. If the revenues collected are less than the expenditures, the City of Portage is obligated to finance the difference.

DRAFT

There being no further discussion, a motion was made by Ansari, seconded by Colestock, to approve the resolution, approving and authorizing the transmission of the FY2008-09 Annual Financial Report on the status of the tax increment financing plan. Upon a roll call 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 8:20 a.m.

Respectfully Submitted,

Christopher Forth, AICP
Deputy Director of Planning and Development Services

LOCAL DEVELOPMENT FINANCE AUTHORITY BOARD

Dennis Brooks, Treasurer (City of Portage)	323-3772 H 598-2259 C	3119 Woodhams Ave Portage, MI 49002 db19thhole@gmail.com	03/31/11
Michael Marshburn (City of Portage)	327-8510 H 327-7871 C	903 Lakeview Dr Portage, MI 49002 marshburn@charter.net	03/31/11
Engel Corstange, Secretary (City of Portage)	327-9539 H	1445 W Osterhout Ave Portage, MI 49024	03/31/12
Jeff A. Gardner (City of Portage)	323-7774	5770 Venture Park Kalamazoo, MI 49009	03/31/13
Robert E. Seely (City of Portage)	327-7473 H	9930 East Shore Dr Portage, MI 49002	03/31/13
Rick DeKam (City of Portage)	327-8870 H 323-0717 B	6431 Cypress St Portage, MI 49024 rick@midwestrealtly.com	03/31/14
Tim Wenzel, Chair (City of Portage)	323-7714 H 327-4069 B 323-8778 B	3630 East Shore Dr Portage, MI 49002 twenzel@theuniformoutlet.com	03/31/14
Larry Killips (Portage Public Schools)	323-5855 B	West Middle School	03/31/12
Karla Colestock (Portage Public Schools)	329-4608 H 323-5186 B	5915 Old Mission St Portage, MI 49024 kcolestock@portageps.org	03/31/13
Nasim Ansari (Kalamazoo County)	327-0016 H 337-8696 B	3015 Kalarama Ave Portage, MI 49024 nansari1@hotmail.com	03/31/14
Michael Collins (Kalamazoo Valley Community College)	488-4255 B	KVCC PO Box 4070 Kalamazoo, MI 49003 mcollins@kvcc.edu	03/31/12
Victoria Georgeau, Ex Officio	329-4480 B	georgeav@portagemi.gov	

CITY OF PORTAGE

At a regular meeting of the City Council of the City of Portage, Michigan, held on the 20th day of March, 1990, at 7:30 p.m., Eastern Standard Time, at the City Hall, Portage, Michigan. There were:

PRESENT: Overlander, Bashaw, Jean, Schreur, Shugars, Sutter, Zull
ABSENT: None

The following preamble and resolution were offered by Councilman Shugars and supported by Councilman Schreur.

RESOLUTION TO CREATE A LOCAL DEVELOPMENT FINANCE AUTHORITY
AND DESIGNATING THE BOUNDARIES OF A
LOCAL DEVELOPMENT FINANCE DISTRICT

WHEREAS, pursuant to the provisions of Act No. 281, Public Acts of Michigan of 1986 (the "Act"), the City of Portage wishes to establish a Local Development Finance Authority so it can create and implement a Development and Tax Increment Financing Plan to develop part of the City of Portage within the local development finance district described below.

WHEREAS, the boundaries of the proposed Local Development Finance District (the "District") are as set forth in Attachment A, which is by this reference made a part of this resolution, and

WHEREAS, this action is being undertaken to eliminate the conditions of unemployment, underemployment, and joblessness, and to promote economic growth in the community, utilizing tax increment financing,

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTAGE, as follows:

RESOLUTION ESTABLISHING AND IMPLEMENTING
THE LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE
CITY OF PORTAGE

1. This Resolution shall serve as the permanent Articles of Incorporation of the Local Development Finance Authority of the City of Portage, (the "Authority").

2. Pursuant of Public Act No. 281 of the Michigan Public Acts of 1986, as amended, (the "Act"), there is hereby established a Local Development Finance Authority, (the "Authority").

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

4.(1) The Authority shall be under the supervision and control of the Board (the "Board"), which shall include:

(a) Seven (7) members appointed by the Chief Executive of the City of Portage:

(b) One (1) member appointed by the Board of Commissioners of the County of Kalamazoo.

(c) One (1) member representing the Kalamazoo Community College appointed by the chief executive officer of that Community College.

(d) Two (2) members appointed by the chief executive officer of the Portage Public Schools, which levied 20% or more of the ad valorem property taxes levied against all property located in the authority district in the year 1989.

(2) Of the members first appointed, an equal number, as near as possible, shall have terms designated by the City Council of the City of Portage of 1 year, 2 years, 3 years, and 4 years. However, a member shall hold office until the member's successor is appointed. After the first appointment, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made in the same manner as the original appointment. An appointment to fill an unexpired term shall be for the unexpired portion of the term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses.

5. The majority of the members of the Board shall constitute a quorum for the transaction of business. The Board shall annually elect one of its members as Chairperson, one of its members as Secretary and one of its members as Treasurer.

6. The Board shall prescribe and adopt rules of procedure and the holding of regular meetings, subject to the approval of City Council. Special meetings may be held when called in the manner provided in the rules of the Board.

7. Subject to notice and an opportunity to be heard, a member of the board may be removed before the expiration of his or her term for cause by the governing body, of the appointing unit. Removal of a member is subject to review by the circuit court.

8. All expense items of the authority shall be publicized annually and the financial records shall be open to the public pursuant to the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

9. The board may employ and fix the compensation of a director, subject to the approval of the City Council of the City of Portage as provided in the Act. The director shall serve at the pleasure of the board.

10. The Board and its Chairperson, Secretary and Treasurer shall have those duties and powers as are set forth in the Act.

11. In accordance with the provisions of the Act, the Board may:

(a) Study and analyze unemployment, underemployment, and joblessness and the impact of growth upon the authority district or districts.

(b) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility.

(c) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the City of Portage, to promote the growth of the Authority District and take the steps that are necessary to implement the plans to the fullest extent possible to create jobs, and promote economic growth.

(d) Implement any plan of development necessary to achieve the purposes of this act in accordance with the powers of the Authority as granted by the Act.

(e) Make and enter into contracts necessary or incidental to the exercise of the board's powers and the performance of its duties.

(f) Acquire by purchase or otherwise on terms and conditions and in a manner the authority considers proper, own or lease as lessor or lessee, convey, demolish, relocate, rehabilitate, or otherwise dispose of real or personal property, or rights or interest in that property, which the authority determines is reasonable necessary to achieve the purposes of the Act, and to grant or acquire licenses, easements, and options with respect to the property.

(g) Improve land, prepare sites for buildings, including the demolition of existing structures, and construct, reconstruct, rehabilitate, restore and preserve, equipment, improve, maintain, repair, or operate a building, as provided in Section 12(3) of the Act for the use, in whole or in part, of a public or private person or corporation, or a combination thereof.

(h) Fix, charge, and collect fees, rents, and charges for the use of a building or property or a part of a building or property under the board's control, or a facility in the building or on the property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the Authority.

(i) Lease a building or property or part of a building or property under the board's control.

(j) Accept grants and donations of property, labor, or other things of value from a public or private source.

(k) Acquire and construct public facilities as defined by the Act.

(l) Incur costs in connection with the performance of the board's authorized functions including, but not limited to, administrative costs, and architects, engineers, legal, and accounting fees.

(m) Plan, propose, and implement an improvement to a public facility on eligible property to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.

12. The Authority shall be considered an instrumentally of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

13. The City of Portage may take private property under Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws, for the purpose of transfer to the Authority, and may transfer the property to the Authority for use as authorized in the development program, on terms and conditions it considers appropriate. The taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

14. The activities of the Authority shall be financed from 1 or more of the following sources:

(a) Contributions to the Authority for the performance of its functions.

(b) Revenues from any property, building, or facility owned, leased, licensed, or operated by the Authority or under its control, subject to the limitations imposed upon the Authority by trusts or other agreements.

(c) Tax increments received pursuant to a tax increment financing plan established under Section 12 to 14 of the Act.

(d) Proceeds of tax increment bonds issued pursuant to Section 14 of the Act.

(e) Proceeds of revenue bonds issued pursuant to Section 11 of the Act.

(f) Money obtained from any other sources approved by the City Council of the City of Portage.

15. The Authority may borrow money and issue its negotiable revenue bonds pursuant to Act No. 94 of the Public Acts of 1933, as amended, being Section 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the Authority shall not, except as hereinafter provided, be considered a debt of the City of Portage or of the state.

The City of Portage by majority vote of the members of its governing body may pledge its full faith and credit limited tax to support the Authority's revenue bonds.

16.(a) By resolution of its Board and subject to the limitations set forth in this section, the Authority may authorize, issue, and sell its tax increment bonds to finance a development program. The bonds shall mature in 30 years or less and shall be subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3 of the Michigan Compiled Laws. The Authority may pledge for debt service requirements the tax increment revenue to be received from an eligible property. The bonds issued under this section shall be considered a single series for the purposes of section 4 of the municipal finance act, Act No. 202 of the Public Acts of 1943, being section 135.4 of the Michigan Compiled Laws.

(b) The City of Portage by majority vote of the members of its City Council may make a limited tax pledge to support the Authority's tax increment bonds or, if authorized by the voters of the City, pledge its full faith and credit for the payment of the principal of and interest on the Authority's tax increment bonds.

(c) Bonds and notes issued by the Authority and the interest on and income from those bonds and notes are exempt from taxation by the state or a political subdivision of this state.

17. When this Board decides to finance a project in a development area pursuant to this act, it shall prepare a development plan in accordance with Section 15 of the Act.

18. The director of the Authority shall prepare and submit for the approval of the Board a budget for the operation of the Authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the

information required of municipal departments. Before the budget may be adopted by the Board, it shall be approved by the City Council of the City of Portage.

19. When the Authority has completed the purposes for which it was organized shall be dissolved by resolution of the City Council of the City of Portage. The Authority shall have all the powers granted to it by the Act as it currently exists or as the Act may be amended in the future and the enumeration of powers herein shall not be an attempt to limit such powers.

20. This Resolution shall take effect upon its adoption.

21. This resolution shall be filed by the City Clerk with the Secretary of State promptly after its adoption and shall be published once by the City Clerk in the Kalamazoo Gazette, a newspaper of general circulation in the City of Portage.

22. All resolutions and parts of resolutions in conflict herewith are rescinded.

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS: Overlander, Bashaw, Jean, Schreur, Shugars, Sutter, Zull

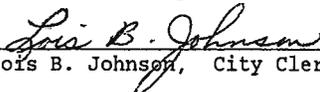
NAYS: None

ABSTAIN:None

THE RESOLUTION WAS DECLARED ADOPTED.

STATE OF MICHIGAN)
) ss
COUNTY OF KALAMAZOO)

The undersigned, being the duly qualified and acting Clerk of the City of Portage, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Portage at its meeting held on the 20th day of March, 1990, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the County. I further certify that the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with Act No. 267, Michigan Public Acts of 1976, as amended, and that minutes were kept and will be or have been made available as required thereby.


Lois B. Johnson, City Clerk

Dated: March 20, 1990

TO: Local Development Finance Authority Board

FROM: Vicki Georgeau^{vs}, Director of Community Development

DATE: October 7, 2011

SUBJECT: FY 2009-2010 Annual Financial Report

Attached find a resolution to approve and authorize transmission of the FY 2009-2010 Annual Financial Report to the State Tax Commission and to City Council per the Local Development Financing Act (PA 281 of 1986). The Annual Financial Report includes final audited information for each fiscal year and is attached as Appendix A to the resolution. The annual report is only transmitted after the board has the opportunity to review the applicable annual audit information for the City of Portage.

As the Board will recall and for the benefit of the new members, Public Improvement/Activity Project #5 (East Milham-Kalamazoo/Battle Creek International Airport water main extension) could not be completed since it was not feasible to construct the water main crossing beneath the airport, due to the cost of required insurance to protect against catastrophes which was not contemplated in 2003 and for which no insurance is available. As a result, an alternative project was identified and involves replacement of the Haverhill Water Tower with a new, larger 750,000 gallon tower. This project is programmed in the Capital Improvement Program to be completed in FY 2014-15.

With regard to Public Improvement/Activity Project #7 (Zylman Avenue improvements), this project has been deferred. Since the Stryker Corporation did not use Zylman for access with the new manufacturing plant that was constructed, the city believed it prudent to delay the project until it was needed to facilitate access to the adjacent property. The Stryker Corporation was approached about this project deferral and agreed.

City Council adopted a resolution in May 2009 approving the substitution of the Haverhill water tower upgrade for Public Improvement/Activity Project #5 and deferring Zylman Avenue improvements.

Attached is a resolution prepared by Bond Counsel Axe. Approval of the accompanying resolution is recommended.

Attachment: Resolution with Annual Financial Reports

S:\2011-2012 Department Files\Board Files\LDFA\2011 10 21 JME LDFA Annual Rpt memo.doc

CITY OF PORTAGE

At a regular meeting of the Board of the Local Development Finance Authority of the City of Portage, Michigan, held on October 27, 2011, 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 Local Development Finance Authority of the City of Portage (the "Authority") has been duly incorporated by the City of Portage (the "City") pursuant to Act No. 281 of the Public Acts of Michigan of 1986 (the "Act") and the Board of the Authority has been duly appointed and sworn into office; and

WHEREAS, the Authority is required by statute 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 13(3) of the Act; and

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

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

1. The Financial Report on the Status of the Tax Increment Financing Plan attached hereto as Appendix A is approved.
2. The Director of the Authority is authorized to transmit said financial report to the City Council of the City of Portage and the State Tax Commission.

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

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 Local Development Finance Authority of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board at a regular meeting held on October 27, 2011, 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.

Engel Corstange, Secretary

Dated: October 27, 2011

APPENDIX A

LOCAL DEVELOPMENT FINANCE AUTHORITY

OF

THE CITY OF PORTAGE

2003 AMENDED DEVELOPMENT PLAN/TAX INCREMENT FINANCE PLAN

FY 2009-10 ANNUAL FINANCIAL REPORT

As Approved by the Authority Board

on

October 27, 2011

INTRODUCTION

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

In 2003, a new opportunity to utilize the LDFA and again forge a public-private cooperative program became available. The City Administration facilitated additional growth and expansion of the manufacturing sector that would benefit the city and other local taxing jurisdictions. As a tool used to spur manufacturing growth, the LDFA financing mechanism was proposed to accomplish public improvements and eligible activities and provide incentives for Pfizer Incorporated to expand in this community. An investment of approximately \$30 million was planned by Pfizer. Additionally, the Stryker Corporation indicated plans to significantly expand its manufacturing capacity by investing up to nearly \$70 million, with significant job retention and job creation possibilities, and incentives to facilitate new manufacturing facilities in Portage and to encourage this investment were proposed. Amending the boundaries of LDFA District No. 1 to include properties along Sprinkle Road were included as part of this initiative.

Pfizer Incorporated proposed new/expanded facilities at the manufacturing complex on Portage Road. Public infrastructure improvements facilitated this expansion effort by the company. The manufacturing facilities are operational. Given the changing pharmaceutical industry over the past several years and for this annual report, jobs at the Pfizer complex have been fluctuating. For the purpose of this annual report, it is estimated that 2,100 jobs are provided locally by Pfizer.

Stryker Corporation proposed a new and also reconstructed/expanded manufacturing, research, and distribution facilities at 3800 East Centre Avenue, 4100 East Milham Avenue and at 6300 Sprinkle Road. The company invested \$68 million in the new manufacturing and expanded facilities and are operational. For the purpose of this annual report, it is estimated that the company employs 2,000 people at these facilities.

The purpose of the 2003 Amended Development Plan/Tax Increment Finance Plan is to provide for the acquisition, construction and financing of public facilities and other eligible activities (as defined in Act 281) necessary for the planned projects by these two companies.

The acquisition and construction of certain public facilities and land acquisition activities facilitated the construction and development of the projects by these companies and thereby created economic growth and development in the Authority District and other areas of the City of Portage and Kalamazoo County.

PROPOSED PUBLIC IMPROVEMENT / ACTIVITY PROJECTS

<u>PUBLIC IMPROVEMENTS/ACTIVITIES</u>	<u>ESTIMATED COST</u>	<u>ESTIMATED TIME DESIGN & CONSTRUCTION</u>
1) Sprinkle Road widening, East Centre to Zylman	\$1,010,000	12-24 months
2) Sprinkle Road/Zylman and Sprinkle Road/East Milham Access improvements	\$ 300,000	12-24 months
3) 80 acre land purchase	\$2,400,000	12 months

ACTIVITY PROJECTS (continued)

4) Water and Sewer facilities to serve interior property	\$ 110,000	12-24 months
5) East Milham-Kalamazoo/Battle Creek International Airport water main improvement	\$1,200,000	12-24 months
6*) Water main Improvement, Sprinkle, Tiffany to Hayes	\$ 880,000	12-24 months
7*) Zylman Improvements	\$1,210,000	12-24 months
8*) Ramona Lane, Lovers to Portage water main improvement	\$ 500,000	12-24 months
9*) Ramona Lane, Lovers to Portage sanitary sewer improvement	\$ 990,000	12-24 months
	TOTAL \$8,600,000	

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

With regard to the proposed projects identified above:

Public Improvement/Activity Project #1: complete
Public Improvement/Activity Project #2: complete
Public Improvement/Activity Project # 3: complete
Public Improvement/Activity Project #4: complete
Public Improvement/Activity Project #5: Haverhill water tower improvements substituted
Public Improvement/Activity Project # 6: complete
Public Improvement/Activity Project #7: Pending further facility expansion by Stryker
Public Improvement/Activity Project #8: complete
Public Improvement/Activity Project # 9: complete

FINANCIAL INFORMATION

This Annual Financial Report has been prepared pursuant to Section 13(3) of the Local Development Financing Act. The Annual Financial Report is for FY 09-10 and contains the information required by the Act.

Section 13(3)a: THE AMOUNT AND SOURCE OF TAX INCREMENTS RECEIVED

Tax increment revenue	\$ 484,093
Interest	\$ 17,478
Total	\$ 501,571

Section 13(3)(b): THE AMOUNT IN ANY BOND RESERVE ACCOUNT

In the LDFA Debt Service Fund balance there is \$ 1,905,242

Section 13(3)(c): THE AMOUNT AND PURPOSE OF EXPENDITURES OF TAX INCREMENT REVENUES

Interest and paying agent fees on outstanding principal \$ 320,532

Section 13(3)(d): THE AMOUNT OF PRINCIPAL AND INTEREST ON ANY OUTSTANDING BONDED INDEBTEDNESS OF AUTHORITY

\$9,520,283 as of June 30, 2010

Section 13(3)(e): THE INITIAL ASSESSED VALUE OF THE ELIGIBLE PROPERTY

The initial value is established at \$ 21,061,140.

Section 13(3)(f): THE CAPTURED ASSESSED VALUE OF THE ELIGIBLE PROPERTY RETAINED BY THE AUTHORITY

The captured value is established at \$38,227,909 for FY 2009-2010.

Section 13(3)(g): THE NUMBER OF JOBS CREATED AS A RESULT OF THE IMPLEMENTATION OF THE TAX INCREMENT FINANCING PLAN.

225 new jobs; 1600 existing jobs retained.

Section 13(3)(h): ANY ADDITIONAL INFORMATION THE GOVERNING BODY OR THE STATE TAX COMMISSION CONSIDERS NECESSARY.

1. Attached find a page excerpt from the FY 2009-2010 comprehensive annual financial report for the City of Portage. This information provides supporting documentation for this financial report.

CITY OF PORTAGE, MICHIGAN

**Local Development Finance Authority 2004 Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual**

**Fiscal Year Ended June 30, 2010
With Comparative Actual Amounts for Fiscal Year Ended June 30, 2009**

	2010		2009
	Amended Budget	Actual	Actual
			Variance with Amended Budget + / (-)
REVENUES:			
Taxes and special assessments	\$ 450,000	\$ 484,093	\$ 34,093
Interest on investments	20,000	17,478	(2,522)
Total revenues	470,000	501,571	31,571
EXPENDITURES:			
Debt Service			
Principal	140,000	140,000	-
Interest	321,110	320,532	578
Economic development	10,000	-	10,000
Total expenditures	471,110	460,532	10,578
Excess (deficiency) of revenues over expenditures	(1,110)	41,039	42,149
Net change in fund balance	(1,110)	41,039	42,149
Fund balance - beginning	1,864,203	1,864,203	-
Fund balance - ending	\$ 1,863,093	\$ 1,905,242	\$ 42,149
			\$ 1,835,171
			\$ 1,864,203