

VILLAGE OF CALUMET
DEVELOPMENT AND
TAX INCREMENT FINANCING PLAN

VILLAGE OF CALUMET
DOWNTOWN DEVELOPMENT AUTHORITY
APRIL, 1992

VILLAGE OF CALUMET DOWNTOWN DEVELOPMENT AUTHORITY

Development
and
Tax Increment Financing Plan

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INTRODUCTION

After years of economic decline resulting from the end of copper mining, the Village of Calumet is taking an active role in the economic revitalization of the community. In order to facilitate development opportunities associated with the historic commercial business district in the Village, a Downtown Development Authority (DDA) was established. DDAs are authorized by the State of Michigan (P.A. 197 of 1975) to plan and implement revitalization and improvement programs.

The Village of Calumet Downtown Development Authority has prepared this Development and Tax Increment Financing Plan in accordance with Public Act 197 of 1975. The purpose of this Plan is to establish a development program for the improvement and economic development of the historic downtown business district in the Village of Calumet.

DEVELOPMENT PLAN

A. Development Area Boundaries

A map showing the boundaries of the Development Area is included with this plan as an Attachment.

B. Existing Land Use

The Village of Calumet is one of the political subdivisions which make up the greater Calumet-Laurium urbanized area. Other local governments in this area are Calumet Township and the Village of Laurium. The Village serves as the primary commercial center for the Calumet-Laurium area, and the land use in the Village reflects this orientation. Approximately one-half of the Village land consists of property used for business purposes.

Calumet's business district occupies the eastern 1/2 of the Village, and is centered on 5th and 6th Streets, from Scott to Pine Street. Much of the downtown area is listed on the National Register of Historic Places as an historic district. Business uses predominate on the ground floors with the upper levels devoted to housing.

The western portion of the Village is a residential area. The neighborhood contains an interesting mix of housing types and styles, and includes many large turn-of-the-century homes. A number of these larger homes have been converted to multi-family apartments.

There are several light industrial land uses in the Village. These are the Rowe Oil Company fuel-handling facility and the Baroni Company. Both of these are located on 6th Street at the northern edge of the Village.

Institutional land uses, including churches and schools, are scattered throughout the Village.

Public land uses such as parks, government facilities, and buildings, are also scattered. Agassiz Park, the Village Hall/Calumet Theatre, the old Fire Hall and the U.S. Post Office are prominent public land uses.

Vacant lands are very limited within the Village boundaries. There are some vacant platted lots at the north end of the Village.

In summary, land use in the Village includes a mix of historic downtown commercial and an historic residential neighborhood. Multi-family housing can be found through the Village in upper floors of commercial buildings, in converted large homes, and in apartment buildings. No land use conflicts have been noted in the Village.

C. Improvement Program

This section of the Development Plan provides a general improvements program. The program focuses upon upgrading public infrastructure that will encourage private development, investment, and the creation of jobs.

Downtown Calumet was at one time a prosperous and busy commercial district. This is evidenced by the number of substantial and architecturally interesting commercial buildings. Changes in economic base, the decline of the residential population, new consumer shopping habits, and increased competition from regional discount chain stores, has contributed to the decline of business in Calumet. The result is numerous vacant retail spaces, blighted buildings, and the poor condition of public infrastructure, such as streets, curbs, and sidewalks.

The problems and opportunities of the Calumet downtown district are well documented. The Calumet Downtown Historic District Plan, prepared in 1979, focused on specific and general recommendations for public and private property owners. Part 2 of this plan, entitled Municipal Responsibilities, provided specific recommendations for public revitalization activities. In 1989, the Village completed a Comprehensive Plan, which included additional improvement strategies. These documents provide a basis for this development plan and the use of tax increment financing.

A key to the revitalization of Downtown Calumet is to focus upon new markets by creating a positive and new image to attract numbers of people and new retail and service businesses. Upgrading public infrastructure, encouraging building renovations, and taking an active role in the redevelopment of blighted and vacant properties, are key elements in the Improvement Program. Specific projects are outlined below:

Downtown Infrastructure: Downtown's streets, sidewalks, and lighting are in poor condition. Scott, Portland, Oak, Elm, 5th, 6th, and 7th Streets in the district are in various stages of condition. Generally, sidewalks are in very poor condition except on 5th Street. The public lighting system is outdated. New sidewalks and lighting will improve the appearance and safety of downtown. Where feasible, street restoration is proposed (brick paving).

Calumet Theatre/Town Hall Renovations: The Calumet Theatre/Town Hall Building is a major historical and cultural attraction for downtown. Although the building has benefited from recent restoration/renovations from grant and Village funding, considerable work is still needed, including fire and safety code improvements, dressing room and restroom improvements, lighting, electrical, mechanical, and interior restoration work.

Red Jacket Fire Hall: The historic Red Jacket Fire Hall, now the U.P. Fireman's Museum, is in need of renovations.

Theatre Park: A small pocket park is located next to the Calumet Theatre. The park can be expanded and enhanced by acquiring the vacant property next to it. An overall landscape plan will be developed and implemented.

Agassiz Park: The acquisition of Agassiz Park in 1991 was an important step for improving the livability of the Village. Improvements proposed include lighting, an ice rink, horseshoe courts, pathway restoration, a band shell, community gardens, a picnic area, and playground.

Fourth Street: The redesign work carried out in 1991 provide the basis for improving visual and traffic conditions. Landscaping and improving the public/private parking areas along the west side of the street should continue.

Downtown Parking: Opportunities to create off-street parking are very limited. As small vacant lots become available, they should be acquired and improved for parking.

In addition, the creation of on-street angle parking areas should be considered when reconstructing sidewalks and streets, such as proposed for Oak Street.

Historic Graphics System: An appropriate signage and graphics system is proposed for downtown.

Interior Walkways: Where feasible and appropriate, downtown buildings should be linked together via interior doorways or passageways along the backs of buildings. A linkage system will improve winter livability and customer convenience.

Redevelopment Activities: As opportunities present themselves, the DDA may actively pursue the development of key properties. Acquisition, site cost write-downs, sitework, rehabilitation, leasing arrangements, etc., are allowed by P.A. 197 of 1975 and are appropriate DDA activities.

D. Project Cost Data

Preliminary cost information for the improvement program has been compiled for planning purposes and is listed below:

<u>PROJECT</u>	<u>COST</u>
Downtown Infrastructure	\$1,200,000
Calumet Theatre/Town Hall	500,000
Red Jacket Fire Hall	200,000
Theatre Park	10,000
Agassiz Park	50,000
4th Street	25,000
Downtown Parking	150,000
Historic Graphics System	40,000
Interior Walkways	200,000
Redevelopment Activities	100,000
	<hr/>
	\$2,475,000

E. Project Schedule

The project will be implemented as funds become available. The TIF Plan will have a 30 year time frame.

F. Open-Space

The Development Plan includes improving Agassiz Park and the Theatre Park areas.

G. Transactions Between Village and DDA

The DDA and the Village will work cooperatively on improvements and development of the Village. No specific transactions ~~are~~ noted at this time.

H. Zoning

No zoning changes are proposed at this time in the Development Area.

I. Project Financing

Financing the projects included in this plan will be on a "pay as you go" basis. Projects will be constructed as funds are accumulated over time. TIF revenues may also be used to match Federal and State grants. Bonds may be sold with TIF revenues pledged for repayment, as provided by P.A. 197 of 1975.

J. Residential/Business Displacement and Relocation

No residential or business displacement is anticipated at this time.

TAX INCREMENT FINANCING PLAN

In order to finance the public improvements identified in the Development Plan, the Downtown Development Authority is proposing the use of Tax Increment Financing (TIF) as authorized by Public Act 197 of 1975. Simply stated, TIF allows the capture of tax dollars generated by new private development projects and improvements for financing necessary for public improvements.

In order to use TIF, a Downtown Development Authority must follow a public and legal process. A Development and TIF Plan must be prepared in accordance with Public Act 197 of 1975. A public hearing before the Village Council must be scheduled and public notices published, posted and mailed in accordance with the Act. A reasonable opportunity must be provided to the County Board of Commissioners and to members of the Board of Education for comment. The public hearing shall allow for public comment on the plan and all aspects of the plan shall be open for discussion.

After the public hearing on the Development and Tax Increment Financing Plan, the Village Council shall determine whether the program constitutes a public purpose. If it determines that a public purpose is served, it shall then approve the plan by ordinance based upon the following considerations, as set for in Public Act 97 of 1975:

- a) The findings and recommendation of the development area citizens council.
- b) The plan meets the requirements set forth in Section 17(2) of Public Act 197 of 1975.
- c) The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.
- d) The development is reasonable and necessary to carry out the purposes of this Act.
- e) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plan and of this Act in an efficient and economically satisfactory manner.
- f) The Development Plan is in reasonable accord with the Master Plan of the municipality.
- g) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.
- h) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

All amendments to an approved Development and Tax Increment Finance Plan must be submitted by the Downtown Development Authority to the Village Council for approval or rejection.

DETERMINATION OF TAX INCREMENT

In accordance with Public Act 197 of 1975 Section 14(1), the following definitions shall apply to this section of the plan:

- a) "Captured Assessed Value" means the amount in any one year, by which the current assessed value of the development area exceeds the initial assessed value.
- b) "Initial Assessed Value" means the most recently assessed value of all the taxable real property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero.

The initial assessed value of all taxable property within the boundaries of the Development Area is \$2,445,256. Using construction cost estimates, it is possible to estimate the assessed valuation of new development projects proposed or under construction which will be added to the Development Area assessed valuation, resulting in a 1992 current assessed value that is greater than the initial assessed value (\$200,000). This difference is called the captured assessed value. The tax increment amount is that portion of the tax levy of all taxing bodies paid each year on real property in the Development Area on the captured assessed value. This tax increment is to be transmitted by the Village and County Treasurers to the Downtown Development Authority for the development program in accordance with the tax increment financing plan. The estimated tax increment is determined as follows:

Initial Assessed Valuation:	\$2,445,256
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(+) (Private Projects)	<u>+ 200,000</u>
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New District Assessed Valuation:	\$2,645,256
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() Initial A.V.	<u>-2,445,256</u>
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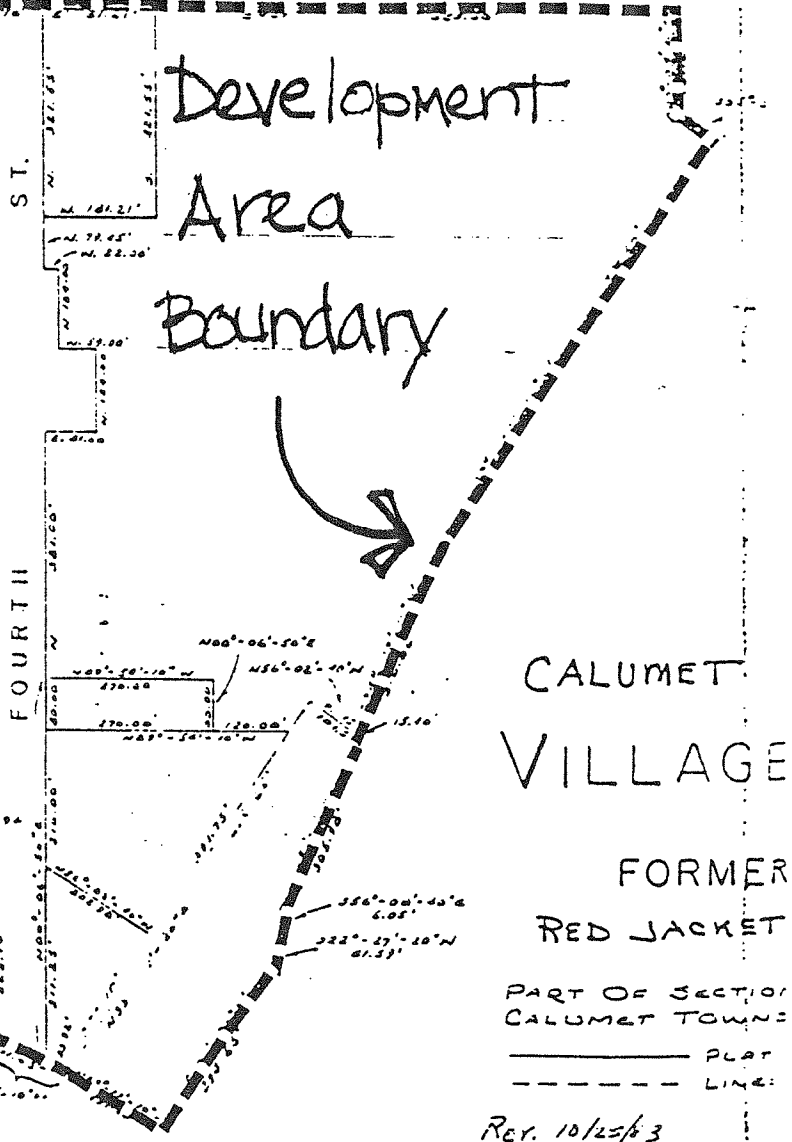
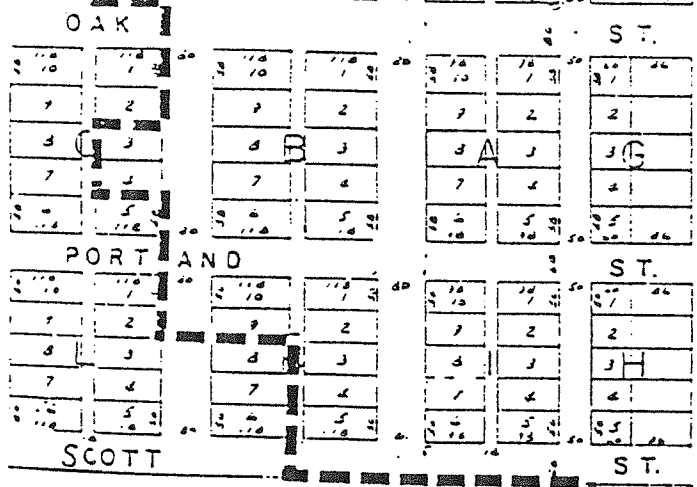
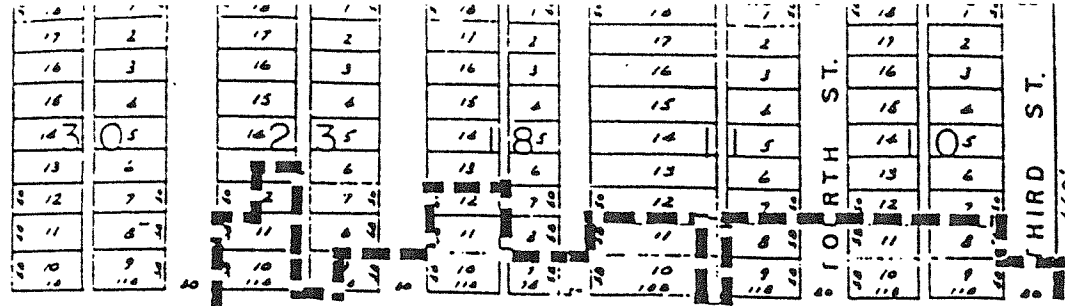
Captured Assessed Value:	\$ 200,000
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Tax Increment: \$200,000 (CAV) x 69.3119 (LEVY) = \$13,862.38
(to be used for public improvements program)

ESTIMATE OF IMPACT ON OTHER JURISDICTIONS

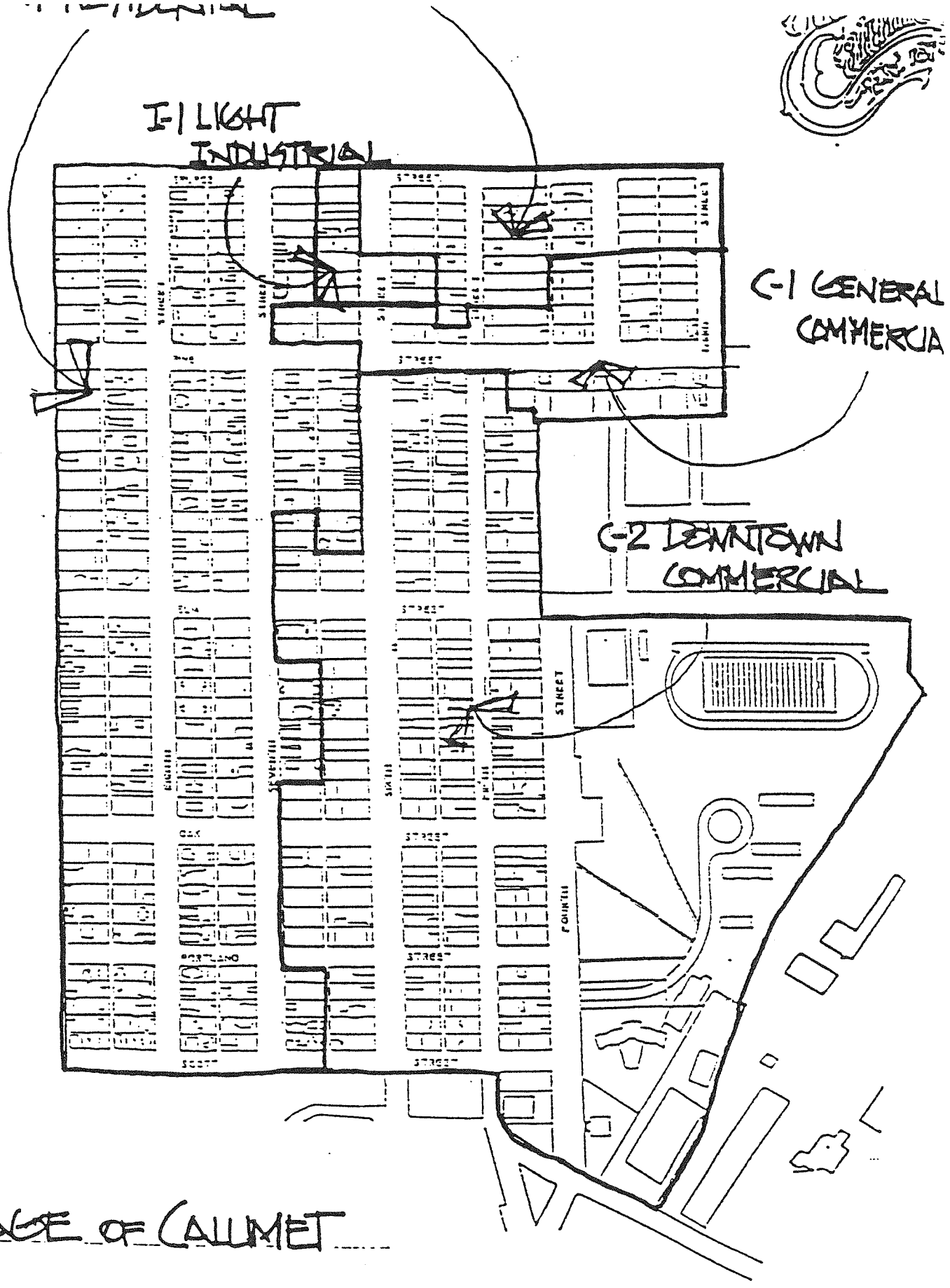
Based upon the assumptions above, the estimate of impact on other taxing jurisdictions is as follows:

<u>Jurisdiction</u>	<u>Mill Levy</u>	<u>Tax Increment</u>
Village of Calumet	23.50	4,700
Calumet DDA	1.50	300
Calumet Township	1.2619	252.38
CLK Schools (incl. CCISD)	32.25	6,450
Houghton County	6.3	1,260
Road Commission	1.5	300
Medical Care Facility	3	600
TOTALS	69.3119	13,862.38



Rev. 10/25/3

12-11-1934



VILLAGE OF CALUMET

ZONING DISTRICT MAP
LAND USE

Calumet Downtown District Properties

Page 1

<u>Block</u>	<u>Property Number</u>	<u>Owner</u>	<u>Valuation</u>
A	31 41 064 008 00	Farmers & Merchants Fire Ins.	\$ 115,000
	31 41 064 009 00	Fraki Markets Inc.	220,000
	31 41 101 001 00	Keweenaw Development	21,700
	31 41 101 001 50	F.W. Woolworth Co.	39,000
	31 41 101 003 00	Meekle, Peter	15,000
	31 41 101 004 00	Hodges, John T. & Julie K.	9,900
	31 41 101 004 50	Hodges, John T. & Julie K.	8,700
	31 41 101 005 00	Peterlin Bros. Co.	10,100
	31 41 101 006 00	Keweenaw Coop Ext.	14,000
	31 41 101 007 00	Tikkanen, Thomas P.	4,000
	31 41 101 008 00	Educational Support Inst.	1,700
	31 41 101 008 50	Educational Support Inst.	2,400
	31 41 101 009 00	Educational Support Inst.	12,500
	31 41 101 010 00	Educational Support Inst.	29,000
B	31 41 102 001 00	First National Bank	34,400
	31 41 102 001 50	Pieti, Robert	19,700
	31 41 102 002 00	U.S. Postal Service	-0-
	31 41 102 006 00	Snow, Wayne & Rose	17,400
	31 41 102 007 00	Snow, Wayne & Rose	1,300
	31 41 102 008 00	Snow, Wayne	1,300
	31 41 102 009 00	Jay's Place	12,100
C	31 41 103 003 00	Baratona, Eva	15,800
E	31 41 105 001 40	Yrjana, John	6,500
	31 41 105 002 20	Rowe, James C.	13,900
	31 41 105 003 00	Rowe, James C.	4,000
	31 41 105 004 00	Voelker, Paul & Wife	32,000
	31 41 105 011 00	DeMotts, Gerald L.	35,100
	31 41 105 014 00	Erkkila, Russell et al	9,000
	31 41 105 015 00	Erkkila, Russell et al	11,500
	31 41 105 016 00	Erkkila, Russell & Carol	2,600
	31 41 105 017 00	Isaacson, Neil	2,600
	31 41 105 018 00	Calumet Players	-0-
	31 41 105 018 20	Paquette, Dion & Jean	4,000
	31 41 105 019 00	Sliva, Dennis & Michelle	32,500
F	31 41 106 001 00	Baudino, Peter M.	4,900
	31 41 106 002 00	Baudino, Peter M.	65,000
	31 41 106 003 00	Baudino, George R. & Wife	11,000
	31 41 106 003 50	Detroit & Northern Savings	29,000
	31 41 106 004 00	Detroit & Northern Savings	6,800
	31 41 106 005 00	Gronwald, John	6,800
	31 41 106 005 10	Brey, Josephine Vollmer	12,000
	31 41 106 005 20	White, Dale & Peggy Sue	3,000

Calumet Downtown District Properties

Page 2

<u>Block</u>	<u>Property Number</u>	<u>Owner</u>	<u>Valuation</u>
	31 41 106 006 00	White, Dale	6,700
	31 41 106 007 00	Gipp, Ronald	7,200
	31 41 106 008 00	Paint Box Gallery	6,500
	31 41 106 008 50	Masser, Delbert R.	10,900
	31 41 106 009 00	Masser, Delbert R.	3,000
	31 41 106 010 00	Newman, William E. & Carrie J.	2,500
	31 41 106 010 50	Newman, William E. & Carrie J.	20,000
G	31 41 107 001 00	LaBonte, Herman	11,900
	31 41 107 001 50	Anthony, William	12,000
	31 41 107 002 00	Johnson, Sandra	10,600
	31 41 107 002 50	Keweenaw Development Corp.	25,000
	31 41 107 004 00	Vollmar, James Otto	25,000
	31 41 107 005 00	First of America Bank	110,000
H	31 41 108 001 00	Gibson, Terry L.	17,000
	31 41 108 002 00	First of America	12,500
	31 41 108 003 00	Burn Isle Co.	15,500
	31 41 108 004 00	Tikkanen, Thomas P. & Brenda M.	16,500
	31 41 108 005 00	Wade Chevrolet Oldsmobile	26,000
I	31 41 109 001 00	Pintar, Kathleen A.	18,500
	31 41 109 002 00	Gipp, Ron	4,000
	31 41 109 003 00	Walli, Edward D.	12,000
	31 41 109 004 00	Masser, Del	7,000
	31 41 109 005 00	Bausano, Anthony	11,000
	31 41 109 006 00	Locatelli, Anthony	1,400
	31 41 109 006 50	Palosaari, Fred	4,000
	31 41 109 007 00	Masser, Del	8,000
	31 41 109 008 00	Ryan, John	2,200
	31 41 109 009 00	Palosaari, Rudolph	12,900
	31 41 109 009 10	Ryan, John	1,100
	31 41 109 009 20	Paulson's, Inc.	22,000
K	31 41 110 001 00	Hughes, James & Lana	11,500
	31 41 110 002 00	Rota, Marcella	5,500
	31 41 110 002 50	Ryan, Stephanie, et al	23,100
	31 41 110 004 00	Ryan, John	700
	31 41 110 005 00	Wagner, William	29,000
	31 41 110 009 00	Rota, Marcella	10,500
10	31 41 120 008 00	Old Apostolic Lutheran Church	-0-
	31 41 120 008 50	Thurner Bakery, Inc.	2,200
	31 41 120 010 00	Peterson, Gordon	12,000
	31 41 120 010 20	Norton, Marc J.	9,000
11	31 41 121 008 00	Brusso, Clifton J.	1,700
	31 41 121 008 10	Brusso, Clifton J.	10,000

Calumet Downtown District Properties

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<u>Block</u>	<u>Property Number</u>	<u>Owner</u>	<u>Valuation</u>
	31 41 121 008 20	Brusso, Clifton J.	10,500
	31 41 121 010 00	LaFond, Valerie	5,400
	31 41 121 010 20	Penn, Robert W.	2,500
	31 41 121 010 30	Penn, Robert W.	8,000
18	31 41 128 009 00	First National Bank	6,000
	31 41 128 010 00	Perko, Carl	600
	31 41 128 010 10	Harter, Robert	10,900
	31 41 128 010 20	Perko, Carl	7,000
	31 41 128 011 00	Perko, Carl	700
19	31 41 129 001 00	Liimatta, Sharon B.	2,900
	31 41 129 001 50	Liimatta, Sharon B.	2,900
	31 41 129 002 00	Liimatta, Sharon B.	11,300
	31 41 129 003 00	Tikkanen, Thomas P.	9,900
	31 41 129 003 50	Mullen, Joseph F.	16,000
	31 41 129 004 00	Nakkula, James & Susan	13,000
	31 41 129 004 50	Aho, Allen E.	4,900
	31 41 129 005 00	Mullen, Joseph F.	2,300
	31 41 129 005 50	Manzini, Oliver	10,500
	31 41 129 006 00	Hansen, Robert & Sherry	2,600
	31 41 129 007 00	Hansen, Robert & Sherry	9,500
	31 41 129 007 50	Tabor, Anne & Eisenman, Paul	7,200
	31 41 129 008 00	Onge, Page B. & Jeannine	5,500
	31 41 129 009 00	Harvey, Jane	3,100
	31 41 129 010 00	Harvey, Jane	6,500
	31 41 129 010 50	State of Michigan	7,000
	31 41 129 011 50	DeForge & Dennis, Auto	12,700
	31 41 129 012 00	DeForge & Dennis, Auto	2,400
	31 41 129 013 60	DeForge & Dennis, Auto	1,000
	31 41 129 014 00	Calumet Machine	61,100
	31 41 129 020 00	Picchiottino, John B.	10,000
20	31 41 130 001 00	lPellegrini, Clark	16,000
	31 41 130 001 50	Red Garter	21,000
	31 41 130 003 00	First of America Bank	11,000
	31 41 130 003 50	First of America Bank	2,600
	31 41 130 004 00	Pintar, James	6,000
	31 41 130 005 00	Vasold, Arthur	10,500
	31 41 130 005 50	Pintar, James	34,000
	31 41 130 006 00	Pintar, James (not in book)	27,100
	31 41 130 007 00	Lamb, Michael A.	7,800
	31 41 130 008 00	Berkshire Life Insurance Co.	7,900
	31 41 130 009 00	Court North Star #17	6,900
	31 41 130 010 00	Newman, William	6,500

Calumet Downtown District Properties

Page 4

<u>Block</u>	<u>Property Number</u>	<u>Owner</u>	<u>Valuation</u>
	31 41 130 010 10	Oikarinen, Leonard	8,400
	31 41 130 010 20	Oikarinen, Leonard	11,500
	31 41 130 011 00	Calumet Traction Development Co.	20,000
	31 41 130 012 00	Ventures	18,000
	31 41 130 013 00	Ventures	13,000
	31 41 130 014 00	Hodges, John & Julie	27,000
	31 41 130 015 00	Beiring, Francis & Kathryn	6,800
	31 41 130 015 50	Rilei, Ray & Wife	11,500
	31 41 130 016 00	Calumet Heritage Dev.	28,300
	31 41 130 016 50	Calumet Heritage Deve.	1,700
	31 41 130 017 00	Barsotte, Francis J.	1,400
	31 41 130 017 50	Barsotte, Francis J.	1,400
21	31 41 131 001 00	Elms Motel	44,800
	31 41 131 002 00	Lahti, Michael	13,000
	31 41 131 005 50	Campioni, Patrick	1,600
	31 41 131 006 00	Campioni, Patrick	100,600
	31 41 131 009 00	Peninsula Gas Co.	23,800
	31 41 131 010 00	Calumet Furniture Co.	29,700
	31 41 131 010 50	Calumet Furniture Co.	900
	31 41 131 011 00	Mehrens, George	15,000
	31 41 131 011 50	Munch, Louis	26,000
	31 41 131 012 00	Bausano, Anthony	1,500
	31 41 131 016 00	Calumet Electronics	12,800
	31 41 131 019 00	Calumet Village	-0-
	31 41 131 020 00	First Lutheran Church	-0-
22	31 41 132 019 00	Calumet Players	-0-
	31 41 132 021 00	King, Robert P. & Wife	14,000
23	31 41 133 009 00	First of America	26,600
	31 41 133 010 00	Harter, Robert	23,500
31	31 41 141 018 00	King, Robert P.	1,556
	31 41 420 128 00	Detroit & Northern Savings	1,300
	31 41 420 129 00	Detroit & Northern Savings	2,100
	31 41 420 130 00	Gronewald, John	1,100
	31 41 420 131 00	Vollmer, Brey Josephine	1,100
	31 41 420 132 00	Lake Superior Land Co.	1,100
	31 41 420 133 00	White, Dale & Peggy	3,100
	31 41 420 134 00	Gipp, Ronald	800
	31 41 420 135 00	Paint Box Gallery	1,100
	31 41 420 136 00	Lake Superior Land Co.	1,300
	31 41 420 137 00	Lake Superior Land Co.	1,400
	31 41 420 138 00	Newman, William E.	2,400
	31 41 420 139 50	Gribble, Robert W.	4,900

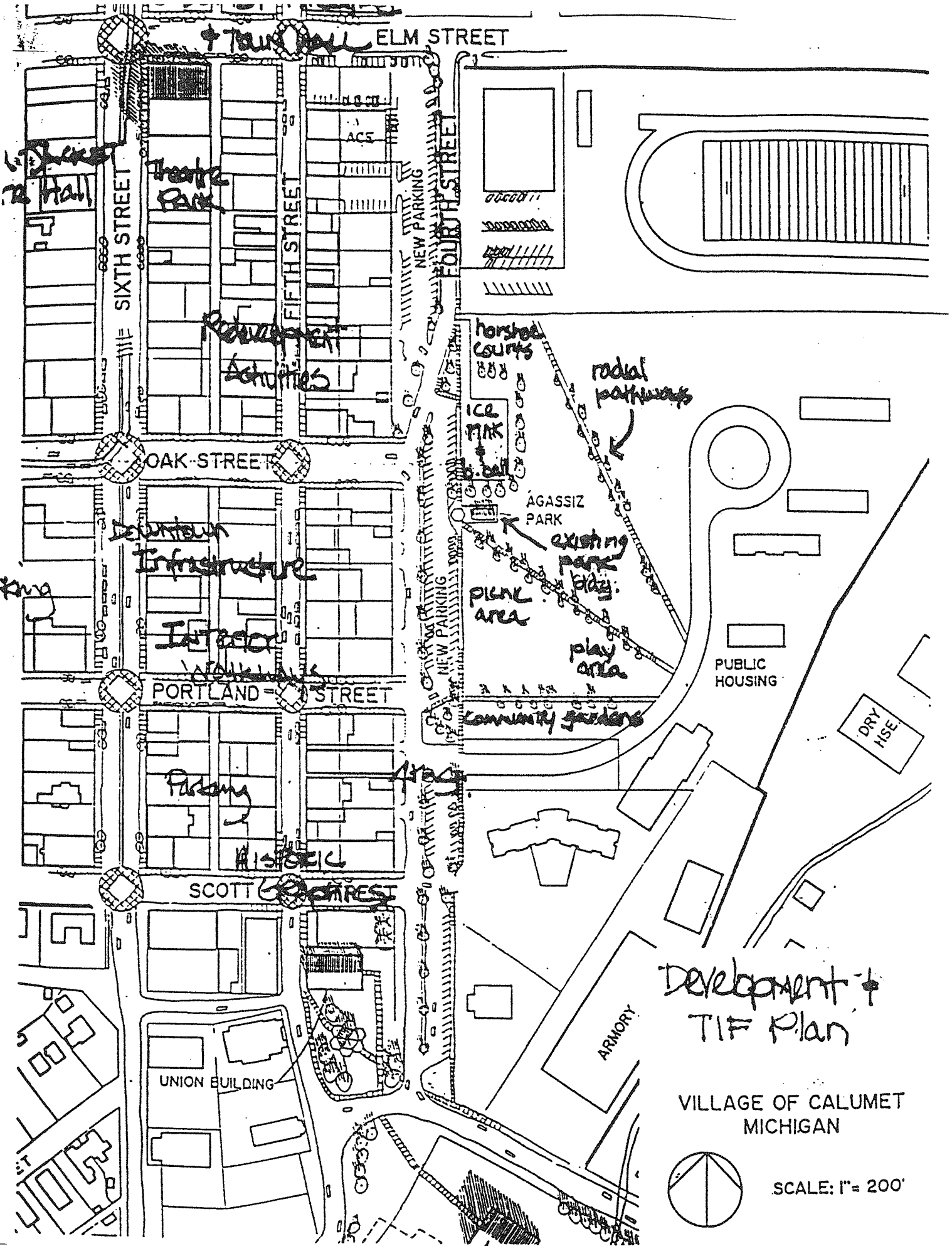
Calumet Downtown District Properties

Page 5

<u>Block</u>	<u>Property Number</u>	<u>Owner</u>	<u>Valuation</u>
	31 41 420 139 00	LaBonte, Herman J.	3,900
	31 41 420 140 00	Anthony, William C.	1,100
	31 41 420 141 00	Johnson, Sandra M.	1,900
	31 41 420 142 00	Keweenaw Dev. Corp.	3,300
	31 41 420 143 00	Vollmar, James	2,500
	31 41 420 144 00	First of America Bank	3,200
	31 41 420 145 00	Gibson, Terry	2,400
	31 41 420 145 50	First of American Bank	2,000
	31 41 420 146 00	Burn Isle Co.	1,400
	31 41 420 147 00	Tikkanen, Thomas P.	800
	31 41 420 148 00	Public Chevrolet Sales, Inc.	2,300
	31 41 900 001 00	Northern Michigan Water Co.	16,200
	31 41 900 002 00	Klobucharich, Steve	11,900
21	31 41 129 013 00	Calumet Machine	19,500
	31 41 129 013 50	Calumet Machine	300
			<u>2,445,256</u>

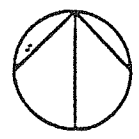
*December 31, 1991 Tax Roll

Revised 4/2/92



Development + TIF Plan

VILLAGE OF CALUMET
MICHIGAN



SCALE: 1" = 200'