

# The Tax Increment Financing Plan for the Village of Port Austin Downtown Development Authority

Approved August, 1, 2019



The Village of Port Austin Downtown Development Authority (DDA) proposes the following tax increment financing plan:

**Purpose:**

The purpose of this tax increment financing plan is to capture revenue gained from increased development in the downtown area to halt property value deterioration, eliminate the causes of the deterioration, increase property tax valuation where possible in the business district of the Village, for public improvements, and to promote economic growth pursuant to Public Act 197.

**Financing Plan:**

The DDA proposes to accumulate sufficient revenue from the captured taxable value to make the principal and interest payments on borrowed money. The maximum amount of bonded indebtedness will not exceed total principal and interest payments owed by the DDA.

**Initial Taxable Value:**

The base year for the DDA initial taxable value from which the captured assessed value is calculated is 1998, the year in which the DDA was officially established within the Village of Port Austin.

**Captured Taxable Revenue To Be Used:**

The DDA proposes that the tax revenue levied by eligible taxing jurisdictions on captured taxable values of real and personal property within the district be used by the DDA for the proposed projects in the development plan. In 1998, the initial base was \$4,025,584.

**Detailed Explanation of the Tax Increment Procedure:**

In 1998, the initial assessed value of all taxable property within the boundaries of the development district was established. The assessed value is defined as the taxable value in the Downtown Development Authority Act. The initial assessed value means the assessed value, as equalized by the county, of all taxable property within the downtown development district at the time the Downtown Development Authority resolution was adopted. Exempt properties at the time of initial assessment shall be included as zero.

Each year, the municipal and county treasurers disburse to the DDA the tax revenues. These tax revenues are the amount of ad valorem property taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the downtown development district with the exception of the State Education Tax and the taxes of the local and district schools.

The Village Of Port Austin Council may dissolve the Tax Increment Financing Plan if it finds that the purposes for which the plan was established have been met.

**Plan Duration:**

The Village of Port Austin’s Tax Increment Financing Plan shall be in effect until March 31, 2049.

**Projection of Captured Revenue:**

Please refer to Table 1 & 2 below.

**Table 1  
TIF Captured Revenue**

Year Of Original Tax Base	Original Taxable Value	Current Value (2018)	Captured Taxable Value	Estimated Annual Income
1998	\$4,025,584	\$10,132,047	\$6,106,463	\$123,356



< Visitor Center: Public Restrooms, Meeting Room, Chamber Office

Village Green: 2018 currently 8 mini shops established to promote businesses in the DDA district.>



**Anticipated Millage To Be Captured By Taxing Units:**

Village of Port Austin Operating	8.29600
Village of Port Austin Streets	1.02080
Port Austin Township General Operating	0.86860
Port Austin Township Police	0.33000
Port Austin Township Fire	0.50000
Port Austin Township Roads	1.49490
Port Austin Township Library Operating	0.34880
Port Austin Township Library Construction	0.49830
Port Austin Township Library	0.50000
Huron County Roads	1.00000
Huron County Veterans	0.08000
Huron County Older Citizens	0.25000
Huron County Transit	0.20000
Huron County Medical Care	0.50000
Huron County Operating	4.38070
<b>Total Millage:</b>	<b>20.2681</b>

**Table 2  
Village of Port Austin DDA  
Projected Tax Increment Revenues**

Year	Original Taxable Value	Total Taxable Value	Captured Taxable Value	Estimated Annual Income
2018	\$4,025,584	\$10,132,047	\$6,106,463	\$123,356
2019	\$4,025,584	\$10,182,707	\$6,157,123	\$124,793
2020	\$4,025,584	\$10,233,620	\$6,208,036	\$125,825
2021	\$4,025,584	\$10,284,788	\$6,259,204	\$126,862

2022	\$4,025,584	\$10,336,211	\$6,310,627	\$127,904
2023	\$4,025,584	\$10,387,892	\$6,362,308	\$128,951
2024	\$4,025,584	\$10,439,831	\$6,414,247	\$130,004
2025	\$4,025,584	\$10,492,030	\$6,466,446	\$131,062
2026	\$4,025,584	\$10,544,490	\$6,518,906	\$132,125
2027	\$4,025,584	\$10,597,212	\$6,571,628	\$133,194
2028	\$4,025,584	\$10,650,198	\$6,624,614	\$134,268
2029	\$4,025,584	\$10,703,448	\$6,677,864	\$135,347
2030	\$4,025,584	\$10,756,965	\$6,731,381	\$136,432
2031	\$4,025,584	\$10,810,749	\$6,785,165	\$137,522
2032	\$4,025,584	\$10,864,802	\$6,839,218	\$138,617
2033	\$4,025,584	\$10,919,126	\$6,893,542	\$139,718
2034	\$4,025,584	\$10,973,721	\$6,948,137	\$140,825
2035	\$4,025,584	\$11,028,589	\$7,003,005	\$141,937
2036	\$4,025,584	\$11,083,731	\$7,058,147	\$143,055
2037	\$4,025,584	\$11,139,149	\$7,113,565	\$144,178
2038	\$4,025,584	\$11,194,844	\$7,169,260	\$145,307
2039	\$4,025,584	\$11,250,818	\$7,225,234	\$146,441
2040	\$4,025,584	\$11,307,072	\$7,281,488	\$147,581
2041	\$4,025,584	\$11,363,607	\$7,338,023	\$148,727
2042	\$4,025,584	\$11,420,425	\$7,394,841	\$149,879
2043	\$4,025,584	\$11,477,527	\$7,451,943	\$151,036
2044	\$4,025,584	\$11,534,914	\$7,509,330	\$152,199
2045	\$4,025,584	\$11,592,588	\$7,567,004	\$153,368
2046	\$4,025,584	\$11,650,550	\$7,624,966	\$154,543
2047	\$4,025,584	\$11,708,802	\$7,683,218	\$155,724
2048	\$4,025,584	\$11,767,346	\$7,741,762	\$156,910
2049	\$4,025,584	\$11,826,182	\$7,800,598	\$158,103

NOTE: Table assumes an annual growth of 0.5%

**Summary:**

Public improvements to the downtown business district will create long-term benefits due to the DDA’s capture of revenue from the taxing units. The Village of Port Austin DDA believes it is imperative to keep making these improvements for the growth of not only the downtown district, but the overall growth of Port Austin. The DDA also views these improvements will serve as a method for existing local businesses to make enhancements to their respective buildings.

The DDA recommends the adoption of this plan to be used to finance the various public improvement projects included in the development plan. Other sources of funding may be available to execute projects, as well. The DDA recognizes this fact and due to the uncertainty of these funding sources, reserves the right to fund projects through via these sources as seen fit (i.e. grants, donations, rental income, etc.)