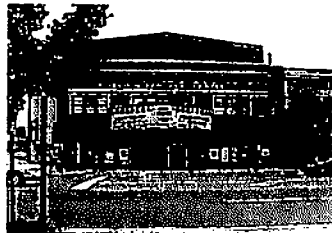


OWOSSO
Downtown
Development
Authority

*Amendment to
Downtown Development
& Tax Increment
Financing Plan*

November 5, 2003



City Council of the City of Owosso

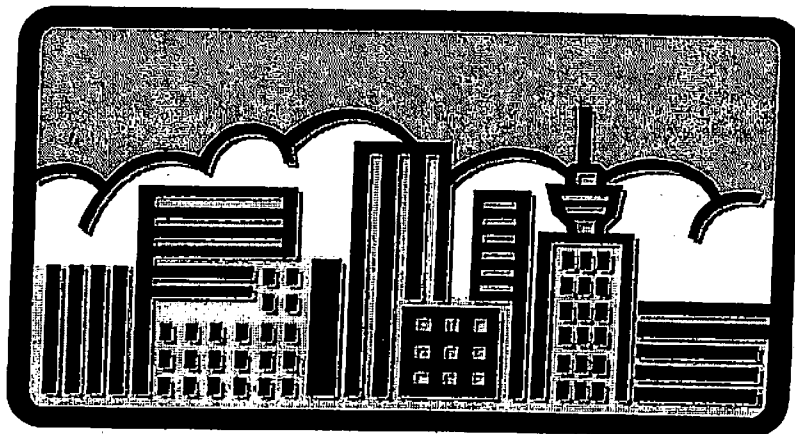
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Owosso
Downtown Development Authority

***Development & Tax Increment
Financing Plan***

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PREFACE

The original Downtown Development Plan and Tax Increment Financing Plan were completed in 1984 and became an ordinance of the City of Owosso. The goals and objectives of the plan were broad and fostered private development in a new commercial area. Parking improvements and pedestrian improvements were installed. The objectives are just as true today and the plan amendment will evaluate their current validity and feasibility. The Development Plan and Tax Increment Financing Plan was amended in 1988 to build the Block 26 Parking Lot and provide for other improvements in the Comstock Center. A Mayor's Community Forum took place in 1995 and a DDA Master Planning process has been ongoing since then. The Development Plan is now revised to reflect the current conditions of the downtown and the new objectives.

INTRODUCTION

Many of the points introduced in the 1984 Development Plan are relevant today. Downtown remains in a transition from the pre-1950's era when it was the only commercial center in the community to this day when commercial development continues to stretch out in linear fashion along the state highway approaches to the city. The land use opportunities for the older structures of downtown Owosso remain quite limited. When downtown Owosso evolved the upper story structures were filled with commercial and residential activity. Less than one car per household was the norm and there was public transportation at that time. Today too many upper stories remain vacant, and the building rents do not sustain top quality maintenance of the many historic structures—130 of them—that most area citizens promote for preservation. To translate goals and objectives into reality, State of Michigan laws continue to enable local communities to plan and finance improvements that will reverse the direction of devaluation of real estate and bestow vitality on the center city.

The City established its Downtown Development Authority in 1977 and since that time many public and private partnerships have established pockets of success throughout the downtown. This Plan intends to continue that process to restore the grandeur that graced the community. Economic development efforts are a renewed factor in this endeavor with community leaders recognizing how critical the downtown is to the region's well-being. The region roughly coincides with the Shiawassee County boundary with both historical and contemporary deference to Owosso's downtown as the central place of the County.

Creation of the Downtown Development Authority

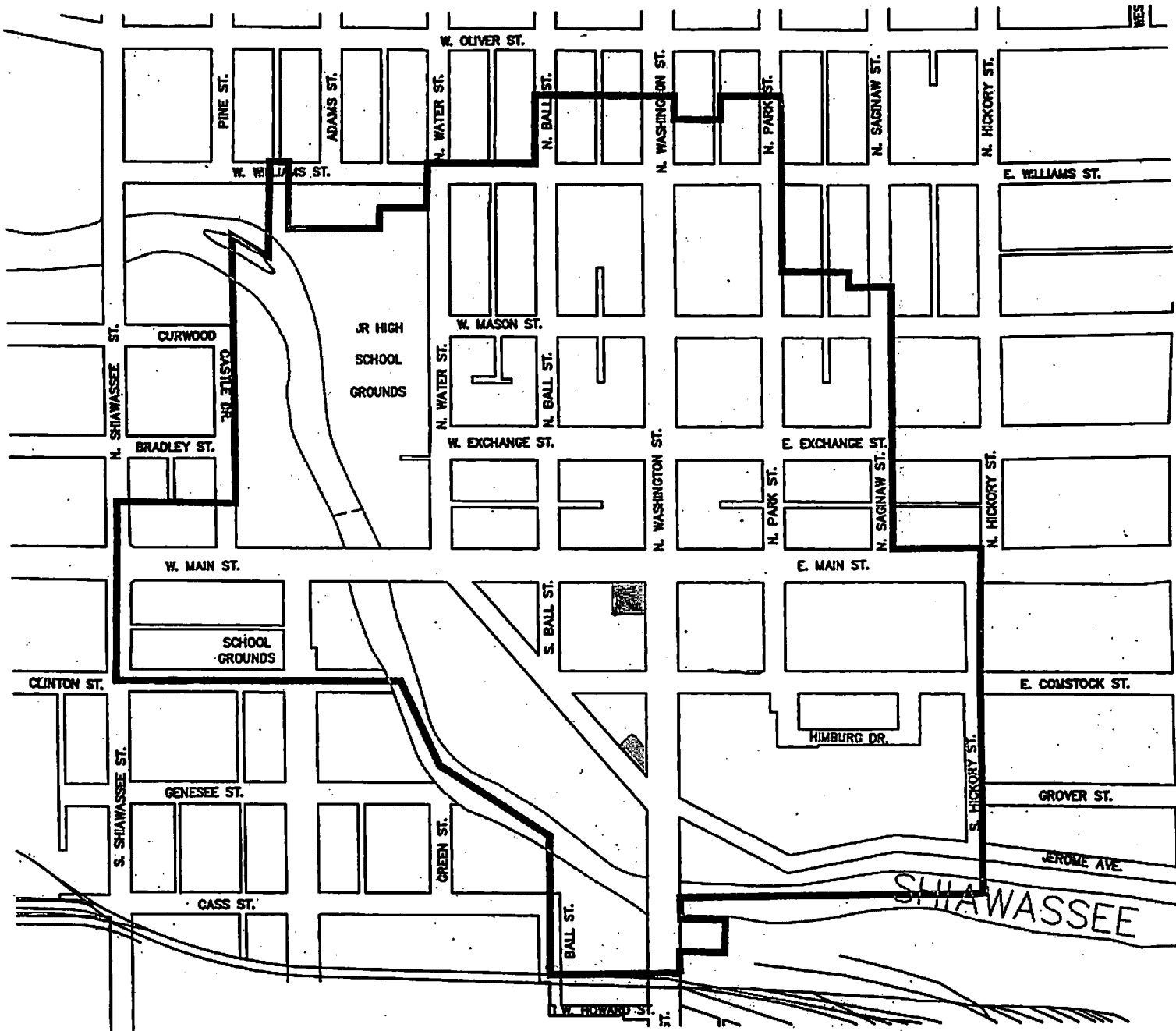
The legal basis for the creation of the Owosso Downtown Development Authority is Michigan Public Act 197 fo 1975, the Downtown Development Act, as amended. The legislation provides for the means to revitalize downtown districts. Act 197 was entitled as follows:

"An Act to provide for the establishment of a downtown development authority; to prescribe its powers and duties; 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 in districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the 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."

Pursuant to the provisions of Act 197, the Owosso City Council adopted Ordinance No. 331 on June 29, 1977. This ordinance provided for the creation of the Owosso Downtown Development Authority, hereinafter referred to as the "DDA." The Council provided the DDA with all the powers and authority contained within the enabling act. In December, 1977, the DDA Board of Directors adopted a set of By-Laws that has been amended four times since their inception.

In the original ordinance, the City Council established the boundaries of the DDA District. The boundaries of the District were further amended in Ordinance No. 418 on 12/5/83, Ordinance No. 460 on 10/16/89 and Ordinance No. 613 on 5/6/02.

Map 1 on the next page shows the area of the Downtown Development District. Note the exception of two parcels in the heart of the downtown that were removed from the District for purposes of inducing development under the Brownfield Redevelopment Act.



City of Owosso
 Downtown Development Authority
 DOWNTOWN DEVELOPMENT PLAN DISTRICT



The Board of the Owosso Downtown Development Authority is responsible for furthering the intent and purpose of Act 197. In doing so, the Board may complete the following activities:

- *Prepare analysis of economic changes within the Downtown District.*
- *Prepare analysis on the impact of sprawl development upon the Downtown District.*
- *Plan and propose construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multi-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the Board, aids in the economic growth of the Downtown District.*
- *Plan, propose, and implement an improvement to a public facility within the Development Area to comply with the barrier-free design requirements of state and federal construction codes.*
- *Develop long-range plans to halt deterioration of property values.*
- *Implement any plan of development in the Downtown District necessary to achieve the purposes of Act 197, in accordance with the powers of the DDA as granted by Act 197.*
- *Make and enter into contracts necessary to exercise the powers of the DDA.*
- *Acquire or lease property.*
- *Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building and any necessary adjuncts thereto, within the Downtown District for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.*
- *Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the DDA.*
- *Accept grants and donations of property, labor, or other things of value from a public or private source.*
- *Acquire and construct public facilities.*

Legal Basis for Development and Tax Increment Financing Plan

As noted above, Act 197 is intended to provide local officials with a means of addressing the need for revitalization in their downtown districts. Two sections of Act 197 provide the legal basis for this Development and Tax Increment Financing Plan.

Section 14 of Act 197 authorizes the DDA, upon determination that it is necessary for the achievement of the purposes of the Act, to prepare and submit a tax increment financing plan to the City Council. Tax increment financing results from the DDA's "capturing" of tax revenues that are derived from the increase in assessed valuations in a development area over the valuations of the area at the time the development area was established. Tax increment

revenues accrue to the DDA from the application of tax rates of all political subdivisions levying taxes in a development area, including those of local school districts for eligible obligations pursuant to state statute. The DDA may use tax increment revenues to make public improvements within a development area as provided for by Section 7 of Act 197.

The Tax Increment Financing Plan includes a detailed explanation of the tax increment procedure, the amount of bonded indebtedness to be incurred, the duration of the tax increment program, a statement of the estimated impact of the program on all taxing jurisdictions in the Development Area, and a statement of that portion of the tax increment revenues the DDA will use.

Section 17 of Act 197 requires that whenever a downtown development authority decides to finance a project within a development area through the use of tax increment revenues or revenue bonds, it must prepare a development plan. The development plan must contain, among others: the designation of the development area (i.e., the area within which the tax increment revenues are to be captured and expended for public improvements); the projects to be undertaken; the estimated costs of the projects; an estimate of the stages of construction and time of completion; the proposed methods of financing the projects; and the impact upon the existing character of development in the area.

Section 18 of Act 197 provides for the adoption of a tax increment financing plan and development plan by ordinance of the City Council after a public hearing. Pursuant to these provisions, the City Council held a public hearing on the Downtown Development Plan and Tax Increment Financing Plan on November 5, 1984. After the hearing the City Council found the purposes of the plan constituted a public purpose and were necessary for the achievement for the purposes of Act 197 and adopted the plan as Ordinance No. 430 at the same date as the hearing. The Development Plan and Tax Increment Financing Plan was subsequently amended as Ordinance No. 455 on November 21, 1988.

Purpose of Development and Tax Increment Financing Plan

The DDA has determined that the establishment of the Development Area and the activities proposed therein, as stated in the Development Plan, are necessary and appropriate to correct and prevent deterioration, promote economic growth and increase property tax valuation in the Downtown District. It is to these public purposes that the Development and Tax Increment Financing Plan has been prepared.

The specific purpose of the Development Plan is to define the improvements proposed for the Development Area, estimate improvement costs and stages of construction, document the impact these activities are expected to have on the existing structure of the Downtown District, indicate for whom the proposed activities are being undertaken and the methods of proposed for financing the proposed activities. The specific purpose of the Tax Increment Financing Plan is to provide the legal authority and procedure necessary to permit the DDA to finance improvements deemed necessary to achieve the public purpose of this Plan through the use of financing powers granted in Act 197.

Basis of Necessity for Development Area

The basis upon which the DDA determined that establishment of the Downtown Development Area was necessary and appropriate to correct and prevent property value deterioration, promote economic growth, and increase property tax valuation was an analysis of past and existing economic conditions, comparable property valuation growth and economic development potential of the Downtown District. The information gathered by the DDA and an analysis of this information is found on the following pages.

I. Analysis of Downtown District Property Valuations.

To start, the City of Owosso has been declared a distressed city under State of Michigan guidelines. The guidelines measure growth in state equalized valuation, among other measures, and the results have consistently shown that Owosso's SEV growth is persistently less than the state average. Within the City the DDA conducted a study of an older residential neighborhood that completed its development by 1972. The complete study is incorporated as Exhibit A of this Plan.

The results indicate that the downtown SEV growth is increasing at a much lower rate than a comparably sized neighborhood. In 1981 the residential area had 42% of the value of the downtown area. In 2002 the same residential area had 85% of the value of the downtown area. Causes of the relative decline include:

- Commercial growth everywhere causing occupancy rates and rent not to keep pace with residential values that have not been subject to sprawl and an overbuilt inventory.
- Regional population stagnation and a declining market for commercial space, especially older buildings.
- Obsolescence of structures together with the lack of access to upper stories of the buildings that reduce rent potential and resulting sale value
- The weak economy's disproportionate effect on the downtown while mass merchandising stores expanded on the highway approach to Owosso.
- Parking expectations of national franchises that are accustomed to mall-type parking and private parking; therefore, limiting use of downtown buildings to mostly local stores and tenants.

II. Development potential for the Downtown District and its meaning to the overall economy.

Downtowns continue to be the community's signature, its front page, its first impression, and its face. While the primary economic activity downtown does not represent economic base activity (e.g., industry, wholesaling, federal and state offices), the downtown reflects what this community thinks about itself. It is the foundation of confidence that permeates the entire community. With a healthy downtown the community looks forward and believes in its efforts to build a stronger economy. The historic buildings together with their preservation, and the socializing influence of downtown parades, restaurants, inviting sidewalks, riverfront parks, bikeways and theaters create a special place environment that the entire region supports. The downtowns shared position in the retail marketplace from its

exclusive position of the pre-1950's has evolved into new perspectives on the downtown's future. Life style positioning is an evolving character of the downtown, with cultural events, specialty shops, dining, residential life and pursuit of good health. These all have a place now and in the future for the center city. While the downtown is probably not the economic engine of the community, it is the heart and soul of the community. There is a budding opportunity for downtown development to support a special residential quality of life. The downtown will maintain its status as the hometown reference point for our economic base industries and regional community.

III. Marketing Analysis.

In the past two years two marketing studies have been conducted for the downtown. The analysis shows the downtown's ability to draw upon 100,000 persons for many types of services and goods. For example it has been noted that downtown Owosso is the real estate transaction center of the county with title offices, real estate offices, banks, mortgage companies, insurance agents, and attorneys. This is one example of a critical mass concentration of services. As the chief full-service urban center for the regional population, the downtown must continue to invest in its infrastructure and buildings to retain its prominence. A development opportunity has been revealed with over 250,000 square feet of vacant or underused upper story space. Through incentives from the City and DDA Plan, residential living unit development of upper stories can result in a population increase of 250 persons for the downtown. More residential development potential exists on the fringe of the downtown to strengthen the support base of many downtown businesses.

Rationale for Boundaries of the Development Area

The boundaries of the Development Area have been established to provide the greatest opportunity for the DDA to achieve its purpose—to correct and prevent deterioration, promote economic growth, and increase property tax valuation in the Downtown District. Except for two parcel additions and two parcel deletions, the boundary remains the same as the original 1984 Development Plan and District. The parcel deletions, already completed, include the removal of two brownfield sites—the former hotel at 102 S. Washington Street and an arson site at 214-222 S. Washington Street. The redevelopment of these sites is better served through the powers of the city's Brownfield Redevelopment Authority. The additional parcels proposed in this plan are two riverfront parcels: the former Ratz Riverside dealership north of the rail lines and the former Bruckman's Moving and Storage site. Overall, the property in the district is the generally referenced pedestrian area/shopping district and the area where the DDA proposes to make public improvements. Other areas of the DDA not in the District may be formed to create another District with a new initial assessed value for the tax increment plan. See Map 1 in an earlier section of the plan for a view of the District boundary with the amendments. The new boundary area is also described in the Appendix as part of Exhibit B.

Improvements Proposed for the Development Area

Over the past two decades the DDA and City of Owosso have initiated many efforts to create a Development Area that prevents deterioration, promotes economic growth and increases property tax valuations in the Downtown District. The 1984 plan was the original guiding document. In 1995 the Mayor's Community Forum established a vision and project list for the downtown. Additionally the DDA updates a comprehensive capital improvements plan every year for Council consideration at budget adoption time every March through May. This chapter of the plan will review the past influences that help establish the present plan strategy.

The 1984 Development Plan

The 1984 Development Plan was an outgrowth of a 1982 Master Plan for the downtown. The DDA at the time selected what it liked from the 1982 plan and featured those initiatives in the Development Plan. The Comstock Center and Block 26 parking lot were an outgrowth from that plan. Other plan objectives included:

- ❖ Improving the pedestrian links between the downtown and Curwood Castle Park.
- ❖ Installation of pedestrian improvements (landscaping and lights) on the sidewalks.
- ❖ Diminishing pedestrian and vehicle conflicts and reorganizing the parking system.
- ❖ Improvement of building facades.
- ❖ Enhancing the use of the riverfront for recreation and commercial uses.
- ❖ Improving the city's entrance approaches.
- ❖ Redeveloping selected alleyways as pedestrian passageways to facilitate movement between parking and shopping areas.

A later section of the plan will integrate the remaining projects of the 1984 Plan with the newer project list.

1988 Development Plan Amendment

This plan amendment was very direct and focused on two purposes: 1) Incorporation of the Block 26 parking lot and; 2) The redevelopment of the former A&P parcel on S. Water St.

1995 Mayor's Community Forum

On August 28, 1995, 100 persons attended the three Saturday forum sessions to set a course for the downtown. The most significant outcome from the forum was the development of the Comstock Inn, a full service hotel, restaurant and conference center. Another significant outcome was the creation of the Friends of the Shiawassee River that conducts an annual clean-up along the river and supports stewardship of the river and its adjoining parcels. The seven themes from the Forum are attached in Exhibit C. These themes, preceded by the downtown vision statement, set the stage for the downtown. Several projects were an outgrowth from that experience. Unfinished initiatives from the Forum are also integrated into the newer project list for this plan.

1996 Policy Statement [Updated by the DDA on September 3, 2002]

The 1996 DDA Board of Directors drafted and adopted a policy statement to help guide decisions for future action and developments. The 2003 DDA membership updated the policy plan package and it is attached as Exhibit D. The policy plan begins with a mission statement for the downtown and that is.

To be an ongoing public/private partnership for the revitalization of a compact diversified business and public service downtown attending the Shiawassee County area with attractive convenient parking, a pedestrian amenity emphasis, home town security, startling cleanliness, classic structural design for historic and modern buildings, omnipresent symbols of community in the form of great public spaces, and a friendly atmosphere of service-oriented employees.

1998 Project/Activities List

Drawing from the Mayor's Forum and Policy Statement, the DDA Board adopted a project list. That list is incorporated as Exhibit E and the updated perspective on projects that should continue are integrated into the newer project list of this plan. Significant elements of this project list include the eventual contribution potential of the Armory and historic preservation efforts on many fronts.

1999 Parking Needs Analysis

The most recent comprehensive parking needs analysis was conducted in 1999. The existing parking lots and street spaces were studied for turnover and occupancy rates. The system was functioning very well with some adjustments for expanded close-in leased parking. Much of this transition to leased parking is based on the increasing presence of office workers in former retail sites or commercial space that did not have many employees per square foot. Based on requests for leased parking, the demand is greater than what the system can provide while preserving customer parking spaces on the streets and in selected lots.

The concept of parking demand is usually accomplished through measurement of floor space and relating it back to the intensity of a particular land use. The dynamics of changing land use and the large variety of permitted land uses in the central business district deter from a reliable demand analysis. The parking system needs are more easily evaluated through the objective to develop upper story spaces and judge that impact on the existing use rates of the system. With few exceptions, achievement of more residential units in the core area is an absolute influence on parking demand that cannot be accommodated with the present capacity. The plan's principle project, the construction of a parking deck in Block 26 is based

on a new three to four story structure at 102 South Washington Street and its higher-than-retail parking demand—offices and residential uses.

2003 Capital Improvements Plan

For at least four years the DDA has prepared a capital improvements plan (CIP). A CIP is a compilation of needs for downtown infrastructure upgrades or replacements—all utilities, public space management, streets, drainage, lighting, street furniture, and landscaping. The CIP is submitted annually to the City for consideration every budget year. The components of a CIP are in public areas and support the business and residential land uses. The plan is divided into levels of urgency for action. The four levels in order of importance are *Critical*, *Essential*, *Optimal* and *Desirable*. The total costs of the improvements planned for the next six-year period are \$2,500,000. Of the *Critical* projects, the parking structure in Block 26 dominates the list. Other imminent actions include a regular street tree replacement program, Michigan Avenue reconstruction, and an improved approach to Heritage Bridge on the east end at the Middle School dumpsters. See Exhibit F in the Appendix for the complete plan.

Zoning Ordinance

The 1970 zoning ordinance, as amended, remains as the land use, parking, loading zone, and building dimension standard to this date. In 2001 the DDA printed a zoning revision document that remains to be addressed through the Planning Commission and City Council. The standards represent a preservation of good design with an inviting character for the pedestrian client. To achieve this goal of retaining what the community preferences are for downtown Owosso, some key standards should be adopted. These are:

- ✓ Commercial entryways must face the street.
- ✓ Commercial buildings must be built close to the street.
- ✓ New buildings downtown must be built to complement nearby historic buildings.
- ✓ Buildings must have recessed entrances usually at 100 square feet of space.
- ✓ Buildings are to have 60% transparency level at the ground floor front and 40% on the side.
- ✓ Minimum building height of two stories is required for the center city district, the original 9-block core area.
- ✓ A horizontal expression line would be required to distinguish the base of the building from the remainder.
- ✓ New buildings and additions to existing structures must be placed 30 feet back from the waterfront.
- ✓ Drive-through businesses shall be evaluated through compliance with standards of a special use permit.
- ✓ The middle of buildings front wall shall be sign free.
- ✓ Driveway access shall be restricted to certain blocks
- ✓ Interior landscaping is required for parking lots with over 40 parking spaces.
- ✓ Private parking will be permitted under special use permit process.

- ✓ A maximum limit shall be placed on private parking; otherwise, no parking spaces are required for uses other than residential and institutional.
- ✓ Parking lots must be located behind or to the side of buildings to reduce the visual impact of parked cars.
- ✓ Cantilevered banners and awnings will be regulated through a maintenance clause of the property maintenance code.
- ✓ No plastic signs shall be permitted. Projecting signs over sidewalks shall consist of wood or metal and be limited to 10 square feet.

The Planning Commission and DDA will develop a recommendation to the City Council for alterations to the zoning districts list of allowed land uses and the locations of the districts. There are some zoning classifications of property that could detract from the proper development of the downtown.

Downtown Projects

These projects are a compilation of recommendations from the 20-year history of project planning and recent listings from the DDA Board. For now they are listed without estimated costs, priority status, or sources of funds. The details are provided in the next section of the Development Plan.

- Convert the revenue source of the DDA operations from Act 197 to the Redevelopment of Shopping Areas Act, Act 120 of 1961, as amended.
- Add parking to serve the parking deficiency area of the Main/Washington Street intersection, specifically a parking structure behind the former hotel site.
- When available, convert the Armory to a focal point of activity in the downtown.
- Improve the access and directional signs to Curwood Castle Park from Water Street.
- Improve the aesthetic appearance of downtown parking lots.
- Develop the vacant city-owned lot at Water and Washington Street.
- Induce river-friendly development at the privately owned lots south of the Shiawassee River fronting Washington Street.
- Adhere to the six-year capital improvements plan as it is updated every year.
- Develop another parking structure above the Ball-Water-Exchange Parking lot as private development in the vicinity and the Armory plan evolves.
- Undertake redevelopment planning for riverfront properties with the outcome engaging the impact of the Shiawassee River on quality of life.
- Plan for accessibility improvement to upper stories where building groups may take advantage of an elevator and hallway connector.
- Plan for and commission for sculpture work for installation at the Bi-Centennial garden at Water and Main Street and at the redevelopment site at 102 South Washington Street (former Owosso Inn).
- Undertake an historic preservation program for downtown's historic structures with program elements to include façade restoration, upper story tenant development, design services, and qualification measures to access state and federal tax credits.

- Support a strict code enforcement program of commercial, residential and tenant properties.
- Improve the sense of arrival for the South Washington Street entrance to the downtown.
- Assist with the development of the west end of the one-mile loop trail park from the Washington Street Bridge to the Oakwood Street Bridge.
- Establish smaller-scale retail and office infill development.
- Build housing development options to meet life-style demand of urban professionals.
- Improve selected building revenues through efforts to match recently established State of Michigan downtown housing programs.
- Incorporate Main Street program concepts into downtown management activity.
- Increase lifestyle, entertainment options including festivals and cultural events.

Implementation of all or a portion of the projects will have a beneficial impact on the area. Outcomes include an equitable opportunity for proportionate growth of the tax base with other areas of the Mid-County, a critical sign of a local healthy economy that is best portrayed in the historic center city, evolution of the downtown into a land use mix that is sustainable, and a "cooler" city now considered essential to retaining educated citizens in the 25-40 age group in our County.

DEVELOPMENT PLAN

Section 17 of Act 197 provides that when a downtown development authority decides to finance a project in a downtown district through the use of either revenue bonds or tax increment financing, it must prepare a development plan. The Development Plan is, therefore, being prepared as a result of the Owosso Downtown Development Authority's desire to use the above referenced financing methods to fund public projects as outlined herein. Section 17 of Act 197 also specifies the contents of a Development Plan, and these contents follow as designated in that section.

Designation of Boundaries of Development Area

The boundaries of the Development Area, including the boundary amendment proposals for two parcels south of the Shiawassee River on Washington Street, are illustrated on Map 1, Downtown Development Plan District. A legal description of these boundaries is located at Exhibit G in the Appendix.

Location, Character and Extent of Existing Streets, Public Facilities and Private Land Uses

Existing Streets

Owosso is significantly located at the confluence of three state highways. Also Washington Street adds to the inventory of connector streets to the downtown. The state highways carry substantial through traffic—traffic that is not using the downtown as a destination. The local street grid system is classically designed for downtowns with rectangular blocks and ease of access to all business locations. The Shiawassee River and the diagonal Water Street interrupt the grid pattern. The only downtown railroad is an east-west crossing on South Washington Street, and rail traffic does not interrupt other traffic in a substantial way.

The streets and most alleys are within dedicated rights-of-way. Development District street right-of-way widths and street classifications are indicated in Table 1 on the next page. In addition sixteen (16) public alleys are listed with their widths and access points.

Public Facilities

Existing public facilities and land uses within the Development District of Downtown Owosso include City Hall, Owosso Police and Fire Department, National Guard Armory, Farmer's Market, Owosso Community Center, U.S. Post Office, Owosso Middle School, Owosso Amphitheater, Curwood Castle, Shiawassee Art Center, Comstock Cabin, the Paymaster Building and Lincoln School. Municipal parking lots in the Development District of Downtown Owosso include:

**TABLE 1
STREETS AND ALLEYS WITHIN DEVELOPMENT DISTRICT**

<u>EXISTING STREET</u>	<u>RIGHT-OF-WAY WIDTH</u>	<u>STREET CLASSIFICATION</u>
Main Street (M-21)	99 feet	Principle Arterial
South Water Street (M-71)	66 feet	Principle Arterial
Shiawassee Street (M-52)	66 feet	Principle Arterial
North Water Street	66 feet	Minor Arterial
Exchange Street	99 feet	Minor Arterial
Washington Street	99 feet	Minor Arterial
North Park Street	66 feet	Minor Arterial
Comstock Street	66 feet	Minor Arterial
Michigan Avenue	99 feet and 82.5 feet*	Urban Collector
Michigan Avenue	82.5 feet	Urban Collector
Ball Street	66 feet	Urban Collector
North Saginaw Street	66 feet	Urban Collector
Mason Street	66 feet	Urban Collector
Himburg Drive	66, 50, 45 feet**	Urban Collector
Jerome Avenue	60 feet	Urban Collector
Curwood Castle Drive	60 feet	Urban Collector
South Hickory Street	49.5 feet	Urban Collector
North Hickory Street	66 feet	Urban Collector
Williams Street	66 feet	Urban Collector

*This one block street section has a wider ROW at the extreme southern end of the block.

**this horseshoe shaped street serves the Comstock Center and is widest at the entrance points and narrow at the east-west section.

<u>EXISTING ALLEY</u>	<u>R.O.W.</u>	<u>ENTRANCE/EXIT STREET(S)</u>
Block 5	20' Wide Full Alley	W. Oliver/W. Williams
Block 6	20' Wide Full Alley	E. Oliver/E. Williams
Block 10	20' Wide Full Alley	E. Mason/E. Williams
Block 12	20' Parital Alley	W. Mason
Block 13	20' Wide Full Alley	W. Williams/W. Mason
Block 14	20' Partial N/S and	W. Mason
Block 14	20" Partial E/W Alley	W. Mason
Block 15	20' Partial Alley	W. Mason
Block 15	22' Pedestrian Alley	E. Exchange to Howe Drugs and Parking
Block 17	20' Partial Alley	E. Mason
Block 20	20' Wide Full Alley	N. Park/N. Saginaw
Block 21	20' Partial Alley	N. Park
Block 22	20' Partial Alley	N. Ball
Block 23 (Greenway Place)	20' Wide Full Alley	N. Water/N. Ball
Block 26 (Washington Court)	Pedestrian Alley	Ball Mason Lot/W. Exchange St.
Clark Gas to Funeral Home	12' Wide Full Alley	S. Shiawassee/S. Michigan

- Armory Lot
- Ball/Mason Lot
- Block 26 Lot
- City Hall Lot
- Comstock Center Lot

- Greenway Lot
- Park/Exchange Lot
- Park/Main Lot
- Park/Mason Lot
- Paymaster Lot

The public facilities are clustered at the Shiawassee River with the park, Armory and Middle School and at Water Street where City Hall and the Public Safety Building anchor this part of the downtown. The parking lots are evenly distributed about the shopping district and vary with their time regulations to induce customer traffic, provide apartment parking or serve employee parking needs. There are 1,245 off street public parking spaces. There are approximately 500 street spaces.

Public and Private Land Uses

Land use activity downtown has undergone some dramatic changes since the 1981 inventory. The comparisons are not entirely valid because the boundary has expanded three times since then. The numbers are revealing when percentages are analyzed. Also the study of the core area of the downtown is nearly the same area as the 1981 land use summary. These are some essential facts:

- The total 2003 building area in downtown Owosso is 1,604,590 square feet. The number for 1981 was 1,080,815.
- The 2003 ground floor area of the downtown has expanded 57.2% over 1981. Much of this expansion is from boundary amendments with some positive direction from new construction.
- Almost 47% of the floor area is comprised of usable basements, second floor, third floor or fourth floor. The ground floor is only half the land use story in the downtown and reflects all the benefits of vertical compact development.
- In contrast the downtown vacancy rates for all floors other than the ground floor has a combined 21% vacancy rate. A favorable rate for real estate development and land use turnover is 5%. The third floors have a vacancy rate 45% in the downtown core area. The spaces indicate a need for improved access.
- The ground floor vacancy rate remains as low at that of 1981 at 3.4%. This number is in a regular state of flux as tenant occupancy varies from place to place and from time to time. The old hotel is not used in any of these numbers and the site is considered vacant land—one of six, small vacant land parcels in the entire downtown.
- Land use and downtown policy go hand in hand. The policy to develop more residential use in the upper stories has been fulfilled somewhat since 1981 with growth on the second floor alone increasing 287% from 34,000 square feet to 131,995 square feet. Another beneficial policy response is that in the core area of the downtown, first floor merchandise trade still dominates land use occupancy at 55.3% (234,303 square feet).
- Usable basement area is the most significant statistical change since the 1981 inventory. The 1981 study probably did not count storage areas as square footage. The 2003 inventory included all basement areas that were 8' high and consisting of poured walls or

block walls. Their utility to landowners is a demonstrated worth because only 16.9% of the basement areas are vacant.

- The type of land use has also changed in emphasis. When boundary changes are considered the commercial category has not changed much and is at 500,000 square feet. The walk-in trade commercial has increased slightly over 1981. Office use has increased dramatically by 70,000 square feet and explains pressure on the parking system.
- Vacant, usable building space for the entire downtown is at 184,427 square feet or the equivalent of a ground floor building with dimensions of 433 feet by 433 feet!
- In contrast to this plan's policy preferences, the distribution of land use has changed with a slight lessening of the concentration of merchandise outlets on Washington Street in favor of office development and restaurants.

Various land use tables are found in Exhibit H of the Appendix. At the time of this plan adoption an updated land use map was not able to be prepared.

Description of Existing Improvements to be Demolished, Repaired or Altered, and Estimate of Time Required for Completion

The DDA has evaluated the Downtown District, the data from the Development Plan, parking system data, the Marketing Analysis, the Mayor's 1995 Forum, policy statements, and the City Zoning Ordinance to identify strategies which will stimulate private and public investments in the Development Area. In all there is a 20-year history of suggested downtown improvements that continue in relevancy and remain to be accomplished. The potential projects and activities are listed in Table 2 below:

Table 2
Potential Projects and Activities—Sorted under the Main Street Format

<u>Main Street Category</u>	<u>Downtown Project</u>
I. <i>Operations</i>	<p>A. Convert the revenue source of the DDA operations from Act 197 (DDA Act) of 1975 to Act 120 of 1961 (Redevelopment of Shopping Areas Act).</p> <p>B. Support a strict code enforcement program.</p> <p>C. Adhere to the six-year capital improvements plan as it is updated every year. See Exhibit F.</p> <p>D. Undertake redevelopment planning for riverfront properties to take advantage of and preserve the qualities of the river.</p> <p>E. Improve the management/marketing of the parking system.</p> <p>F. Downtown administration expense.</p>

Table 2 (continued)—List of Potential Projects and Activities.

Main Street Category	Downtown Project
II. <i>Operations/Economic Restructuring</i>	<p>A. Add parking to serve the parking deficiency area of the Main/Washington Street intersection, specifically a parking structure behind the former hotel site.</p> <p>B. Develop another parking structure above the Ball-Water-Exchange parking lot as private development in the vicinity evolves and the Armory transition takes place.</p>
III. <i>Design</i>	<p>A. Plan for accessibility improvements to upper stories where building groups may take advantage of a common elevator.</p> <p>B. Plan for a commissioned sculpture work for installation at the Bi-Centennial Park at Water and Main Street and at the corner of Washington and Main Streets in the proposed plaza.</p> <p>C. Improve the sense of arrival for the South Washington St. entrance to the downtown with a sign and landscaping.</p> <p>D. Assist with the development of the west end of the one-mile loop trail park from the Washington Street Bridge to the Oakwood Bridge.</p> <p>E. Improve the aesthetic appearance of downtown parking lots.</p>
V. <i>Promotions</i>	<p>A. Increase lifestyle enjoyment of the downtown with more festivals and cultural events.</p> <p>B. Incorporate Main Street program concepts into downtown management activity and increase participation levels of stakeholders.</p>
VI. <i>Economic Restructuring</i>	<p>A. When available, convert the Armory to a focal point of activity in the downtown.</p> <p>B. Continue with smaller scale retail and service/office infill development.</p> <p>C. Develop the vacant city-owned lot at Water and Washington Streets.</p> <p>D. Build housing development options to meet life-style demand of urban professionals.</p>

Table 2 (continued)—List of Potential Projects and Activities.

Main Street Category

Downtown Project

*Economic
Restructuring (cont'd)*

- E. Improve building occupancy and operational budgets to secure upper story residential expansion through incorporation of Michigan State Housing Development Authority financial aid programs.
- F. Raze the former Owosso Inn for a new office/retail structure.
- G. Induce river-focused development at the privately owned lots south of the Shiawassee River and fronting Washington St. Also expand the TIF Plan boundary to include those properties.
- H. Undertake an historic preservation program for historic structures with program elements to include façade restoration, design services, upper story tenant housing or office tenant development, and qualification measures to access state and federal tax credits.

I. Operations.

Operations are one of the four Main Street themes for downtown management. Operations include the organizational structure and its administrative activities. Below are details of each plan recommendation that deal with “operations.”

Conversion to Redevelopment of Shopping Areas Act

This plan places a high emphasis on converting promotional activity from the Downtown Development Authority Act of 1975 to the Redevelopment of Shopping Areas Act of 1961. The DDA Board of Directors and the Board of Directors for the Shopping Areas Act, by law, can be one in the same. The administrative advantage of the latter act is the direct definition of the promotional activity and the use of the special assessment financing method over the ad valorem tax of the DDA. The process of conversion involves communications to building owners with a public hearing through the City Council after which an ordinance is considered for adoption.

Code Enforcement.

The City of Owosso has adopted the International Property Maintenance Code and International Fire Code. The Codes provide the minimum standards for building maintenance and safety. Through observation, complaints and inspections, building deficiencies can be identified and communicated. The codes require compliance and

are a critical component of preserving the existing structures of the downtown. A regularly attended code enforcement program retains the building stock and supports the private responsibility of owners to maintain commercial structures top to bottom. The program is especially relevant with party wall structures where one building owner depends on an adjoining owner to mutually care for their building. Roof maintenance and fire safety are strong justifications for enforcement.

Six-Year Capital Improvements Plan.

The six-year capital improvements plan (CIP), incorporated by reference in Exhibit F, is a compilation of bricks and mortar work in public spaces and streets about the downtown. The projects are sorted by need and account for \$2.5 million in projected investments. The costs exceed the scope of this plan and the implementation of the projects will a result of coordinated city funds, grant funds and in some cases benefiting property owners contributions. Some of the critical projects include the Block 26 parking deck, more specifically described in a later section, a regular tree replacement program, and a new approach to Curwood Castle Park between the Armory and the Middle School.

Redevelopment Planning.

Together with the City Planning Commission, the DDA has a responsibility to plan for the future of the downtown. This plan is an illustration of that responsibility; however, planning continues beyond the confines of this general plan. The specific planning efforts that accompany developer initiatives or improve a public place are an ongoing need. Despite regular progress along the river with trails, bridge underpasses, the amphitheater, and developments at Curwood Castle Park, the improved use of the riverfront is a development opportunity that has great possibilities. Private property locations at the Bruckmans Building and former Riverside auto dealership have strategic river frontage locations that should have complementary land uses. The planning concepts for the riverfront include architectural renderings and marketing opportunities analysis. Another location with riverfront potential is the Matthew's Building where the overlook of the spillway and park together with the key view horizon for entry to the heart of the downtown make this site a strong candidate for redevelopment planning. Some locations are private property so the planning venture is accomplished through public/private cooperation. Planning funds are estimated at \$25,000.

Parking System Management and Marketing.

This Development Plan supports another evaluation of the parking system from an operational standpoint. Use surveys and parking needs analysis must continue. Signs and wayfinding directional signs must be replaced. Entrances must be evaluated for improved and easy identification. "Super graphics" will provide a corresponding match for the city's massive investment in parking infrastructure. The sign budget for this program is \$4,000. The parking studies—all labor costs—are budgeted at \$2,000.

Interns or temporary employees would conduct the studies.

Amend the Development District Boundary.

The Development District boundary is hereby amended to add two parcels—one at the former Bruckman's site and the other at the former Riverside Pontiac Dealership. The descriptions and map for each are provided in Exhibit B. The reason for the boundary amendment is to include the possibility of the Plan's role in inducing riverfront development at these strategic locations.

Downtown Administrative Management.

The increase of activity in the DDA will result in increasing responsibility for administration of the plan. The plan shall provide for administrative costs up to 8% of project costs and will be paid to the Executive Director of the DDA in his/her increased capacity or to a Downtown Manager assigned specifically to a project.

Operations/Economic Restructuring.

The four-point Main Street program is altered for plan purposes to better define the heading for plan projects. In this section projects blend operational development with economic development for the downtown. The details of each project are:

Add a Parking Structure at the Ball/Comstock Lot.

In concert with the redevelopment of the former hotel site, the DDA has prepared preliminary engineering and cost estimating for a new parking structure to accompany the private development. The facility both ground and upper floor will provide 104 vehicle spaces. The cost is estimated at \$1,200,000. The upper floor will provide leased parking opportunities for area businesses and residents.

Add a Parking Structure at the Water/Ball/Comstock Lot.

The DDA has a preliminary engineering plan for a parking structure in what is now called the Greenway Lot. The structure awaits sufficient development both east and west of the site to justify its construction. The cost of this facility is estimated at \$900,000 and will provide approximately 90 spaces in its upper level. The project must necessarily await other development funds predicated on private development initiatives over what exists in the vicinity at this time.

Design

The National Main Street Program shows a considerable bias toward historic rehabilitation as a downtown's main advantage for growth, activity and investment. Design efforts should

enhance the physical appearance of the traditional commercial district by rehabilitating historic structures, and supporting design-sensitive new construction. Public places will have aesthetic components to support the private building stock. Project details include:

Accessibility Improvements Design.

One of the key limitations to upper story development is architectural review and structural engineer evaluations for improved access to these areas. The land use inventory revealed 750,000 square feet of usable space in upper stories and basements of downtown structures. The DDA is enabled to plan for access to these spaces and improved occupancy of buildings will enhance the economic resources for rehabilitation of older structures. The work begins with seeing the possibilities and design work improves that vision and the chances for project implementation. For projects that involve the compliance with barrier free code requirements, the design service applies and is estimated at \$25,000 over the term of the plan.

Sculpture Work.

Public art is a severe shortcoming for the downtown environment. In concert with the DDA mission statement to have great public spaces, sculpture work can advance that goal through sidewalk and plaza applications. The role of this plan and the DDA would be to establish partnerships for public art and assist in the project development. Locations for sculpture work have been identified at the Bicentennial Park and at the proposed plaza in front of the replacement building for the former Owosso Inn site. The plan establishes a \$30,000 budget for the advancement of public art.

Improved Entryway—S. Washington Street.

Of the four approaches to downtown Owosso, the South Washington Street entry to downtown remains the most incomplete. An offer of space from a building owner at the intersection of South Washington Street and Corunna Avenue would allow another landscaped welcome sign. Together with sidewalk trees between Corunna Avenue and Water/Jerome Streets, this entry way could become another signal of a vibrant, well-maintained commercial district. The welcome sign and pedestrian improvements are estimated at \$10,000.

Loop Park Development.

The loop park, partially complete, is to be a circular trail beginning at the Comstock Center, proceeding easterly to the Oakwood Bridge, returning westerly on the south side of the river and crossing back to the starting point at the Washington Street Bridge. The west end of this park lies within the Development District. Detailed plans remain to be accomplished and construction work will need assistance. The Development Plan can play a role here and match city and grant funds. The Development Plan's part in this endeavor is \$5,000 for design/engineering work and \$10,000 for implementation.

Downtown Parking Lots and Streetscapes.

There is some repetition here with the 6-year Capital Improvements Plan. The DDA has prepared two parking lot renovation plans and will do the remaining lots after the initial two lots renovations are implemented. Treatments include walls, landscaping, new lights, holiday decorations, and screening of dumpster corrals. It is intended to partner with the City of Owosso to achieve the upgrades. For the pending two lots renovation plans are estimated to total \$150,000 with the Development Plan share established at 50%. Other lots are candidates for design plans and upgrades but are not estimated at this time. Streetscape improvements include expanded planter boxes where trees cannot be established. Twelve planter boxes are projected to cost \$2,000 apiece with \$400 apiece to landscape for a total budget of \$28,500.

Promotions

Promotions involve marketing the traditional commercial district's assets to customers, investors, local citizens and visitors. This aspect of the four-point Main Street approach is the least relevant to the Development Plan and Tax Increment Financing Plan because it is not the intent of the plan to finance promotions through captured taxes. The details of promotional work are:

Increase Cultural Events and Festivals.

From a recent study of Grand Rapids, it was learned that a key competitive element for the new economy workers, those persons with knowledge and talent between the ages of 25 and 40, was for communities to have festivals in abundance. Downtown Owosso has periodic parades, a car show, and the Curwood Festival as a partial response. There is a need for at least two more events of importance to meet the demand and add to the enjoyment of community life. No tax increment funds are projected for festivals or cultural events.

Increase Participation Levels.

Once the marketing plan is formed, a clear and ongoing need for higher participation rates is critical for the promotional arm of the downtown management plan. With the increase in entertainment business activity, there are now more stakeholders than ever who would benefit from more festivals. Attending to quality of life basics has an influence on retaining the most important population group for the future of the area economy. Funding from this development plan would involve partially funding a downtown manager assistant to expand the participation levels for activity leading to improving the downtown economy. This contribution is estimated to average \$2,500 per year.

Economic Restructuring

Economic restructuring deals with the public/private partnership for growth and improvement in the business district. It also involves meeting the challenges from outlying development and all the adjustments that entails from a time when the traditional downtown was built as the principal merchandise outlet for the area. Many projects and activities fall into this critical element of the Main Street approach to downtown development. Economic restructuring efforts are detailed as follows:

Induce River-focused Development.

The Shiawassee River is a resource that most Michigan downtowns cannot duplicate. Predictably it is taken for granted and an evaluation of the riverfront land use is a demonstration of that condition. The subject of riverfront improvements is infrequently raised as a means to boost the downtown economy. With Shiawassee County being next to last among Michigan counties in surface water area, the river resource rises significantly in scarcity and value. Three parcels were mentioned earlier under planning activity. The Development Plan now endorses involvement in the implementation of redeveloping riverfront parcels. The DDA may invest in all or part of the property interests and make improvements before returning the property interests back to private owners. The DDA may coordinate with the Brownfield Authority for tax benefits to developers. Business development loan funds can be dedicated to new business ventures. All these resources are intended to induce maximum benefit from the riverside location. There are no targeted budget estimates for this activity; reliance on the plans funding abilities will be project specific and subject to availability of this particular resource.

Historic Building Preservation and Rehabilitation.

The Development Plan endorses actions that will restore downtown's historic structures. In a July 30, 2003 report, 132 downtown buildings were identified as qualifying structures for historic building improvement. The actions contemplated in this plan include façade restorations, development loans, upper story tenant development, parking enhancement, and application of qualification measures for tax advantages. The inventory shows that 50 buildings that have high rehabilitation value. The Plan contemplates a capacity to become involved in 20 projects at varying levels of input. The main implication to the tax increment plan is the allowance for acquisition of property interests—facades, upper stories, or entire structures—to accomplish the plan objectives. Parking improvements represent another potential action for historic projects. The plan proposes a project to select a street wall block facing downtown, design the historic preservation plan and carry out some or all of the restoration. A project budget of \$50,000 is established for this effort, some of which is compensable from tenant development in upper stories.

Armory Redevelopment.

Periodic efforts to build a new armory outside the downtown district raise this significant structure for public scrutiny of redevelopment possibilities. The plan involvement would include actions to secure an interest in the property, relocate the Chamber Building and conduct a community and stakeholder planning process to achieve the highest value return for this majestic structure. For this project there is a balanced budget but the capital infusion from the plan funds is estimated at \$100,000.

Small Scale Infill Development.

The core are of downtown consists of many 22-foot wide storefronts. These are the incubator locations for new and existing specialty businesses that distinguish the downtown from any other commercial setting—malls, plazas, strip centers, or mass merchandizing outlets. The concentration allows a critical mass of stores that become a large store albeit individual ownerships. The Development Plan supports this setting through promotions, marketing studies, brownfield development inducements, and organizational actions. The DDA also oversees a business development loan program and hires a business consultant to recruit occupants of vacant sites. The special role of these buildings is the ability they have for start-up companies. Owosso's history is replete with successful businesses that started at a manageable scale. The cost to the development plan can only be estimated through marketing study estimates, and the DDA's time share of the business consultant. An amount of \$3,000 per year is established for this activity area.

Vacant Lot Development.

The City owns a lot at Water and Washington Street that has river frontage and nice potential for an office or small retail site with 12 parking spaces. The Development Plan's role shall be to upgrade the condition of the lot on its development with landscaping along the river and streets. The estimated landscaping cost is \$5,000.

Lifestyle Housing Developments.

Lifestyle housing refers to downtown living with cultural and entertainment amenities. The apartments units would incorporate work/live opportunities and include options such as balconies, indoor grilles, laundry facilities, skylights, rooftop gardens, and underground parking to name a few. The partnership of the Development Plan and expansion of downtown housing repeats itself from earlier project listings—riverfront development, brownfield tax advantages, historic tax credits, expansion of the parking system, marketing analysis, site clearance, and obtaining real estate interests. Each development has its own special needs that can not be foreseen until they enter a planning phase. The orientation of this plan is to get involved. Except for the parking structures, no cost estimate is made. The plan is structured to show a level of funding available per year. Project costs would have to operate within that limitation.

Partnership With Other Agencies—Housing Development.

The plan includes working with the State of Michigan's Community Development Block Grant Program and the Michigan State Housing Development Authority who have established a program for downtown residential expansion of upper stories. Some of the beneficiaries of the new apartments would be low to moderate income households. The City has had one experience with this program. Expansion of the program forms the basis for expanding the customer base to downtown stores and improved the balance sheet for downtown building owners—hence the monies to afford higher maintenance. There is no specific cost to the program but any venture under this program offering may involve assembling many activities above that can support an upper-story housing development.

Private Partnerships for Business Development

These projects remain undefined but are projected as mixed-use developments that are larger scaled ventures. The funding sources are usually more complex. What is established for the purposes of the Development Plan is that there are unknown project initiatives that will result in the use of Tax Increment Funds for public support of the activity. It is projected that a specific plan would raise the necessity of an amendment to the Development Plan.

Examples of prior enhancement projects at a scale of what is contemplated under this section include the Comstock Inn, the Comstock Center, and the present efforts at the former Owosso Inn.

Estimated Cost of Proposed Improvements and Estimate of Time Required for Completion

TABLE 3
Estimated Cost of Proposed Improvements and Completion Time Required.

Project/Improvements	Estimage Cost	Estimated Time For Completion	Possible Funding Sources			
A. OPERATIONS:						
Convert Operations To PA 120 of 1961	Same as DDA	6 months	PSD			
Maintain and Improve Code Enforcement	Already Funded	n/a	GF			
Implement Six-Year Capital Imp'ts Plan, e.g.,	--	--				
--Curwood Castle Park Access Upgrade	\$15,000	3 months	TIF	GF	OPS	
--Upgrade Greenway Lot	\$100,000	4 months	TIF	GF		
--Upgrade Armory/Matthews Lot	\$75,000	4 months	TIF	GF		
--Ongoing Tree Replacment Program	\$20,000/yr	ongoing	TIF	GF		
--Other Parking Lot Renovations	\$110,000	ongoing	TIF	GF		
--N. Ball Street Parking Mall	\$50,000	2 months	TIF	GF	PF	
--Pedestrian Improvements at Park St.	\$225,000	6 months	TIF	GF	PF	TEA
--Pedestrian Improvements at W. Mason	\$50,000	3 months	TIF	GF	PF	TEA
--Planter Boxes at Exchange Street	\$28,500	3 months	TIF	GF	OS	
--Add Pedestrian Lights to Middle School	\$16,000	2 months	TIF	GF	OPS	
Amend Boundary for Riverfront Sites	TBD	2 months	OB			
Redevelopment Planning	\$25,000	ongoing	TIF	PF		
Parking System Mgm't and Marketing	\$4,000	ongoing	TIF	GF	FBS	OB
Adminstration--Executive Director/Mgr	5-8% of Costs	ongoing	TIF	OB	GF	
B. OPERATIONS/ECON RESTRUCTURING:						
--Block 26 Parking Deck	\$1,200,000	12 months	TIF	OBRA	CDBG	PF
--Greenway Lot Parking Deck	\$1,000,000	12 months	TIF	OBRA	CDBG	PF
C. DESIGN:						
Accessibility Improvement Design	\$25,000	ongoing	TIF	PF	TI	LP
Sculpture/Public Art	\$30,000	ongoing	TIF	PF	OS	
S. Washington Entry Way Improvements	\$10,000	2 months	TIF	GF	OS	
Loop Park Development	\$15,000	3 months	TIF	GF	TEA	
D. PROMOTIONS:						
Increase Cultural Events and Festivals	TBD	ongoing	FO	OB	PF	OS
Increase Participation Levels	TBD	ongoing	FO	OB	PF	

TABLE 3 (continued)
Estimated Cost of Proposed Improvements and
Completion Time Required.

Project/Improvements	Estimated Cost	Estimated Time For Completion	Possible Funding Sources			
E. ECONOMIC RESTRUCTURING:						
Induce River-Focused Development	TBD	ongoing	TBD	LP		
Historic Building Preservation	\$50,000	6 months	TIF	PF	OS	TI
Armory Revolopment	\$100,000	2 years	TIF	PF	OS	CC
Small Scale Infill Development	\$3,000/yr	ongoing	TIF	OB	CC	TI
Vacant Lot Development	\$5,000	1 month	TIF	GF	LP	
Lifestyle Housing Developments	TBD	ongoing	PF	TI	TIF	LP
Agency Partnerships for Housing	TBD	ongoing	TIF	OS	CDBG	TI
Private Partnerships for Business Dev't	TBD	ongoing	TIF	PF	LP	

Funding Key

- | | | | |
|-----|------------------------------|------|---|
| GF | City of Owosso General Fund | OBRA | Owosso Bronwfield Redevelopment Authority |
| OB | DDA Operating Budget | TIF | Tax Increment Financing Revenues |
| FBS | Fee Based Service | PSD | Special Assessment from Principal Shopping District |
| TEA | Fed/State Enhancement Grants | CC | Chamber of Commerce |
| PF | Privately Funded | OPS | Owosso Public Schools |
| TI | Tax Incentives | LP | Business Dev'p Loan Program |
| TBD | To Be Determined | OS | Other Sources (Foundations, etc) |

Stages of Construction Planned and Estimate of Time Required for Completion

The stage of construction planned and the estimated time of completion for each stage have yet to be determined for the majority of the proposed improvements. There are some improvements with a specific timeline already contemplated. These are:

Improvement	Schedule/Duration
1) Parking Structure—Ball/Comstock Lot	2004/12 Months
2) Conversion to Principle Shopping District Operations	2004/6 Months
3) Upgrade of Curwood Castle Park Access From Downtown	2004/2 Months
4) Redevelop Armory/Matthews Lot	2004/3 Months
5) Begin Tree Replacement Program	2004/2 Months/Yr.
6) Loop Park Development	2005/6 Months
7) Historic Building Preservation Demonstration Project	2005/6 Months
8) Small Scale Infill Development—Administration	2004/Ongoing
9) Downtown Management Administration	2004/Ongoing

Description of Open Space Areas and Uses

The DDA believes that preserving greenspace and enhancing public open spaces is important to the vitality of the downtown. The Development Plan encourages the development of open space areas and walkways through many of its projects, i.e., streetscapes, landscaped entryways, enhancement areas, plazas, planter boxes, riverside settings, alley upgrades, and trails. The following open space areas are existing places and will be preserved within the Downtown Section of the Development Area:

- ❖ The James Miner River Walkway from the Comstock Center to the Owosso Middle school. This bikeway/walkway also is a regional connection to Corunna.
- ❖ The Exchange Street alley between 104 W. Exchange and 110 W. Exchange Street. This walkway connects West Exchange Street to the Ball/Mason Parking Lot.
- ❖ The Don and Metta Mitchell Performing Arts Center. This amphitheater provides summer concerts in a landscaped environment along the river. The grounds serve double duty as the outdoor physical education facility for the Middle School.
- ❖ Curwood Castle Park. The park is at the intersection of two state highways and is a critical greenspace for the community and region. In the works for 40 years, the Castle, Arts Center, Paymaster Building, footbridge and Comstock Cabin for the nucleus of a cultural center and riverside open space grounds.

- ❖ **Washington Court.** This alleyway connects the Block 26 parking lot with South Washington Street businesses. The alleyway will be constricted with the new mixed-use building at the corner of Washington and Main Streets but it will continue to serve as an open space corridor for pedestrians.
- ❖ **Bicentennial Park.** The triangular vest pocket park, despite its size, is a significant visual entry to the heart of the downtown. It provides year-round satisfaction and an opportunity for appealing character to travelers and visitors.

In addition to the above noted spaces, the new multi-use building at Washington and Main Street shall include a small plaza. Streetscape improvements and planter boxes are addressed elsewhere in this plan.

Portions of the Development Area Where the DDA Desires to Sell, Donate, Exchange or Lease to or from the City of Owosso

It is anticipated that all property that will include bonding authority of the DDA shall include transfer to the DDA or a sub-contract of lease with the City. The Block 26 parking structure is a pending example of a lease arrangement between the DDA and City. The terms will include dedication of tax increment funds to help pay the bond obligations of the City or its Building Authority.

Description of Desired Zoning, Street and Utility Changes

There are possible zoning changes for the riverfront parcels mentioned in Table 2, "Potential Projects and Activities". One parcel is zoned industrial (405 South Washington Street) and is recommended for General Business District. The other parcels may include ground floor residential and would entail an amendment to accomplish that objective. The zoning ordinance text provisions are mentioned earlier in the plan and entail an 18-point amendment strategy for the B-3, Central Business District provisions.

A series of plans and studies concerning the street layout of the downtown conclude that the existing street grid system is an inherent strength of center cities and should remain the same for Owosso. Needed adjustments to the one-way system were made in the 1980's. Street parking is an ongoing analysis and process for improvement. The next major street reconstruction is S. Michigan Avenue in 2004 and then Washington Street for 2007. Decisions must be made on the use and potential expansion of the patterned sidewalks, either brick pavers or stamped concrete. The weighing of relative benefits and liabilities of such improvements remain unresolved.

Utilities include the water, sewer, storm drainage, electrical, natural gas and communication systems. It has been a practice of the city to coordinate major street reconstruction with utility upgrades. There are no outstanding upgrades that are considered necessary prior to the street reconstruction schedule.

Estimated Cost of Development, Proposed Method of Financing and Ability of DDA to Arrange Financing

The estimated total cost of all public and private improvements expected is expected to exceed \$8,000,00. It is anticipated that the DDA will finance a portion of the estimated total costs of the public improvements, at \$3,600,000, through a pay-as-you-go process and supportive contracts of lease with the City to finance Building Authority or Brownfield Redevelopment Authority bond issues.

Designation of Whom Development is to be Leased, Sold, or Conveyed and Beneficiary of Development

At the present time, none of the proposed projects are being undertaken for the benefit of anyone other than the citizens of Owosso and the existing property owners, residents and businesspersons of the Owosso Downtown Development District. Some of the enhancement projects may include the sale, lease or conveyance of property and/or air rights to a private person, natural or corporate, responsible for a development. No private person, natural or corporate, has been selected for any enhancement projects defined in this Development Plan.

Procedures for Bidding, Leasing, Purchasing or Conveying All or a Portion of Improvements

The DDA does not anticipate completion of any improvements for the benefit of any private person, natural or corporate, or which may be leased, sold, or conveyed to any private person, natural or corporate; unless there is an expressed or implied agreement between the DDA and private persons, natural or corporate. However, should some improvement, or portion thereof, be completed without such agreements, it will be sold, leased or conveyed in accordance with all applicable laws and the City Charter of the City of Owosso.

Estimate of Number of Persons Residing in the Development Area and Number to be Displaced

It is estimated that there are approximately 290 residents in downtown Owosso. This is based on the presence of 184 apartment units (at 1.5 persons per residence) and 7 single-family dwellings (at 2.4 persons per residence). There are no immediate plans to displace or relocate any families or individuals. If it is determined that persons are to be displaced or relocated, the standards and provisions of the Federal Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 will be followed.

Plan for Establishing Priority for Relocation of Persons Displaced by Development in any new Housing

Because there are no displacements from developments contemplated in the plan, no plan is required.

Provision for Costs of Relocation of Relocating Persons Displaced by the Development and Financial Assistance and Reimbursement of Expenses

As with the explanation for the Relocation Plan, this section does not pertain to the Development Plan. There is no intent or project in the Development Plan to acquire residential properties and move residents.

A Plan for Compliance with Act No. 227 of the Public Acts of 1972

This act provides for financial assistance and relocation assistance advisory services to displaced residents. Again, without any intent of the Development Plan to displace residents this section of the plan does not have to be addressed.

Businesses and Property That May Be Acquired

At this time there are no plans for any businesses within the Development Area, or other property not otherwise specified in this Plan, to be acquired by the DDA. However, the acquisition of any business or property within the Development Area that becomes available in the future may be pursued if the DDA considers it to be an integral part of a public improvement that is being undertaken. The DDA may also consider the acquisition of any business or property within the Development Area that may become blighted or dilapidated, or that the City Council condemns or determines to be a nuisance.

Tax Increment Financing Plan

Section 11 of Act 197 provides that the activities of the DDA may be financed through various funding sources, including the proceeds of a tax increment financing plan. Section 14 of Act 197 further provides that:

“When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in Section 17, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, the duration of the program, and it shall be in compliance with Section 15. The Plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The Plan may provide for the use of part or all of the captured assessed value, but that portion intended to be used by the authority shall be clearly stated in the tax increment plan.”

The Owosso DDA has determined that it is necessary for the achievement of the purposes of Act 197 to prepare and submit to the City Council a tax increment financing plan for the Development Area.

Tax Increment Financing Procedures

A detailed explanation of the tax increment finance procedure is found in Sections 14 through 19 of Act 197, a copy of which is found in the Appendix.

To summarize, tax increment revenue available to the DDA is generated when the current assessed value of all property within a development area exceeds the initial assessed value of that property. The initial assessed value is defined in Act 197 as “the assessed value, as equalized, of all taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved...” The current assessed value refers to the assessed value of all property within the development area as established each year subsequent to the adoption of the tax increment financing plan. The amount in any one year by which the current assessed value exceeds the initial assessed value is defined as the “captured assessed value.”

The tax increment revenue available to the DDA results from applying the total tax levy of all eligible taxing bodies to the captured assessed value, except for the state education tax, and the local and intermediate school districts tax and except for voted debt. However, captured assessed value from the state education tax and local or intermediate school districts can be

used to fund "eligible obligations" issued prior to 1994 and this is in fact the situation with the Owosso DDA Plan.

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 through rehabilitation, remodeling alterations, or additions occurring after the date establishing the "initial assessed value."*
- Increases in property values that occur for any other reasons, including inflationary growth.*

Tax increment revenues transmitted to the DDA can be used either as they accrue annually, i.e., pay-as-you-go, or can be pledged for debt service on general obligation bonds issued by the municipality or tax increment bonds issued by the DDA.

If general obligation bonds are sold, the municipality may not pledge for annual debt service requirements in excess of 80% of the estimated tax increment revenue to be received from a development area for that year. Should actual tax increment revenues fall below projections, any previously accumulated revenue would be devoted to retirement of the bonds. The bonds are subject to the Michigan Municipal Finance Act and may not mature in more than thirty (30) years. If tax increment revenues are insufficient for any reason, the Michigan Municipal Finance Act provides that if the bond issue has been approved by the electors of the municipality, the municipality must meet debt service requirements from its general fund, and, if necessary, levy whatever additional taxes are required. If the bond issue has not been approved by the electors, meeting debt service requirements becomes a first budget obligation of the general fund.

The DDA may expend tax increment revenues only in accordance with the tax increment financing plan; surplus revenues revert proportionally to the respective taxing jurisdictions. The tax increment financing plan may be modified upon approval of the governing body after notification and hearings as required by Act 197. When the governing body finds that the purposes for which the plan was established have been accomplished, they may abolish the plan. However, the tax increment plan may not be abolished until the principal of, and any interest on, bonds issued pursuant to the plan have been paid, or until funds sufficient to make such payments have been segregated.

Estimated Captured Assessed Value and Tax Increment Revenue

The tax increment plan will continue to use the initial assessed value of the Development Area. The DDA has completed projects that required the obligation of funds. The bond

payments continue through 2011. Beginning with the 2003-04 fiscal year, the DDA will begin to capture funds in excess of its bond obligations and City advances made to the DDA for the 1985 and 1990 parking lot projects. The present amendment will start the capture of tax increment revenues that can be used for the projects proposed in the Development Plan. Table 4, "Projected Captured Value and Tax Increment Revenue", at the end of this section presents the captured assessed values and the tax increment revenue estimated to be available to the DDA over a 25-year period commencing with the date of this amendment to the Plan. It is the intent of the DDA to use all of the captured assessed value generated from within the Development Area, including any inflationary growth, so long as the capture of that assessed value is necessary to the financing of any public improvements provided for in the Development Plan and undertaken by the DDA. Any revenues not so required in any year will be considered surplus and will be distributed proportionately to all taxing jurisdictions. The DDA intends to apply the maximum tax rate available, except for debt service levies, to the captured assessed value in order to generate maximum tax increment revenues. The generation of such revenues will allow the DDA to finance any public improvements it undertakes over the shortest duration possible, thereby generating surplus revenues at the earliest possible date. Although the actual tax increment revenues available to the DDA will undoubtedly vary from the estimates herein provided, the estimates of tax increment revenues are based on the following:

- The 2004 assessed valuation of \$9,099,446. In accordance with the requirements of Act 197, this is the assessed value established on December 31, of 1984 and 2003 and finally equalized in May of 1980 and 2004.
- A projected Taxable Value in 2028 of \$31,533,503.
- Annual appreciation in value of 1.5%.
- If millage rates remain constant (they normally fluctuate up and down in small increments), a tax rate of 48.4788 mills through 2011 when the last DDA Sub-Contract of Lease payments to the City of Owosso are completed. After 2011 the tax rates for the local school district and the state education tax are discontinued and the tax rate employed for the balance of the calculations is 21.7403. The actual millage rates will vary over time.

Use of Tax Increment Revenues

Tax increment revenues derived from the Development Area will be used to finance all or a portion of the public improvements within the Development Area as proposed in the Development Plan. The manner in which tax increment revenues will be used to finance these public improvements is herein set forth.

1. General Obligation Bonds. Tax increment revenues may be pledged as debt service on one or more series of general obligation bonds issued by the City of Owosso pursuant to Section 16(1) of P.A. 197 of 1975.

2. Tax Increment Bonds. Tax increment revenue may be pledged as debt service on one or more series of tax increment bonds issued by the DDA pursuant to Section 16(2) of P.A. 197 of 1975.
3. Debt Service Reserve. For each series of bonds issued, a debt service reserve account may be established pursuant to the requirements of applicable statutes.
4. Annual Accruals. To the extent not financed from the proceeds of a bond issue, and as deemed necessary by the DDA, tax increment revenues may be used to finance all or part of any public improvement the DDA may undertake on an annual accrual or "pay-as-you-go" basis.
5. Reimbursement. Tax increment revenues may be used by the DDA to reimburse the City of Owosso for any funds advanced to the DDA for use in financing those public improvements, or any portion thereof, indicated in the Development Plan. To the extent the City may be called upon to meet any debt service insufficiencies as a result of a full or limited faith and credit pledge behind a bond issue, tax increment revenues will be used to reimburse the City in the amount of any such advance it has made.
6. Administrative and Operating Costs. Tax increment revenues may be used by the DDA to pay administrative and operating costs such as, but not necessarily limited to: the employment and compensation of a director, treasurer, secretary, legal counsel and other personnel considered necessary to the DDA; the reimbursement of DDA members of actual and necessary expenses; the administrative costs related to the acquisition and disposal of real and personal property, demolition of structures, site preparation, and relocation of businesses; costs assessed to the DDA by the City for handling and auditing the DDA's funds; and other costs incurred by the DDA in connection with the performance of its authorized functions, including, but not limited to, architects, engineers, legal, appraisal, testing and accounting fees.
7. Surplus Funds. Funds not required for any of the preceding purposes will be considered surplus and shall be distributed proportionately to all taxing jurisdictions.

Maximum Amount of Bonded Indebtedness

It is the intention of the DDA to consider financing portions of the projects described in the Development Plan with the issuance of tax exempt and taxable bonds by the Authority or City, or other entities empowered to issue bonds on behalf of the Authority and to pledge the tax increment revenues for payment of those bonds. The maximum amount of bonded indebtedness contemplated under this Plan would be the amount sufficient to acquire the projects described in the Development Plan.

Duration of Tax Increment Financing Plan

This tax increment financing plan shall commence upon the date the ordinance adopting the amendment to this plan is approved by the City Council of the City of Owosso. It shall last until the principal and interest on bonds issued pursuant to this Plan have been paid, or until funds sufficient to make such payments have been segregated, or until all improvements have been financed if bonds are not sold, whichever comes first. The duration of this Plan as herein stated may be amended or modified as deemed necessary as provided for by Act 197.

Estimated Impact on Assessed Value of all Taxing Jurisdictions

As indicated in the following tax increment revenue projections, it is anticipated that, in the long term, the Downtown District and the City as a whole will witness considerable growth. This will greatly benefit all taxing jurisdictions. This benefit will result in increases in property valuations surrounding the Development Area, increases in property valuations in the Development Area at the time the tax increment financing plan is completed; and increases in property valuations through the entire community, which, to a significant degree, are dependent upon the well-being of the Downtown District for regional economic growth and stability.

Table 4 in the next page shows the captured value and tax increment revenue by taxing jurisdiction for 2003. The column "Revenue of Base Value" shows the continuation of flow of tax revenues to the taxing jurisdictions

Table 5 immediately follows Table 4 with no other text to this plan. Table 5 is another demonstration of the long term stability and growth anticipated for the downtown district.

TABLE 4**Captured Value and Tax Increment Revenue by Taxing Jurisdiction - 2003**

Taxing Unit	Base Value	Current Taxable Value	Captured Taxable Value	2003 Tax Rate	Revenue of Base Value	Revenue of Captured Value
City of Owosso	\$ 9,024,475	\$ 17,055,687	\$ 8,031,212	13.1776	\$ 118,921	\$ 105,832
Shiawassee County	\$ 9,024,475	\$ 17,055,687	\$ 8,031,212	7.3380	\$ 66,222	\$ 58,933
District Library	\$ 9,024,475	\$ 17,055,687	\$ 8,031,212	1.2247	\$ 11,052	\$ 9,836
Shiawassee RESD	\$ 9,024,475	\$ 17,055,687	\$ 8,031,212	4.0126	\$ 36,212	\$ 32,226
Owosso Schools (Homestead)						
State Education Tax	\$ 139,255	\$ 263,405	\$ 124,150	5.0000	\$ 696	\$ 621
Owosso Schools (Non-Homestead)						
State Education Tax	\$ 8,932,032	\$ 16,792,282	\$ 7,860,250	5.0000	\$ 44,660	\$ 39,301
Non Homestead	\$ 8,932,032	\$ 16,792,282	\$ 7,860,250	17.7259	\$ 158,328	\$ 139,330
Total:					\$ 436,091	\$ 386,079

TABLE 5
Projected Captured Value and Tax Increment Revenue 2003-2028

Year*	Base Value	Current & Projected Taxable Values: 1.5% Growth/yr	Captured Taxable Values	1985 Bond Obligation Capture Revenues	1990 Bond Obligation Capture Revenues	Sub-Totals	Total Revenues	Balance Available After Bonds	Captured Revenue Refunded to Schools	Balance of Revenue Available to Dev'p Plan
2003	\$ 9,024,475	\$ 17,055,687	\$ 8,031,212	\$ 162,555	\$ 113,250	\$ 275,805	\$ 389,344	\$ 113,539	\$ 62,622	\$ 50,916
2004	\$ 9,099,446	\$ 17,311,522	\$ 8,212,076	\$ 154,365	\$ 115,530	\$ 269,895	\$ 406,324	\$ 136,429	\$ 75,247	\$ 61,181
2005	\$ 9,099,446	\$ 17,571,195	\$ 8,471,749	\$ 141,045	\$ 112,428	\$ 253,473	\$ 419,172	\$ 165,699	\$ 91,392	\$ 74,308
2006	\$ 9,099,446	\$ 17,834,763	\$ 8,735,317	\$ 127,920	\$ 118,770	\$ 246,690	\$ 432,213	\$ 185,523	\$ 102,325	\$ 83,198
2007	\$ 9,099,446	\$ 18,102,285	\$ 9,002,839	\$ -	\$ 129,970	\$ 129,970	\$ 445,450	\$ 315,480	\$ 174,003	\$ 141,477
2008	\$ 9,099,446	\$ 18,373,819	\$ 9,274,373	\$ -	\$ 130,405	\$ 130,405	\$ 458,885	\$ 328,480	\$ 181,173	\$ 147,307
2009	\$ 9,099,446	\$ 18,649,426	\$ 9,549,980	\$ -	\$ 125,460	\$ 125,460	\$ 472,522	\$ 347,062	\$ 191,422	\$ 155,640
2010	\$ 9,099,446	\$ 18,929,167	\$ 9,829,721	\$ -	\$ 125,400	\$ 125,400	\$ 486,363	\$ 360,963	\$ 199,089	\$ 161,874
2011	\$ 9,099,446	\$ 19,213,105	\$ 10,113,659	\$ -	\$ 122,700	\$ 122,700	\$ 500,412	\$ 377,712	\$ 208,327	\$ 169,385
2012	\$ 9,099,446	\$ 19,501,302	\$ 10,401,856	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,139
2013	\$ 9,099,446	\$ 19,793,821	\$ 10,694,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 232,499
2014	\$ 9,099,446	\$ 20,090,728	\$ 10,991,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,954
2015	\$ 9,099,446	\$ 20,392,089	\$ 11,292,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 245,505
2016	\$ 9,099,446	\$ 20,697,971	\$ 11,598,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,155
2017	\$ 9,099,446	\$ 21,008,440	\$ 11,908,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 258,905
2018	\$ 9,099,446	\$ 21,323,567	\$ 12,224,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,756
2019	\$ 9,099,446	\$ 21,643,420	\$ 12,543,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 272,710
2020	\$ 9,099,446	\$ 21,968,072	\$ 12,868,626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 279,768
2021	\$ 9,099,446	\$ 22,297,593	\$ 13,198,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 286,932
2022	\$ 9,099,446	\$ 22,632,057	\$ 13,532,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,203
2023	\$ 9,099,446	\$ 22,971,537	\$ 13,872,091	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 301,583
2024	\$ 9,099,446	\$ 23,316,110	\$ 14,216,664	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 309,075
2025	\$ 9,099,446	\$ 23,665,852	\$ 14,566,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 316,678
2026	\$ 9,099,446	\$ 24,020,840	\$ 14,921,394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,396
2027	\$ 9,099,446	\$ 24,381,153	\$ 15,281,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 332,229
2028	\$ 9,099,446	\$ 24,746,870	\$ 15,647,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,180
Total:										\$ 5,822,952

APPENDIX

EXHIBIT A
GROWTH IN REAL ESTATE VALUE ANALYSIS

**A Selected Area of the Downtown Comparable in Size to
A Selected Residential Neighborhood in NE Owosso
February 11, 2003**

Purpose. The purpose of the analysis is to track the relative growth in value of real estate in the downtown and compare that growth rate with a typical residential neighborhood in the City of Owosso. From the results of this analysis an evaluation may be made about the relative health of the downtown from the twenty-one year history of property transactions. Together with information from other sources, recommendations for policy changes in downtown development may result from this analysis.

Description of Area. The downtown area selected is the heart of the downtown and the Comstock Center. Although there are many tax-exempt properties in this downtown sector, the purpose of the analysis is to examine relative growth. The residential area is in northeast Owosso and lies mostly within Dudley Park, Feindt Acres and Krust Subdivisions. Most of the homes were built after 1960, have average house values for the market, and the property maintenance is very good.

The Data Results. The data shows two time periods—1981 and 2002—and the summary of true cash value of property in the defined areas. There are no influences in this data from commercial or industrial tax abatements or tax increment financing programs.

	<u>DDA Section</u>	<u>Residential Section</u>
2002 Real	\$ 23,583,900	\$ 20,148,800
2002 Personal	<u>\$ 3,044,200</u>	<u>\$ N/A</u>
Total:	\$ 26,628,100	\$ 20,148,800
1981 Real	\$ 5,049,000	\$ 3,071,800
1981 Personal	<u>\$ 2,271,500</u>	<u>\$ N/A</u>
Total:	\$ 7,320,500	\$ 3,071,800

Statistical Calculations. The data has three presentation formats of interest to the analysis:

- a) The raw number comparison
- b) The rate of growth
- c) The percentage rate of growth of residential value to the downtown value.

a) The raw number comparison. In absolute terms both areas have significant property values but on its face the gap between the residential area has lessened considerably.

b) The rate of growth. The rate of growth for each area is a significant data revelation. The number is derived from dividing the 2002 value by the 1981 value.

Downtown-- Real: The 2002 value is 4.67 times the 1981 value.
Residential-- Real: The 2002 value is 6.56 times the 1981 value.
Downtown—Real and Personal: The 2002 value is only 3.64 times the 1981 Value demonstrating the relative decline in personal property tax base in the downtown.

c) The percentage rate of growth of residential value to the downtown value. This is the most pronounced of the data comparisons. The number is derived from dividing the value of the residential in each time period by the value of the downtown (real and personal).

In 1981 the residential area had 42% of the value of the downtown area.
In 2002 the residential area had 85% of the value of the downtown area.

Analysis. The data shows a rate of decline in the rate of growth of the downtown as compared to the residential area. While in absolute terms the value is larger for the downtown, the data demonstrates that the downtown is not keeping pace with the residential real estate marketplace. Both areas were essentially built-out in 1981 so there is no explanation for new growth, mostly a change in what people are offering in real estate transactions. There was some influence with the closing of MagneTek when all the personal property was removed from the tax roll; however, the new hotel and the Comstock Center were added to the area in the same time period. Except for the Lebowsky Center with its low valuation at the time, no significant properties converted to tax exempt status in the downtown.

Causes of the relative decline in value could be many but are not statistically proven here. Some influences likely include:

- a) Commercial expansion everywhere causing occupancy rates and rents to not keep pace with residential values that are have not been subject to sprawl and retain utility.
- b) Regional population stagnation. The market for commercial space is not growing. While some market retention has occurred with commercial expansion, more commercial space mostly cuts up the same pie in smaller pieces.
- c) Risk and Capital Investment from building owners. The 110 multi-story buildings in downtown have not made the transition to full use of the upper stories. Private investment has been insufficient (without implying blame) for these structures to retain the high rent uses that would increase property values.
- d) The area's weakening economy (since 1970) has affected older downtown buildings more than it has the value of newer residential homes. A study of an older residential area might not show the contrasts that the subject residential area demonstrates.
- e) Downtown buildings are more obsolete for today's commercial users. The Americans With Disabilities Act gives a nod to new construction. The scale of downtown building floor space, while popular in higher income markets with specialty stores, has too little a support foundation in the Shiawassee County demographic profile.

f) The concept of public parking and downtown locations is foreign to national franchises that have gained control of much of the retail marketplace. As a result demand for space downtown has lessened from these higher rent paying occupants.

Conclusion. The conclusion prompts some policy work for the DDA and downtown businesses and building owners. Without renewal of properties and upper story development, there is little evidence to demonstrate that the statistical presentation will abate in favor of the downtown. Some thoughts:

- 1) Continue to drive residential development in and near the downtown at every opportunity. Close in markets and greater use of buildings will increase property values. Work/residency concepts must be portrayed and marketed to that specialty population. Lifestyle marketing is critical to the full use of downtown buildings.
- 2) City investments in the downtown should carefully consider the return on investment. Vast investment of resources for infrastructure and maintenance should result in corresponding private sector response and ultimately buildings of greater worth.
- 3) Support the building maintenance codes to assure that building owners are maintaining structures. Building owners make or break a downtown. There is no future in the downtown for marketing cheap space for those buildings that are low quality and mired in a rut of deferred maintenance. This is a downward spiral trend, and will only feed a low rent land use base with lower value uses. The responsibility of building ownership includes compliance with minimum standards of care for a structure. The City's Property Maintenance Code specifies the minimum standards for a building.
- 4) Work at regional planning to avoid the establishment of commercial wastelands in all areas of the Mid-County. Regional planning will set the limits of public infrastructure investments in sewer, water and streets to elevate the existing commercial property values through renewal and reconstruction.
- 5) Aggressively apply the state and local incentives for reinvesting in downtowns through historic tax credits, MSHDA housing tax credits, brownfield tax credits, and obsolete property tax abatements. A local input is the city's loan program that applies subordinated financing to increase lender confidence in downtown projects.
- 6) The Chamber's Small Business Center should educate building owners about real estate pro formas that include progressive leasing strategies, tax strategies, and realistic assumptions for operating costs of a building.
- 7) Elevate the community and organizational awareness of the critical importance of the downtown to the area's economy and image.

EXHIBIT B
Amended Development District Boundary Parcels

Parcel 1:

050-651-000-001-00 2003 Taxable Value = \$4,646

Legal Description

Commencing at the intersection of the Centerline of Tuscola & Saginaw Bay Railroad Track and the East line of Washington Street, thence Northerly 72 feet plus or minus along street line to Point of Beginning, thence Easterly 139 feet, thence Northerly 96 feet parallel with said street line, thence Westerly 139 feet, thence Southerly 96 feet on East line of Washington Street to Point of Beginning (13,344 Square Feet), all in A. L. Williams Addition to the Village of Owosso.

Parcel 2:

050-651-000-002-00 2003 Taxable Value = \$0 (Tax Exempt Parcel)

Legal Description

Commencing at the intersection of the Centerline of Tuscola & Saginaw Bay Railroad Track and the East line of Washington Street, thence Northerly 168 feet plus or minus along street line to Point of Beginning, thence Northerly 39 feet to Southerly bank of the Shiawassee River, thence Easterly 144 feet, thence Southerly 39 feet parallel with said street line, thence Westerly 142 feet plus or minus to East line of Washington Street to Point of Beginning, all in A. L. Williams Addition to the Village of Owosso.

Parcel 3:

050-651-012-001-00 2003 Taxable Value = \$70,325

Legal Description

Lots 1 through 8, Block 12 and all of Block 8, A. L. Williams Addition, Including closed streets and alleys and the South 1/2 of closed Ball Street.

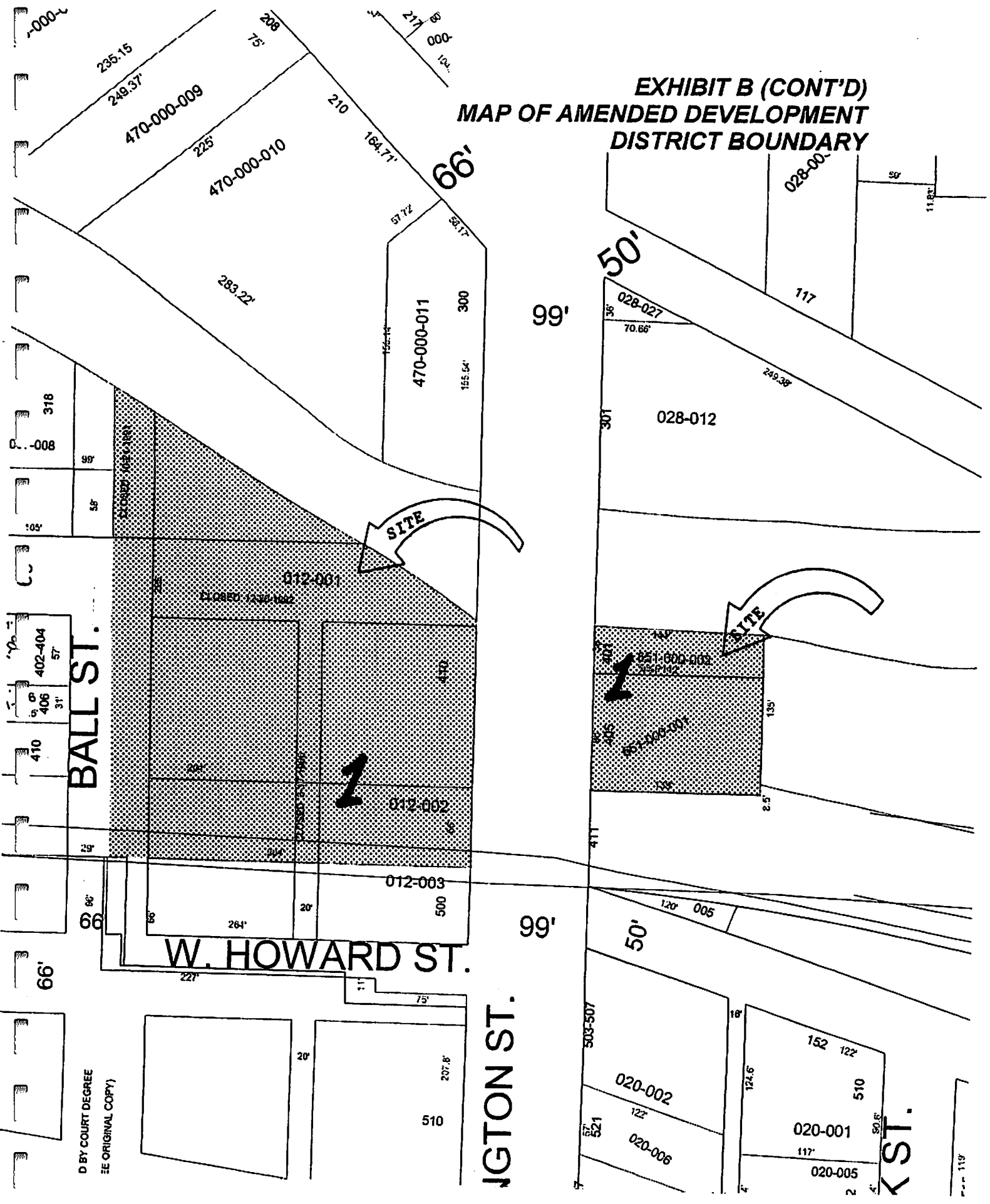
Parcel 4:

050-651-012-002-00 2003 Taxable Value = \$0 (Tax Exempt Parcel)

Legal Description

Lots 9 through 11 and the North 1/2 of Lots 15 through 18, Block 12 A. L. Williams Addition, Including 20 feet of closed alley.

**EXHIBIT B (CONT'D)
MAP OF AMENDED DEVELOPMENT
DISTRICT BOUNDARY**



SITE

SITE

BALL ST.

W. HOWARD ST.

JIGTON ST.

K ST.

D BY COURT DEGREE
EE ORIGINAL COPY)

EXHIBIT C
Owosso Downtown Development Authority
Development Plan

August 28, 1995 Development Themes—A Framework for Action

- 1) The Downtown needs to capitalize on its basic amenity—street life. This means that more people must live and work downtown, not just shop.
- 2) The Downtown needs to promote social interaction and maintain a convenient setting for human activity.
- 3) The Shiawassee River requires an organizational base to support its prominent position in the community, especially in the downtown.
- 4) The Downtown needs a pervasive, contagious inclination for good design of buildings and special places with an attractive townscape from key viewpoints.
- 5) The Downtown streets, informational signs, lights, trees, storm drainage, sidewalks and parking lots all need to form a fresh and clean looking, inviting porch for the places of businesses, gathering places and residences.
- 6) The region must be sensitive to sprawl issues that can create a town that nobody likes. Downtown must work with the entire area and present itself as an alternative to sprawl and as a model for good design.
- 7) Downtown must have a strong relationship to the network of community decision makers and continually maintain a point of reference status with these persons and entities. Project feasibility must be financial, political, physical and able to be implemented, not just a product of market analysis.

EXHIBIT D **Policy Statement**

The Policy Statement is an important part of a master plan. The policy statement establishes a justification for the points of emphasis to be detailed later in the plan. The statement helps order priorities amidst a complex web of interested parties and issues, especially when public actions are to be a product of the planning process. The statement continues to be a reference point for future decisions and quite often amendments as changing conditions and preferences dictate.

The policy statement process began with the 1995 Mayor's Community Forum and the current set of policies are derived from this beginning. Alterations reflect changed priorities and improved points of emphasis. What follows are groups of policies dealing with all aspects of downtown improvement.

1. Policies for Stores and Shopping.

>Downtown shall establish a shopping district within the downtown boundary that induces a concentration within three blocks of across-the-counter merchandise stores for convenience and mutual support.

>Downtown operations will improve to the extent that market-driven shopping hours are achieved, and window lighting and displays are expanded,

>The vision for retail expansion with associated inducement programs shall be supported with a realistic market analysis.

>The DDA operations budget shall direct funds to entertainment promotions that dovetail with shopping activity and to programs that establish memorable customer service.

>Inducement programs and, if strongly supported, zoning provisions, shall establish a reserve location of first floors of buildings within special areas of the downtown for retail.

>New financing methods from the Michigan Economic Development Corporation and the Michigan State Housing Development Authority shall be evaluated for a means to achieve upper story housing with facade renewal of historic buildings and strengthening of the first floor retail policy.

2. Policies for Offices.

>The downtown should improve its position as the primary office location in the region for lenders, medical services, legal services, real estate, insurance, government, service organizations, transportation, and educational services.

>The downtown shall establish and promote programs that induce historical preservation through office building investors and ultimately office expansion.

>The downtown shall maintain a mix of small, affordable offices to induce a variety of services to the region and employment opportunities for small and start-up businesses and to establish a demand for increased residential opportunities for office employees.

>Office retention practices will secure the post office for the long term and recruit similar state and federal office operations that create high daily volumes of downtown traffic.

3. Policies for Housing.

>Downtown housing supply shall increase in conjunction with efforts to increase office employment, retail outlets, entertainment and dining options, residential service businesses and new parking policies.

>New housing styles shall be diversified, higher density developments with conversion of upper story spaces, senior housing development projects, traditional single-family neighborhood infill areas, and multiple family developments on the downtown fringe.

>A strong neighborhood housing district shall be maintained on the boundary of the downtown to offer markets for downtown businesses, increased pedestrian activity, and a force to maintain a compact downtown business district.

>Air space above parking lots shall be continually market tested for residential opportunities.

>Riverside housing developments shall be designed for long term conversion of selected river frontage areas in and near the downtown.

>An expanded fresh food market location shall be promoted for the downtown.

>Conversion of existing downtown commercial areas to housing shall be evaluated and potentially promoted to accent the commercial core of the downtown and increase customer base for the downtown core.

>Zoning ordinance regulations that suppress housing development shall be explained and evaluated for amendment to help induce downtown housing.

>Develop use of Michigan's Rehabilitation Code for Existing Buildings (adopted October 31, 2002) to help encourage renovation and reuse of existing buildings.

4. Policies for Physical Appeal.

>Physical improvements shall not only be for “curb appeal” but shall induce confidence in investors for economic development downtown. In that respect, physical improvements shall be durable, of high quality, image based for the downtown’s mission, and cost effective for a reasonable return on investment.

>Street, sidewalk and curb conditions shall be surveyed and evaluated as stable, deteriorating or dilapidated and scheduled for improvements. Painting of streets shall be maintained in a bright, solid and visible condition.

>Public and private parking lots shall each develop a plan for improvement that will include values for landscaping, pedestrian movement, lighting, border wall construction, dumpster corrals, and sign attractiveness.

>The city sidewalk improvement program shall be extended to Ball and Park Streets.

>Downtown historic buildings shall be preserved and restored to spur economic development, downtown’s visual appeal and heritage tourism.

>Renovation and maintenance of buildings shall be encouraged by downtown programs and the authority of city construction codes to stabilize and improve the economic value of property and to avoid the negative affect of blighted areas.

>Tree plantings are important for shaded pedestrian and parking areas and holiday lighting but should not conflict with valued downtown architecture, balance with individual building settings or signs. Opportunities for clusters of trees and more evergreens for seasonal color shall be investigated.

>A tree maintenance and replacement program shall be more consistently applied.

>The Shiawassee River shall be elevated more than ever as open space and will act as a magnet for development proposals that are compatible with the river frontage location.

5. Policies for Downtown Operations.

>Fire safety inspections for zero lot line buildings should be conducted regularly.

>Security programs shall be those that address the problems most frequently identified by the owners and occupants of buildings as they change over time. Special attention shall be paid to prevention of vandalism, excessive loitering, bicycle/pedestrian conflicts, abusive language, and graffiti.

>Special maintenance programs to upgrade cleanliness downtown shall attend to leaf pickup, removal of ice and meltwater at intersections and valley gutters, litter, cleaning of pedestrian light glass panels, tree pruning, weeds, sign conditions, and flower watering.

>The DDA shall sponsor marketing programs and events for the public's enjoyment of the downtown environment, exposure to businesses, and image building. The number of special events and festivals shall increase over the current number of activities.

>Holiday lighting shall gradually improve through a roof line lighting program.

>Parking management shall balance customer needs with employee benefits, leasing opportunities for funding operations, and regular enforcement wherever leasing rights are established and turnover is desired.

>Arts and entertainment venues, including added social functions shall be evaluated and improved wherever possible especially in the organization of increased use of the numerous and diversified special spaces in the downtown.

>A building inventory data base shall be prepared that describes structures in the downtown business district, their spaces and improvements, and special needs for improved use potential.

6. Policies for Economic Development and Special Projects.

[In addition to the economic development related policies presented above, specific policies not able to be inserted elsewhere are presented as special projects in this section]

>The Comstock Center shall be completed on the east side.

>The economic base of the region shall be improved by recruitment of a regional office center for an impact increase of downtown employment and increased downtown activity.

>The classic design and utility of the Armory shall be improved through a partnership between the DDA, City, community interests, and the Department of Military Affairs and will include increased access for special events.

>The DDA shall work with the Chamber of Commerce to promote a new Chamber location to open the Armory site for increased activity and improved perspective on the Exchange Street Boulevard.

>The Exchange Street and Park Street intersection shall be evaluated for economic development strategies.

>The downtown shall seek an appropriate special events plaza in the heart of the core area where outdoor public gatherings significant to the region can take place or special events are possible.

>The Shiawassee River walkway and other downtown bicycle access points shall be upgraded to connect to the city-wide bikeway system and special areas around the city such as schools and parks.

7. Policies for Organization and Finance.

>The Downtown Development Authority will continue to be the entity that best represents the public and private partnership essential to the implementation of the plan. Special operations within the downtown shall convert to operations with the Shopping Areas Redevelopment Act of 1961, as amended.

>The Downtown must increase its communication and networking efforts to draw attention to the potentials supported by this plan. The DDA shall spearhead leadership cultivation to implement an Annual Action Agenda.

>Funding resources for the regular operations of the DDA should be stable, annual and predictable.

>Funding sources for special projects should come from a diversified range of private sector sources where DDA projects and initiatives match the interests of various organizations, businesses, and citizens.

>The DDA should invite and help organize alternative methods for financing specific business development needs such as locally owned investment partnerships.

>The DDA shall maintain ties with the UDAG business loan program through participation with lenders who understand downtown credit needs to the extent that the public financial resources are correctly packaged.

>The DDA shall monitor and organize access to a diversified range of public sector funds primarily available through shared special assessment programs, Community Development Block Grants, tax increment financing, general funds, transportation funds, public bond issues, parking revenues, and residual Federal funds (UDAG paybacks).

OWOSSO DOWNTOWN DEVELOPMENT AUTHORITY

Master Plan Project / Activities List – 1998

Subject Category	Project/Activity	Responsible Entity	Potential Cost	Time of Implementation
1) Residential:	A. Conduct a feasibility study and neighborhood planning process for housing development over the Park, Williams, Mason Lot.	DDA / UDAG	\$2,000	2000
	B. Amend Zoning Ordinance to reduce parking requirements and remove open space requirements for downtown apartments.	Planning Commission and City Council.	-0-	1998
	C. Conduct planning studies to establish one or more locations for multiple family or condominium housing on the perimeter of the downtown.	DDA / UDAG	\$1,000	1999
	D. Establish fresh food market for the downtown.	Marketplace / loans	\$3,000	Anytime
2) Historic Preservation:	A. Initiate a design study and affected owner planning process for a preferred street wall of the 10 established downtown street walls.	DDA / UDAG and Historical Commission	\$5,000	1999
	B. Package historical restoration of downtown buildings with other inducement projects that include retail expansion, apartment development, and/or streetscape projects.	UDAG Loan	-0- (loan)	Anytime
	C. Incorporate all of Curwood Castle Park into the DDA District.	DDA / City Council	-0-	1998-99
	D. Nominate the downtown for a National Register of Historic Places, designation to permit individual buildings to access tax credit programs for rehabilitation and distinction.	City Council	-0-	"2000 Events"
	E. Acquire façade easements where necessary, to assure an outstanding downtown image of significant visual side walls of imposing buildings.	DDA / City Council and Others	10K / year	1999-2002
	F. Maintain a downtown historic resources inventory and map.	DDA / Historic Commission	-0-	1999
	G. With more upper story housing, conduct routine fire safety inspections to preserve older but potentially vulnerable structures.	Fire Dept.	-0-	1998+
	H. Investigate Housing Corporation project for combined low-mod income upper story housing development and façade restoration.	Housing Corp / UDAG	\$75,000	2000

EXHIBIT E - PROJECTS/ACTIVITIES LIST OF 1998

Subject Category	Project/Activity	Responsible Entity	Potential Cost	Time of Implementation
3) Open Space / Civic Art:	A. Create circular recreational trail along Shiawassee River from Oakwood St. Bridge to Washington St. Bridge	DDA / Council / State / Community	\$100,000	"2000 Events"
	B. Redevelop the river frontage from the car dealership to Grace Bible Church for establishment of public riverside greenway and private development, preferably setback housing between the dealership and the church.	UDAG / Council Housing Corporation	Grants and Loans	1999+
	C. Complete Curwood Castle Park and establish roadside park at M-52 and Curwood Castle Drive and at Paymaster Lot.	City	Grants	"2000 Events"
	D. Design and upgrade the Water Street Parking Lot for Multiple Uses--parking at business hours--superbly designed public plaza for weekend and evening events, including the Farmer's Market setting.	City	Grants & \$50,000	2001
	E. Blend a sculptured monument with the Bicentennial spruce at Bicentennial Park.	Contribution / Grants	\$50,000	"2000 Events"
	F. Relocate the Chamber of Commerce Building away from the Armory to permit an open space theme at the end of Exchange Street and to establish a classic vista of an historic building.	City / Chamber / DDA / UDAG / Private Sector	Net \$30,000	Anytime
	G. Identify locations and install public benches along the Shiawassee River's public access areas in the downtown.	Donations	\$2,500	Anytime
	H. Draft concept plans for downtown boulevard potential to improve scenic vistas, downtown life, traffic calming and increase greenery	DDA and Affected Properties	\$1,000	2001
	I. Adopt public sign standards that bring lively color and improved directional qualities to parking lots and public places.	DDA / City	\$2,500	"2000 Events"
	J. In the absence of a town square implement design and planting schemes that improve every space in the downtown to create a "city in the park" atmosphere.	DDA / City	\$2,500/yr	Ongoing
	K. Establish a Welcome Sign on South Washington Street south of Mid-West Building.	DDA / UDAG	\$6,000	"2000 Events"
	L. Add off-season color to pedestrian street lights with more banner mounts and periodic investment in new banners	DDA	\$1,000/yr	Begin in 2001
	M. Replace street trees that are "woody" or misshaped.	City	\$500/yr	Ongoing
	N. Establish a mural on a significant wall facing on Main Street. This could also be wrought iron.	Arts Council / Grants	\$15,000	"2000 Events"
	O. Institute a sign program for historic structures through design assistance and inducements.	DDA / UDAG	\$1,000/yr	Ongoing

Subject Category	Project/Activity	Responsible Entity	Potential Cost	Time of Implementation
4) Economic Development:	A. Continue loan program with emphasis on housing, retail expansion, elevator installation/upgrades, and historic preservation.	UDAG	\$60,000/yr	ongoing loans
	B. Conduct ongoing marketing analysis for targeted objectives and identification of development opportunities.	DDA / Chamber / UDAG	varies	ongoing
	C. Construct development prospectus for the air space above the Ball, Water, Exchange Lot to create space for a regional service industry.	DDA/ UDAG	\$7,500	2001
	D. Encourage perimeter industry at the Mid-West Building.	City Programs	LDFA	1998+
	E. Commission a redevelopment model for the Park/Main/ Exchange area to reorganize parking, construct new buildings, and expand housing. Initiate an affected business planning process.	DDA	-0-(planning)	1999
	F. Select one block within or about the DDA for partial or complete redevelopment into new business and/or housing opportunities.	DDA	-0-(planning)	2000
	G. Enforce Property Maintenance and Building Codes to avoid deterioration of structures.	City	-0-	ongoing
	H. Enforce Central Business District Zoning standards to maintain principle of pedestrian activity accessing businesses.	City	-0-	ongoing
	I. Collaborate with the National Guard to upgrade the Armory as a civic center during unscheduled Guard activities.	UDAG / DDA / Guard	\$40,000	2000
	5) Capital Improvements:	A. Complete Ball/Water/Exchange Lot.	City	\$40,000
B. Repave and Upgrade City Hall Lot		City	not available	1999
C. Reconstruct Washington Street from Comstock to Mason.		City/Special Assessment	not available	1999-2001
D. Repave and Upgrade Water Street Lot.		City	not available	2000
E. Reconstruct Michigan Avenue		City/Special Assessment	not available	2002
F. Repave and Upgrade Ball/Mason Lot.		City	not available	2003
G. Repave and Upgrade Park/Mason Lot.		City	not available	2004

**Development Plan -- Exhibit F
CRITICAL CAPITAL IMPROVEMENTS FOR DOWNTOWN -- 2003 THROUGH 2008**

Critical: Forming or of the nature of a crisis; crucial; fraught with danger or risk, perilous

Improvement	Estimated	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
1) Redo pavement, reduce crown and replace curb sections along Washington Street from Water to Main Street (note: a cape seal in 2003 will provide a temporary surface improvement)	\$150,000						xxx
2) Replace street trees with minimum 2.5" dbh where trees are overgrown, mishapen, or missing. The cost represents \$20,000 per year.	\$20,000	xxx	xxx	xxx	xxx	xxx	xxx
3) Reconstruct Michigan Avenue and install curb and grass sections where there is pavement in the entire ROW. (cost is the downtown portion only)	\$162,285	xxx					
4) Screen Middle School dumpsters at the Water Street access to Curwood Castle Park and construct a new stairway directly to the footbridge.	\$15,000	xxx					
5) Re-do driveway approaches to the Greenway Lot entrances on Ball Street.	\$2,000	xxx					
6) Complete a dumpster corral at the Greenway Lot	\$15,000	xxx					
7) Construct parking structure at Block 26 Lot (Ball/Comstock Lot)	\$1,200,000	xxx					
8) Mill and Cap Comstock Street from Washington to Hickory (downtown portion)	\$23,500	xxx					
Total:	\$1,587,785	\$1,437,785	\$20,000	\$20,000	\$20,000	\$20,000	\$170,000

**Development Plan – Exhibit F
ESSENTIAL CAPITAL IMPROVEMENTS FOR DOWNTOWN – 2003 THROUGH 2008**

Essential: Basic or indispensable. A fundamental, necessary or indispensable part.

Improvement	Estimated	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
1) Complete Ball/Water/Exchange Parking Lot Renovation	\$100,000			xxx		xxx	
2) Complete Water Street Parking Lot Renovation	\$70,000		xxx				
3) Pedestrian Improvement Project for Mason Street--new sidewalks, lights, street trees, and curbs (from Water to Washington Street)	\$50,000				xxx		
4) Complete Master Plans for parking lot renovations at :							
a) Comstock Center Lot	\$2,000	xxx					
b) North Park Street Lot	\$2,000		xxx				
c) Ball/Mason Lot	\$1,500		xxx				
5) Complete Parking Lot renovations at:							
a) Park/Exchange Lot	\$5,000		xxx				
b) Comstock Center Lot	\$25,000		xxx				
c) North Park Street Lot	\$75,000						
d) Ball/Mason Lot	\$5,000				xxx	xxx	
6) Add directional signs to Curwood Castle Park north of Chamber Building	\$500	xxx					
Total:	\$336,000	\$2,500	\$103,500	\$100,000	\$125,000	\$105,000	0

**Development Plan -- Exhibit F
OPTIMAL CAPITAL IMPROVEMENTS FOR DOWNTOWN -- 2003-2008**

Optimal: The amount or degree of something that is most favorable to some end. Greatest degree attained or attainable under implied or specified conditions.

Improvement	Estimated	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
1) Plant trees at:							
a) Five street trees at Michigan Ave btwn Main and Clinton Streets	\$2,000	xxx					
b) Four street trees on N. Wash. Between Williams and Mason Sts.	\$1,600		xxx				
c) Add streets trees on S. Wash. Between Jerome and Corunna Ave.	\$4,000					xxx	
2) Fill Burlington Furniture vaults on Main and Ball Streets and plant street trees & add diagonal parking on the east side of Ball Street; relocate loading zone	\$35,000				xxx		
3) Fill vaults and plant trees on east side of Ball St. between Exchange and Mason Streets; alternatively add planter boxes	\$25,000					xxx	
4) Complete street and pedestrian improvement program on Park St from Main Street to Mason St.	\$225,000						xxx
5) Change intersection lights at S. Washington and Comstock Streets.	\$5,000					xxx	
6) Add mid-tower lights to Water Street from Main Street to S. Washington St.	\$25,000						xxx
7) Correct underground electrical junction box problems for pedestrian lights.	\$5,000		xxx				
8) Build in landscaped and sculpture art boulevard islands on Exchange St.	\$75,000						xxx
Total:	\$402,600	\$2,000	\$6,600	\$0	\$35,000	\$34,000	\$325,000

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EXHIBIT F (CONT'D)

**Development Plan -- Exhibit F
DESIRABLE CAPITAL IMPROVEMENTS FOR DOWNTOWN -- 2003 THROUGH 2008**

Desirable: Attractive; fine; advantageous; advisable

Improvement	Estimated	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
1) Curb and gutter repairs at Lincoln School on Clinton Street	\$2,000					xxx	
2) Add four street trees on Clinton Street	\$1,600				xxx		
3) Relocate curb block at ped walkway terminus at Curwood Castle Drive	\$100	xxx					
4) Add one street tree across from 121 Curwood Castle Drive	\$400	xxx					
5) Extend bicycle pathways from walkway termini to Curwood Castle Drive	\$500	xxx					
6) Add a street tree at Clark Station, one at Pet Store Site, two at Paymaster	\$2,000				xxx		
7) Add street trees or planter boxes at GTE frontage on N. Water Street	\$6,000						xxx
8) Add ped lights, benches and trees at Middle School frontage	\$15,000			xxx			
9) Replace cobra lights at Ball and Exchange Streets	\$6,000					xxx	
10) Add historic period lighting on N. Wash. St. from Williams St. to Oliver St.	\$40,000						xxx
11) Install ped lights along Community Center on E. Exchange St.	\$7,500				xxx		
12) Add two street trees on Saginaw St. between Main and Mason Sts.	\$800		xxx				
13) Complete new drive approaches at Salvation Army on Saginaw St.	\$1,500					xxx	
14) Complete new drive approach for alley on N. Hickory St.	\$1,500					xxx	
15) Replace drive approach and sidewalks at Owosso Machine on S. Wash. St.	\$3,000					xxx	
16) Improve drainage at curb on north side of Exchange St. near N. Wash. St.	\$1,000	xxx					
Total:	\$88,900	\$2,000	\$800	\$15,000	\$11,100	\$14,000	\$46,000

EXHIBIT G

Legal Description – Downtown Owosso Development Plan District

BEGINNING AT THE NORTH LINE OF MAIN STREET AND THE SHIAWASSEE RIVER, THENCE NORTHWESTERLY ALONG THE EAST BANK OF THE SHIAWASSEE RIVER TO A POINT 478.50' WEST OF THE WEST LINE OF WATER STREET THENCE NORTH TO THE NORTH LINE OF WILLIAMS STREET THENCE EAST 57.75' THENCE SOUTH 198' THENCE E 277' THENCE N 62' THENCE EAST 143.8' TO WEST LINE OF WATER STREET THENCE NORTH TO THE NORTH LINE OF WILLIAMS STREET THENCE E TO THE WEST LINE OF BALL ST THENCE NORTH TO THE NORTH LINE OF LOT 5 BLOCK 5 OF THE ORIGINAL PLAT OF THE CITY OF OWOSSO. THENCE EAST TO THE EAST LINE OF WASHINGTON ST., THENCE SOUTH TO THE NORTH LINE OF LOT 8 BLOCK 6 OF THE ORIGINAL PLAT OF THE CITY THENCE EAST ALONG NORTH LINE OF LOT 8 TO WEST LINE OF LOT 6 BLOCK 6 OF THE ORIGINAL PLAT OF THE CITY OF OWOSSO. THENCE NORTH TO NORTH LINE OF SAID LOT 6 THENCE EAST TO EAST LINE OF PARK ST., THENCE SOUTH TO NORTH LINE OF LOT 10 BLOCK 10 OF THE ORIGINAL PLAT OF THE CITY OF OWOSSO. THENCE EAST TO THE CENTER LINE OF LOT 9 IN SAID BLOCK, THENCE SOUTH 48 FEET, THENCE EAST TO EAST LINE OF SAGINAW ST., THENCE SOUTH TO NORTH LINE OF MAIN STREET, THENCE EAST TO THE EAST LINE OF HICKORY STREET, THENCE SOUTH TO SHIAWASSEE RIVER, THENCE NORTHWESTERLY ALONG THE NORTH LINE OF THE SHIAWASSEE RIVER TO THE POINT OF BEGINNING. ALSO BEGINNING AT A POINT WHICH IS THE SOUTHEAST CORNER OF LOT 12 BLOCK 2 OF A L WILLIAMS ADDITION TO THE VILLAGE, THENCE TRAVELING NORTHERLY ALONG THE SHIAWASSEE RIVER TO A POINT WHICH IS THE NORTHWEST CORNER OF LOT 7 BLOCK 2 OF LUCY L COMSTOCKS ADDITION, THENCE SOUTHERLY ALONG THE WEST LINE LOT 7 AND CONTINUING SOUTH ALONG THE WEST LINE OF BLOCK 6 TO A POINT 132' NORTH OF SW CORNER BLOCK 6 OF SAID ADDITION THENCE WESTERLY ALONG THE SOUTH LINE OF LOTS 2 & 4 OF BLOCK 9 OF SAID ADDITION TO A POINT WHICH IS THE SOUTHWEST CORNER OF LOT 2 BLOCK 9 OF SAID ADDITION THENCE SOUTHERLY ALONG THE EAST LINE OF SHIAWASSEE STREET TO THE SOUTHWEST CORNER OF LOT 15, WOODARDS SUBDIVISION OF BLOCK 1 OF A L WILLIAMS ADDITION TO THE VILLAGE, THENCE EASTERLY TO POINT OF BEGINNING, CITY OF OWOSSO, SHIAWASSEE COUNTY, MICHIGAN; EXCEPT THE PARCEL DESCRIBED AS THE EAST 87.32 FEET OF LOTS 3 AND 4, EXCEPT THE SOUTH 20 FEET OF LOT 3, OF THE ORIGINAL PLAT OF THE CITY OF OWOSSO; AND EXCEPT THE PARCEL COMMENCING ON THE NE LINE OF WATER ST 226 FT SE OF THE INTERSECTION OF SAID LINE AND THE S LINE OF COMSTOCK ST, THENCE SE 104.2 FEET TO THE SE CORNER OF LOT D, THENCE NORTH 89.25 FT ALONG THE W LINE OF S WASH ST, THENCE NW ALONG THE NE LINE OF SAID LOT D 38.5 FT, THENCE SW AT A RT ANGLE TO WATER ST 60 FT TO BEG, PART OF JH CALKIN'S SUB'N OF RESERVE NO. 7, CITY OF OWOSSO, SHIAWASSEE COUNTY, MI.

ALSO, THE FOLLOWING DESCRIBED PARCELS OF LAND AT THE SOUTH BOUNDARY OF THE DISTRICT:

Parcel 1: 050-651-000-001-00. Commencing at the intersection of the Centerline of Tuscola & Saginaw Bay Railroad Track and the East line of Washington Street, thence Northerly 72 feet plus or minus along street line to Point of Beginning, thence Easterly 139 feet, thence Northerly 96 feet parallel with said street line, thence Westerly 139 feet, thence Southerly 96 feet on East line of Washington Street to Point of Beginning (13,344 Square Feet), all in A. L. Williams Addition to the Village (now City) of Owosso.

Parcel 2: 050-651-000-002-00. Commencing at the intersection of the Centerline of Tuscola & Saginaw Bay Railroad Track and the East line of Washington Street, thence Northerly 168 feet plus or minus along street line to Point of Beginning, thence Northerly 39 feet to Southerly bank of the Shiawassee River, thence Easterly 144 feet, thence Southerly 39 feet parallel with said street line, thence Westerly 142 feet plus or minus to East line of Washington Street to Point of Beginning, all in A. L. Williams Addition to the Village (now City) of Owosso.

Parcel 3: 050-651-012-001-00. Lots 1 through 8, Block 12 and all of Block 8, A. L. Williams Addition to the Village (now City) of Owosso, including closed streets and alleys and the South 1/2 of closed Ball Street.

Parcel 4: 050-651-012-002-00. Lots 9 through 11 and the North 1/2 of Lots 15 through 18, Block 12 A. L. Williams Addition to the Village (now City) of Owosso, including 20 feet of closed alley.

EXHIBIT H-1 - Downtown Owosso 2003 Land Use Inventory

All Floors--Entire Downtown

Land Use	Square Feet	% of Total
Office: Banking, Insurance, Medical, etc	270,065	16.8%
"Walk-In Trade" Commercial (see-table below for additional break-down of land uses)	324,187	20.2%
General Commercial--Vehicular access not conducive to pedestrians	189,033	11.8%
Industrial	44,987	2.8%
Public: Schools, Government, Armory	201,056	12.5%
Quasi-Public: churches, fraternal, theater	67,824	4.2%
Vacant Building Space	195,365	12.2%
Residential (192 Units)	193,144	12.0%
Storage Areas	118,929	7.4%
TOTAL:	1,604,590	100.0%

"Walk-in Trade" Commercial Land Use by Category-Entire Downtown

Land Use	Square Feet	% of Total
Comparison Shopping--commodities purchased at infrequent intervals	227,301	70.1%
Convenience Stores --day to day e.g., food, drugs, banks	5,612	1.7%
Personal Services--beauty, barbers, print shops	39,712	12.2%
Eating and Drinking except for drive-through	51,562	15.9%
TOTAL:	324,187	100.0%

EXHIBIT H-2 - Downtown Owosso 2003 Land Use Inventory

First Floor -- Entire Downtown

Land Use	Square Feet	% of Total
Office: Banking, Insurance, Medical, etc	106,512	25.1%
"Walk-in Trade" Commercial	234,303	55.3%
General Commercial--Vehicular access not conducive to pedestrians	39,960	9.4%
Industrial	12,036	2.8%
Public: Schools, Government, Armory	0	0.0%
Quasi-Public: churches, fraternal, clubs, community theater	11,708	2.8%
Vacant Building Space	15,778	3.7%
Residential	1,057	0.2%
Storage Areas	2,680	0.6%
TOTAL	424,034	100.0%

First Floor--Core Area Downtown

Land Use	Square Feet	% of Total
Office: Banking, Insurance, Medical, etc	106,512	25.1%
"Walk-In Trade" Commercial	234,303	55.3%
General Commercial--Vehicular access not conducive to pedestrians	39,960	9.4%
Industrial	12,036	2.8%
Public: Schools, Government, Armory	0	0.0%
Quasi-Public: churches, fraternal, clubs, community theater	11,708	2.8%
Vacant Building Space	15,778	3.7%
Residential	1,057	0.2%
Storage Areas	2,680	0.6%
TOTAL	424,034	100.0%

EXHIBIT H-3 - Downtown Owosso 2003 Land Use Inventory

Second Floor--Core Area Downtown

Land Use	Square Feet	% of Total
Office: Banking, Insurance, Medical, etc	62,783	23.2%
"Walk-In Trade" Commercial	19,855	7.3%
General Commercial--Vehicular access not conducive to pedestrians	14,233	5.3%
Industrial	0	0.0%
Public: Schools, Government, Armory	0	0.0%
Quasi-Public: churches, fraternal, theater	0	0.0%
Vacant Building Space	71,805	26.5%
Residential	81,391	30.0%
Storage Areas	20,990	7.7%
TOTAL	271,057	100.0%

Third and Fourth Floor--Core Area Downtown

Land Use	Square Feet	% of Total
Office: Banking, Insurance, Medical, etc	9,500	9.4%
"Walk-In Trade" Commercial	4,300	4.3%
General Commercial--Vehicular access not conducive to pedestrians	25,409	25.2%
Industrial	0	0.0%
Public: Schools, Government, Armory	0	0.0%
Quasi-Public: churches, fraternal, theater	0	0.0%
Vacant Building Space	45,640	45.3%
Residential	7,424	7.4%
Storage Areas	8,568	8.5%
TOTAL	100,841	100.0%

EXHIBIT H-4
DOWNTOWN OWOSSO LAND USE INVENTORY -- 2003

Vacancy Rates -- Entire Downtown

Floor Level	Vacant Sq. Ft.	Total Square Feet	% Vacancy
First Level	29,018	860,801	3.4%
Second Level	65,883	368,487	17.9%
Third and Fourth Level	45,640	126,882	36.0%
Usable Basements	41,820	247,204	16.9%
Composite Rate	182,361	1,603,374	12.5%

Vacancy Rates -- Core Area Downtown

Floor Level	Vacant Sq. Ft.	Total Square Feet	% Vacancy
First Level	15,162	424,034	3.6%
Second Level	64,535	271,057	25.0%
Third and Fourth Level	45,640	100,841	45.3%
Usable Basements	41,820	171,227	24.4%
Composite Rate	167,157	967,159	17.3%

[insert Exhibit I]

EXHIBIT I
CITY COUNCIL OF THE CITY OF OWOSSO
RESOLUTIONS OF ADOPTION OF AMENDMENTS TO THE
DEVELOPMENT PLAN, AND
THE TAX INCREMENT FINANCING PLAN