

## AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Ken Hibl, City Manager  
DATE: August 2, 2018  
RE: Notice of Public Hearing – Clare DDA Proposed Boundary Change

For the Agenda of August 6, 2018

---

**Background.** The City's Downtown Development Authority (DDA) was established in 1989 to ensure and promote the economic development and improve the aesthetic appearance of the City's downtown commercial district. Testimony to the success of the DDA is easily and readily evident by the vibrancy and appearance of the downtown district today. The DDA utilizes tax increment financing as its primary revenue source by capturing all taxes for capital improvements and resultant increases of taxable value of buildings and properties within its designated geographical boundaries. With the exception of a possible significant future capital investment by one of the existing downtown district tenants, the potential for garnering additional revenues for future improvements is quite limited as the downtown is, for the most part, built out, thereby limiting the DDA's ability to generate the revenues needed to have a continued positive impact upon the future development of the downtown district. Consequently, the Clare DDA has announced its intentions to request an expansion of the current DDA and TIF District (*see copy of att'd memo and graphics of Mr. Jim Allen, the DDA Chairman, to our City Attorney*) to include Lots 8, 9, 10, 11, 12, 13, & 14 of Block 14; the entirety of Block 23; Lots 8, 9, 10, & 11 of Block 22; Lots 11, 12, 13, & 14 of Block @1; and all of Blocks 19 and 20.

To formally initiate the process to amend the district boundaries, the Clare City Commission is required to set a public hearing and direct notice of that hearing not less than 20 and not more than 40 days prior to the hearing date (*see copy of att'd City Attorney memo*). The City Commission is asked to set the hearing date for September 17, 2018 and direct that the required hearing notices are published and posted.

**Issues & Questions Specified.** Should the City Commission set a public hearing date to receive public input regarding the proposed DDA and TIF boundary changes?

**Alternatives.**

1. Set the hearing date.
2. Do not set the hearing date, thereby essentially denying the DDA request to expand its boundaries.
3. Set this matter aside for future consideration and deliberation at a future scheduled meeting.

**Financial Impact.** Presently unknown/indeterminable. Setting the hearing does not commit the City to changing the district boundary changes; it is simply the first step in the process to do so and is intended primarily to hear objections and/or support for the boundary changes.

**Recommendations.** I recommend the City Commission set a public hearing date of September 17, 2018 to hear public comment related to the proposed DDA boundary changes by adoption of Resolution 2018-089 (*copy att'd*).

**Attachments.**

1. DDA Memo to City Attorney.
2. City Attorney Memo.
3. Resolution 2018-089.

4/3/18

From: Jim Allen

To: Jaynie

Subject: Boundary Changes to DDA Development District & DDA Tax Increment Finance District

Jaynie,

We want to add two parcels to the original Development District and then add those Parcels to our Tax Increment District along with three parcels deleted from the original Tax Increment District. These were the former properties owned by CMF, Thayer Dairy And Consumers Power. They were deleted from the original TIF due to the ramifications Possible to the tax capture should they become vacant.

Contact me with any questions. I included , a page from the original 1970 application detailing the Legal descriptions of each district., a drawing of the original TIF, and my attempt to detail out the Changes.

**2018 Boundary Changes: to both districts:**

**Original Boundary Development District:** The legal description of the DDA Development District is "The area bounded by first Street, Seventh Street, Pine Street and Beech Street, of Sections 34 & 35 City of Clare excluding lots 8,9,10 and the East 59 feet of lot 11 Block 22 plat of the village of Clare

**2018 change would include lots 8,9,10 and the East 59 feet of lot 11 Block 22. And would add Lots 8,9,10,11,12,13,14 of Block 14 and add all lots of Block 23 to the existing description.**

**Original Boundary Development area (Tax Increment Finance District .** "Is contained within the above DDA boundary and is defined as the area bounded by First Street, Seventh street, Pine Street and Beech Street of Sections 34 & 35 City of Clare excluding lots 8,9 10 and the East 59 Feet of lot 11 of Block 22 and also excluding Lots 14,13,12 and the West 61 feet of the south 92 feet of lot 11 and the South 55 feet of lots 1 and 2 of block21, lot1 Of block26, lots 1,2,3,4,5,14,13,12,11, &10 of Block 39, lots 3,4,5,6,7,12,11,10,9,&8 of Block38 and Blocks 32 and 33."

**The 2018 change would add Lots 14,13,12,11,10,9,&8 of Block 14, all lots 1 thru 14 of lot 23, lots 1,2,3,4 of Block 33, lots 8,9,10 and the east 59 feet of lot 11 of Block 22 and lots 14,13,12 and the West 61 feet of the south 92 feet of lot 11 and the south 55 feet of lots 1 & 2 Block 21**

DISTRICT BOUNDARIES OF THE DEVELOPMENT AREA.

*DISTRICT*

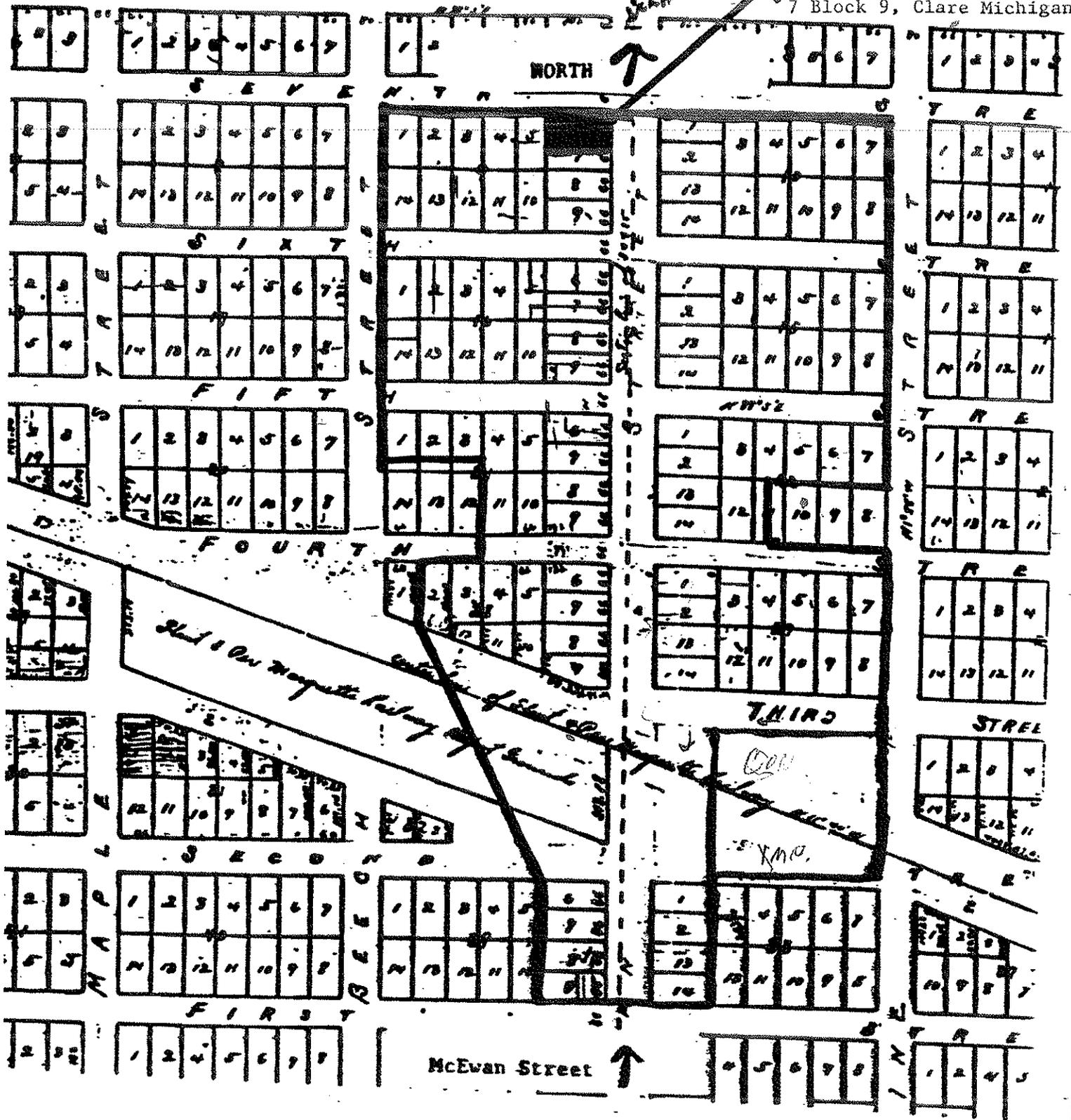
The Clare Downtown Development District was established by the Ordinance 1988 -1 which created the Downtown Development Authority. The legal description of the DDA district is "The Area bounded by First Street, Seventh Street, Pine Street and Beech Street, of Sections 34 & 35, City of Clare, excluding lots 8, 9, 10, and the East 59 feet of lot 11 of Block 22, plat of the village of Clare. See Exhibit A - Downtown Development Authority District Boundaries.

*DISTRICT*

The Development area (Tax Increment Finance District) for this plan is contained within the boundaries of the DDA. It is defined as the area bounded by First Street, Seventh Street, Pine Street and Beech Street of Sections 34 & 35 City of Clare excluding lots 8, 9, 10 and the East 59 feet of lot 11 of Block 22 and also excluding Lots 14, 13, 12 and the west 61 feet of the south 92 feet of lot 11 and the south 55 feet of lots 1 and 2 of Block 21 <sup>*HAVING LOTS*</sup> lot 1 of Block 26, lots 1, 2, 3, 4, 5, 14, 13, 12, 11, & 10 of Block 39, lots 3, 4, 5, 6, 7, 12, 11, 10, 9, & 8 of Block 38 and Blocks 32 and 33. See Exhibit B. Plan Development Area Boundaries.

**EXHIBIT B.**  
**PLAN DEVELOPMENT AREA BOUNDARIES**

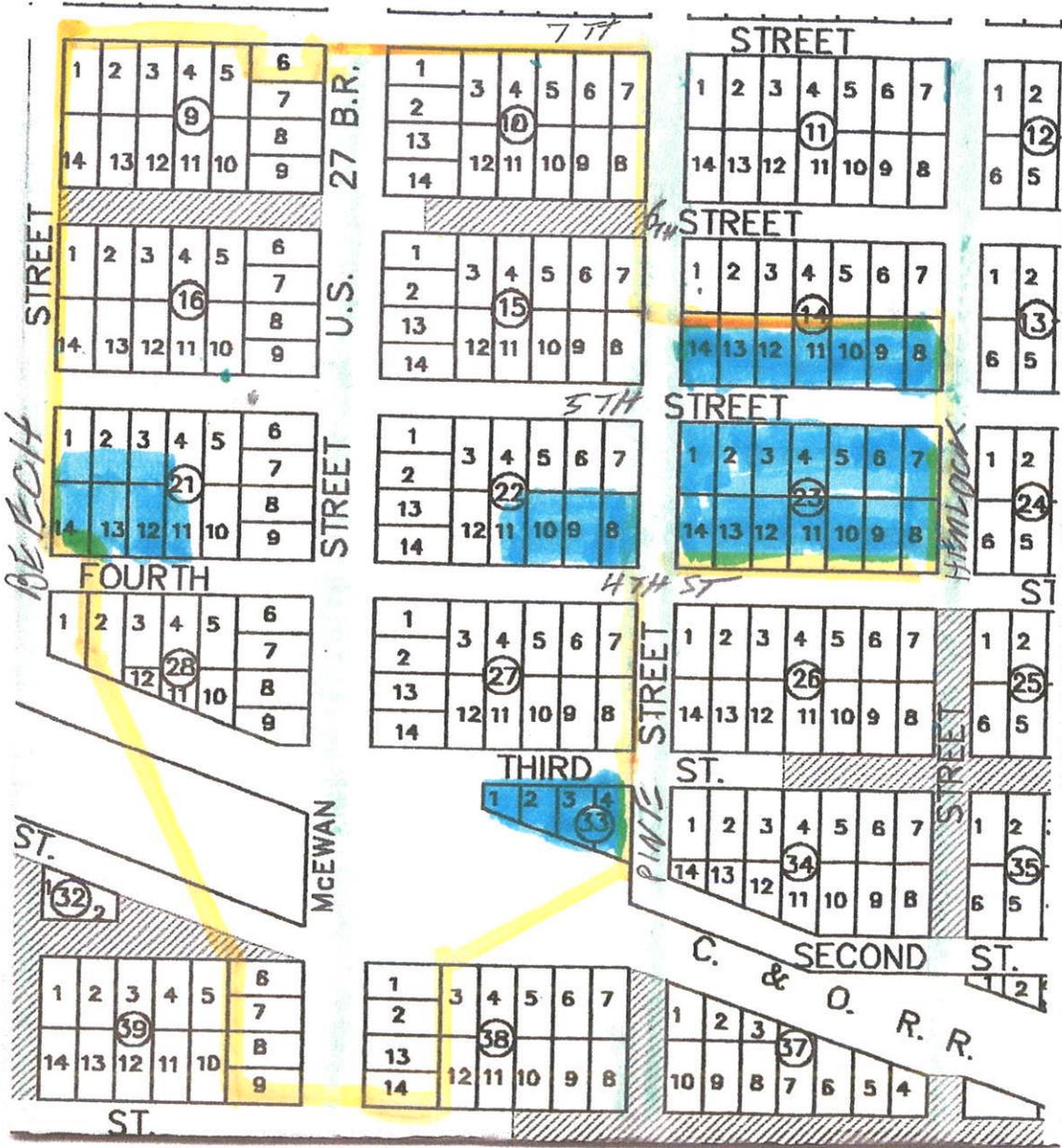
6/4/90 - Proposed Boundary  
 Plan amendment Delete Lot  
 6 and the North 1/2 of lot 7  
 7 Block 9, Clare Michigan



Boundary Line

Tax Increment District After Changes

Changes 2018



Memo

TO: KEN HIBL, JIM ALLEN  
FROM: JAYNIE SMITH HOERAUF  
DATE: April 12, 2018  
RE: DDA boundary amendment



A handwritten signature in cursive script, reading "Jaynie", is written over a horizontal line. The signature is written in black ink and is positioned to the right of the memo header.

The process to amend the DDA boundaries is the same as the process to create the original DDA, with its current boundaries.

Checklist:

1. City Commission considers whether to take this step. If it decides to do so, it may adopt a resolution setting a public hearing on the question.

Notice of the public hearing is peculiar.

- Publish twice in newspaper not less than twenty days nor more than forty days before hearing.
- Not less than twenty days before the hearing, mail notice of the hearing to the property taxpayers of record in the proposed district AND to the affected taxing jurisdictions that levy taxes that would be subject to capture.
- Post notice of hearing in at least twenty conspicuous and public places in the proposed downtown district not less than twenty days before the hearing.

Have the public hearing. If the Commission then approves the ordinance, it is adopted in accordance with the normal procedure. However, the affected taxing jurisdictions have an opportunity to exempt their tax revenue from capture.

JSH

**RESOLUTION 2018-089**

**A RESOLUTION OF THE CLARE CITY COMMISSION DIRECTING NOTICE OF A PUBLIC HEARING FOR THE PROPOSED AMENDMENT OF THE CLARE DOWNTOWN DEVELOPMENT AUTHORITY PRESENT GEOGRAPHICAL BOUNDARIES.**

**WHEREAS**, The City of Clare Downtown Development Authority (DDA) was established in 1989 to ensure and promote the economic development and improve the aesthetic appearance of the City's downtown commercial district; and

**WHEREAS**, testimony to the success of the Clare DDA is easily and readily evident by the vibrancy and appearance of the City's downtown district today; and

**WHEREAS**, the DDA utilizes tax increment financing as its primary revenue source by capturing all taxes for capital improvements within its defined boundaries and resultant increases of taxable value of buildings and properties within its designated geographical boundaries and subsequently utilizes said tax revenues to autonomously make improvements and establish programs to foster economic and capital development within its established boundaries; and

**WHEREAS**, the potential for garnering additional revenues for future improvements in the DDA District is quite limited as the downtown is, for the most part, built out, thereby limiting the DDA's ability to generate the revenues needed to have a continuing positive impact upon the future development of the downtown district; and

**WHEREAS**, the DDA has determined there are significant opportunities to further enhance the improvements made in the downtown district just beyond its existing boundaries by expanding said boundaries; and

**WHEREAS**, the Clare DDA has announced its intentions to request an expansion of the current DDA and TIF District to include Lots 8, 9, 10, 11, 12, 13, & 14 of Block 14; the entirety of Block 23; Lots 8, 9, 10, & 11 of Block 22; Lots 11, 12, 13, & 14 of Block 21; and all of Blocks 19 and 20 of the Plat of the City of Clare; and

**WHEREAS**, the City Commission is required to direct notice of a public hearing related to said request to expand and or amend said boundaries, said expansion to be accomplished by ordinance as required by Michigan state law; and

**WHEREAS**, the City Commission has considered said proposal of the Clare DDA to amend its boundaries and determined said proposal to have merit and has made an initial determination that it desires to pursue the process to amend said boundaries.

**NOW THEREFORE BE IT RESOLVED THAT** the City Commission of the City of Clare hereby directs its City Clerk to post notice of a public hearing to be set for the 17<sup>th</sup> day of September 2018 to receive comment pertaining to the proposal to amend the Clare DDA Boundaries, set notice to be published twice in a local newspaper prior to the 28<sup>th</sup> day of August 2018.

**BE IT FURTHER RESOLVED THAT** the City Commission of the City of Clare further directs its City Clerk to mail notice to all property owners of record within the proposed district and to the affected taxing jurisdictions that levy taxes that would be subject to tax capture within said district, said notice to be mailed not later than the 28<sup>th</sup> day of August 2018.

**BE IT FURTHER RESOLVED THAT** the City Commission of the City of Clare hereby directs its City Attorney to prepare an ordinance reflecting said boundary changes/amendments not later than the 28<sup>th</sup> day of August 2018, said ordinance be considered and a First Reading conducted at the City Commission meeting set for the 17<sup>th</sup> day of September 2018.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

**The Resolution was introduced by Commissioner \_\_\_\_\_ supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:**

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 6<sup>th</sup> day of August 2018.

---

Diane Lyon, City Clerk