Village of Calumet

DDA Plan

# INTRODUCTION

## The Purpose of a Downtown Development Authority

In Michigan, Public Acts 57 of 2018, commonly referred to as the Tax Increment Financing Act, enables municipalities to establish a Downtown Development Authority (DDA). Through part two of this legislation, a DDA can carry out the following duties:

PLAN

* Economic analysis
* Growth analysis
* Implement plans
* Long range plan and persuading property owners to implement

FINANCE

* Enter into contracts
* Charge for buildings and facilities and pay bonds
* Lease
* Accept grants and donations
* Market the downtown
* Loan money for existing downtown buildings
* 2 mill max ad valorem tax possible

DEVELOP

* Plan, propose, build, repair, preserve, rehab, reconstruct facilities and buildings
* Acquire and dispose of property
* Improve land and operate buildings
* Acquire and construct public facilities
* Contract for broadband
* Retail business incubator

The act empowers a DDA to tackle urban decline and prevent its advancement and strengthen its existing infrastructure. In practice, DDAs seek to accomplish this goal by providing the necessary legal, monetary, and organizational tools to revitalize downtown districts either through public-initiated projects or in concert with privately motivated development projects. How a DDA chooses to use these tools depends on the specific problems and opportunities it faces balanced with the community’s development priorities.

## Village History

Calumet’s history is tied to its access to natural resources. Known as “Copper Country” for its proximity to (and prowess in extracting from) local mines rich with copper, the area’s early economy peaked and waned with the availability of copper. By the Great Depression in the 1930s, most mines were shut down, although the industry continued at a smaller scale until 1968 when the Calumet and Hecla Company’s operations closed.[[1]](#footnote-2)

The region has had to pivot to new employment sectors and ways to appeal to the community as its original industry disappeared. In the 1980s and 1990s, growth of Michigan Technological University in Houghton as well as small manufacturing firms helped to stabilize economic conditions in the Keweenaw Peninsula, showing a greater balance between “old” economy powered by manual labor and the “new” economy comprised of knowledge-based employment sectors. The Keweenaw Peninsula has a modest tourism-based economy fueled in part by vast amounts of annual snowfall that pairs well with several winter recreational activities, such as Swedetown Ski Touring Center’s cross-country skiing tracks and Mount Bohemia’s ski resort. Despite the region’s assets, the Village of Calumet’s population continued to decline. The 2000 census reflects the first population growth (7%) since 1920. Between 2010 and 2018, there was an estimated increase of 23 persons or 3% growth.[[2]](#footnote-3) In addition to its permanent residents, the Keweenaw Peninsula receives an estimated 300,000 annual visitors and has 4,500 seasonal residents with reports that tourism spending has consistently seen large increases.[[3]](#footnote-4)

The Village of Calumet has historically served as the central business district for the surrounding area. The former prominence and wealth of the Copper Country is evident in Calumet’s fine commercial architecture and in the quality of public facilities, such as the Calumet Theatre. The Village’s entire commercial district was placed on the National Register of Historic Places during the early 1970s and is included in the boundaries of one of the nation's newest national parks, the Keweenaw National Historical Park (KNHP). The establishment of KNHP in 1992 created opportunity in the village of Calumet as key historical buildings were acquired, including the Union Building and the C&H Administration and library buildings.

## DDA History

The DDA and the district boundaries were established in 1979. That same year, the first Downtown Historic Preservation Plan was prepared, showing a long-standing dedication to its heritage. Since then, the DDA boundaries have expanded once, in 1983.[[4]](#footnote-5) Since that time, the Village has adopted a development plan in 1992, and another one in 2002. A public board of nine members meets regularly with the sole intention of bettering the downtown. The DDA works primarily with the Village and Main Street Calumet, described below, to manage the downtown’s public space, promote its businesses, and invest in public works projects, among other specialized tasks.

## Planning History and Context

A review of relevant planning documents ensures that the Village of Calumet’s DDA Plan aligns with larger efforts conducted at different geographic scales, and works to coordinate with, instead of duplicate, previous work. Below is a summary of relevant planning documents.

### 2018 Village of Calumet Master Plan

The Village of Calumet’s recent Master Plan takes a strong look at the housing market in terms of quality and variety, above and below ground infrastructure, transportation safety, and potential redevelopment properties. The list of strategies includes some bolder actions and a call to update the Zoning Ordinance, which is one of the most powerful tools to regulate land uses, appearance and preservation of building stock, and walkability. Its downtown recommendations are mainly aesthetic, and under the primary responsibility of the DDA. Given the recency of this plan and the extensive list of proposed improvements, these recommendations were considered by the DDA Board and incorporated as appropriate into the Project List of this Plan.

### 2017-2022 Comprehensive Economic Development Strategy

The Western Upper Peninsula Planning and Development Region Commission (WUPPDR) has served as the region’s planning body since 1970. One of its primary planning tools for the six counties it supports is the Comprehensive Economic Development Strategies (CEDS). At their inception in the 1970s, CEDS were understood as a planning document for funds disbursed by the United States Economic Development Administration; it can be described as a “strategy-driven plan for regional economic development.”[[5]](#footnote-6) The most recent CEDS (2016) outlines major accomplishments dating back to 2004, describing heavy investment in expanding educational and business opportunities through incubators which were established or renovated to build economic opportunity for entrepreneurs­­­. As a part of the regional inventory, the CEDS also notes challenges of an aging population, resistance to change, geographic isolation, and limited infrastructure that slows the transportation of good and services that hinder growth. Understanding the region’s weaknesses, WUPPDR created a broad framework that supports business opportunities, its rural and natural setting, investment in infrastructure that enhances the flow of information and goods, and partnerships to coordinate such efforts. It does not identify individual projects in the Village of Calumet.

### 2013 National Park Service Cultural Landscape Plan and Environmental Assessment

The National Park Service commissioned a Cultural Landscape Plan and Environmental Assessment of the KHNP “Calumet Unit” that was completed in 2013. [[6]](#footnote-7) These are standard National Park documents that bring considerable planning acumen and resources to bear on their subjects, and offer detailed recommendations which consider local planning processes in their development. These recommendations have been reviewed and incorporated into the Action Plan where appropriate.

### Main Street Calumet

The purpose of the combined CLR/EA is to document and record the history and current conditions of the historic landscapes within the Calumet Unit of Keweenaw National Historical

Park and to provide guidance for the future treatment and use of these landscapes. The document

informs preservation of significant cultural and natural resources while providing guidance for

developing opportunities and facilities for visitor education and use. Keweenaw National

Historical Park is a partnership park, with the majority of the land and resources within the

Calumet Unit owned by entities other than the federal government.”

In 2003, the Village of Calumet launched a local chapter of the national Main Street program established by the National Trust for Historic Preservation to save historic places and revitalize communities. The structure of the program is consistent across chapters: a group of volunteers is organized into committees addressing Design, Promotion, Organization, and Economic Vitality, and a Board of Directors makes leadership decisions while a General Manager provides execution support. Main Street Calumet is highly active in the community, hosting a year-round series of diverse events and providing linkages to historic and recreational events and resources. There is significant overlap between the missions of Main Street and the Downtown Development Authority, and many of the same people serve both. Coordination between them so as to reinforce, rather than duplicate, each organization’s individual efforts will be valuable.

### 2002 Downtown Development Plan

The last DDA Plan, completed in 2002, identified key issues and opportunities across a range of topics including parking, appearance and landscaping, traffic, and “general problems” that touched on connectivity, business recruitment, cooperation with business owners, and signage. Opportunities for improvement were identified which could remedy some of its current challenges as well as build clout in the region as a tourist destination. The Plan contained a Development Framework with strategies that focus on incentivizing private development. Of the 13 strategies, the top three priorities were listed as:

* Sixth Street improvements, funded by CDBG grants: lighting restoration, pave an extension, funding sidewalk replacement, a stop sign
* Code inspection and enforcement: aggressive inspection of blighted buildings and issuance of citations
* Marketing and business development: develop a brand that appeals to consumers and investors

## Basis for the Tax Increment Financing Plan and Development Plan

The Downtown Development Authority Act provides the legal mechanism for local officials to address economic development in the business district. The Act refers to a “business district” as an area in the downtown of a municipality that is zoned and used principally for business. A “downtown district” is an area within a business district that is specifically designated by ordinance of the governing body of the municipality pursuant to the Act. This “downtown district” is the subject of both the tax increment financing plan (where funds will be captured from) and the development plan (where funds will be spent). By definition, a tax increment financing plan seeks to capitalize on and make use of the increased tax base created by economic development within the boundaries of a downtown district. The legal basis or support for the Tax Increment and Development Plans are identified in Act 57 of the Public Acts of 2018, as amended.

Business District

an area in the downtown of a municipality that is zoned and used principally for business

Downtown District

an area in a business district that is specifically designated by ordinance of the governing body of the municipality for taxing purposes

*[Include in box]*

*Sec. 201a. The legislature finds all of the following:*

*(a) That there exists in this state conditions of property value deterioration detrimental to the state economy and the economic growth of the state and its local units of government.*

*(b) That government programs are desirable and necessary to eliminate the causes of property value deterioration thereby benefiting the economic growth of the state.*

*(c) That it is appropriate to finance these government programs by means available to the state and local units of government in the state, including tax increment financing.*

*(d) That tax increment financing is a government financing program that contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from economic growth and development to facilities, structures, or improvements within a development area thereby facilitating economic growth and development.*

*(e) That it is necessary for the legislature to exercise its power to legislate tax increment financing as authorized in this part and in the exercise of this power to mandate the transfer of tax increment revenues by city, village, township, school district, and county treasurers to authorities created under this part in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth.*

*(f) That halting property value deterioration and promoting economic growth in the state are essential governmental functions and constitute essential public purposes.*

*(g) That economic development strengthens the tax base upon which local units of government rely and that government programs to eliminate property value deterioration benefit local units of government and are for the use of the local units of government.*

*(h) That the provisions of this part are enacted to provide a means for local units of government to eliminate property value deterioration and to promote economic growth in the communities served by those local units of government.*

# PUBLIC PROCESS

Three survey were conducted during the writing of this plan to discern stakeholders’ interests, concerns, and priorities for downtown. One survey was targeted toward the general public, and was distributed electronically and via social media in order to obtain feedback from visitors and former residents as well as locals. A second survey was developed for business owners within the DDA. Also during this time, the DDA Board reviewed the downtown-related goals and actions from the Village’s most recent Master Plan and prioritized them. Findings from each of these exercises, which are summarized briefly below and more extensively in the Appendix, heavily informed the Development Plan.

## Downtown Survey Summary Results

The survey was open from December 2020 to February 2021 and 348 residents and visitors responded. Only 19% of survey-takers were residents of the Village of Calumet. Just over half of respondents (56%) were from elsewhere in the Keweenau Peninsula, and a full 25% were from “outside of the Keweenaw Peninsula.” This indicates a tremendous amount of non-local interest in the Village, which could ideally be transformed into investment. In age, respondents spanned the cohorts but leaned slightly more heavily towards those 55 and older (42%).

When respondents from outside the Village were asked “What brings you to Calumet?”, most of them answered that “family/friends in the area”(84%) were the biggest draw. After that, features unique to the region were selected: “natural beauty (79%),” “architecture/history (51%),” and “mining attractions (39%).”

#### Figure: What Brings Visitors to Calumet?

The survey asked about the frequency and specific location of visits to the downtown. For those respondents who live on the Keweenaw Peninsula, there is relatively little change in the frequency of visiting downtown daily by season, but the seasonal nature of the downtown visits is exposed by analyzing visitor respondents: In the summer, 92% visit downtown daily, compared to 25% in the winter. This finding shows that although summer tourism is important, the downtown can and should serve its residents consistently year-round.

Currently, the largest draws to downtown are “retail” (78%), “dining/entertainment” (70%), and “events” (56%); when asked about specific destinations, respondents cited Copper World, Keweenaw Coffee Works, and Michigan House, a café and brew pub. Art also plays an influential role; combined, respondents selected “galleries and visual arts” and “performing arts” as a bigger draw to the downtown than planned events. Participants were also asked to select the type of retail and services/spaces they want to see come downtown, and to estimate how frequently they would visit them, on average. The results again demonstrated the dual constituency that downtown Calumet serves. The top three responses, selected by respondents who would visit at least on monthly basis, represented essential purchases: “food and beverage,” “general merchandise,” and “sporting goods” stores. While these tend to be larger storefronts than what is suitable for a historic downtown, they can fit in a modified footprint. For services, survey-takers were most interested in seeing “restaurants/cafes (77%),” “recreational/public spaces (61%), “bars/entertainment venues (47%).” However, because a substantial proportion of survey-takers are visitors (from outside of the Keweenaw Peninsula), the responses change drastically when they are removed. While restaurants/cafes, bars/entertainment venues, and recreational/public spaces remain in the top three, the majority reported that they would only come “a couple times per year” or “never.”

#### Figure XX: What Draws You to the Downtown?

When respondents were asked what prevents them from going downtown, the top two responses were very telling: there is nothing there I want to do (42%) and nothing there I want to buy (35%). On a scale of 1-5 with 5 being best, survey-takers rated Calumet’s night life at 1.9. Just 18% of participants selected blight as an impediment, which diverges from the 74% of business owners surveyed who feel that blight prevents people from coming downtown. Business owners and visitors were more aligned in their assessment that the lack of commercial variety stymied patronage. A threat of crime is a detractor from visiting downtown for a little less than one-third visitors (n=38). Parking and snow removal affected less than 10% of respondents’ decisions to frequent the downtown. When asked to estimate how often they would go to downtown businesses if they were open in the evening and at night, almost 53% of respondents predicted they would visit on a weekly or monthly basis if that option were available.

#### Figure XX: What Prevents You from Going Downtown More Often?

Survey-takers’ preference for mode of travel to get downtown is largely motorized, but not in a private vehicle: options for rideshare, zip car, and bus were the most popular modes selected for getting downtown in the future. A preference for bicycles was also expressed, with a majority of respondents (55%) reporting that they arrive downtown now by bicycle and even more (64%) indicating that they would like bike downtown in the future. This finding provides strong support for connected local trails and nonmotorized amenities. Once downtown, respondents indicate that “getting around on foot,” “finding your way around,” and “parking a car” can be done with relative ease. However, a substantial portion of downtown patrons find it difficult to “find something to do” (37%) or even “sit and relax (36%).” Of greater difficulty is “using a restroom (56%).” Almost half of survey-takers (47%), including a significant portion of non-local respondents, would be happy not to travel downtown at all but rather already be there, living in a loft above a commercial use or in an apartment/condo building (n=337). Close to one-quarter of locals would live in a rowhouse in neighborhood close to downtown.

#### Figure XX: How Easy Is It To…

This plan benefits from the unique perspective of having been developed during the 2020-2021 COVID-19 pandemic which thoroughly disrupted all types of business and commerce operations. When this survey was issued, respondents were split on how to support businesses during this time. While 39% disagreed with the statement, “during quarantine, I wanted to support local business but wasn’t sure how,” a close second 34% agreed, and 28% “neither agree nor disagreed.” More consensus was found on the following statement: “during quarantine, if downtown businesses had websites where I could order food/items online, I would have spent more money locally;” two-thirds of respondents agreed (n=337). As a result of the virus, nearly 55% of survey-takers will go downtown less while it remains prevalent in Michigan, another indication that businesses may need an online presence to reach clientele. Survey-takers would feel safer downtown if “everyone was required to wear a mask” (85%), “employees wore masks” (76%), and “capacity was limited to maintain 6 feet of distance (74%).”

Survey-takers reported that the DDA’s top three priorities for improving downtown Calumet should be to “bring new businesses downtown (82%),” “façade improvements/blight (61%),” and “enhance public space (40%)” These findings imply that there is a need to “fix up” downtown before promoting it, as “event planning” and “marketing” fall lower on the list of priorities.

#### Figure XX: What should be the DDA's top three priorities for improving downtown Calumet?

## Business Owner Survey Summary Results

The survey was open from September 2020 to February 2021 and 23 business owners responded. Over half of the business owner respondents have operated a business in Calumet for over 15 years (57%), and no responses came from businesses that started less than a year ago. The greatest proportion of responses were represented by retail trade (44%). Almost two-thirds of business owners’ primary residence is not in Calumet (defined as spending more than six months per year in the village), and almost half of the business owners were within 10 years of retirement age; 47% are aged 55 or older. The majority of them plan to retire in Calumet (65%), but no respondent had already retired.

The most important factors keeping business owners in Calumet are more closely related to the area’s appeal, as opposed to the business environment. Four of the top five reasons for staying in the village are related to lifestyle, access to nature, and proximity to home and loved ones. “Supportive business community” fared well, coming in as the second most important factor. As already established businesses were the primary respondents, the affordability of real estate and market research were the least impactful factors.

#### Figure XX: What Keeps You Running a Business in Downtown Calumet?

Business owners reported that the top two most effective customer draws are relatively low-tech: established client base (70%) and word of mouth (61%). “Online promotion for my business” ranked third (57%), and the number of respondents citing this method exactly matched the number of respondents who reported having a website for their business. A slightly smaller number regularly engage potential customers via social media (50%) or reported that patrons could buy products or services through the website (42%).

When asked what limits their customers from coming downtown, respondents stated that “empty/blighted buildings” and “lack of commercial variety” (74%) are equally limiting factors for customers coming downtown, although as mentioned above, patrons reported significantly more concern over variety than blight. Similarly, parking was seen as a more significant barrier by business owners than by patrons. The responses dwindled significantly for the third most common response: “lack of signage along US-41, M-26, and M-203” (44%). When responses are filtered for retail business owners, “downtown is lacking nightlife” rises to the top. The highest proportion of business owners reported that they close their establishments before 5 pm for every day of the week and are closed on the weekends; the hours of operation change significantly when the responses are filtered specifically for retail trade, but still over half are closed on Sundays.

#### Figure XX: What Do You Think Limits Customers from Coming Downtown?

When asked about business challenges, by far the most pressing was “finding reliable employees (65%).” Mid skilled (some training beyond high school) and skilled trades (certification other than college degree) are the most difficult to find. Business owners were then asked if they would benefit from a stronger connection to local educational institutions. Half of them were unsure, and the others expressed interest in an apprenticeship or internship program. Almost all business owners (95%) anticipate over the next five years that the number of full-time and part-time employees will grow or stay the same, corresponding directly to the majority of business owners planning to continue at their current size or expand in the next five years. Asked about retirement or succession planning, 44% of business owners reported that they plan to “pass [the business] on to a trusted colleague/friend/family member” when they retire. Yet, about one-quarter “don’t have a plan;” signaling a group that the DDA should work with to create a transition plan prior to retirement. About 30% responded as an open comment that they plan is to sell their business in retirement.

#### Figure XX: What Are Your Most Pressing Business Challenges?

During COVID-19, a top business challenge was a disruption to the regular supply chain (35%). It is safe to assume that post-pandemic, this issue will resolve itself.

Business owners were asked what the Village could do to help their enterprise, and given seven options to rate on a scale of “no impact” to “extremely helpful.” “Low interest loans for code-based improvements” was selected by the greatest percentage of respondents (88%) as providing some level of assistance. This solution would directly meet the identified challenge of “necessary building repairs,” which was tied for second most pressing concern. “Ordinance/code enforcement” (69%) was the runner-up most impactful activity, followed by “update the zoning ordinance”; these activities would help adjust the regulatory burden that is also tied for the second most pressing concern.

#### Figure XX: What Could the Village Do to Help Your Business Succeed?

Two-thirds of business owners believe that façade improvements would encourage them to invest more in their business. There was a three-way tie with “downtown events,” “wayfinding,” and “regular meeting with business owners and the DDA/Main Street” as other ways to encourage private investment. When filtered for responses from retail business owners, “improved walkability for visitors” rises to the top. Business owners feel that “poorly maintained building stock” (47%) is the top barrier for starting or expanding a business, followed by “little public investment in the downtown” (41%). Some of the “other” comments reflected a need for beautification and more timely communication.

In order to gauge business owners’ awareness of two organizations whose work centers on the downtown, survey-takers rated their level of familiarity with the DDA and Main Street. Almost 74% of business owners were at least familiar with both organizations, with no one selecting the option “very unfamiliar.” Next, they were asked to describe each organizations’ primary functions. Business owners largely see the difference as the following: the DDA assists businesses and downtown development, and Main Street promotes the downtown businesses. Primarily, business owners did not know if either organizations’ practices or policies helped or hinder their business. When they did respond, the most popular answers are summarized in the table below.

#### Table XX: DDA and Main Street: How They Help and Hinder Business

|  |  |  |
| --- | --- | --- |
| Organization | Helps Your Business | Hinders Your Business |
| DDA | Façade improvements | Poor coordination with the Village |
| Main Street | Events | Poor communication with Village and business owners |

# DEVELOPMENT PLAN

## Development Area Boundary

The Development Area is located within the village of Calumet and follows the DDA boundaries as illustrated on MAP 1. ~~The boundaries can be generally described as the commercial area bounded by 7~~~~th~~ ~~Street to the west, Scott Street to the south (between 4~~~~th~~ ~~and 7~~~~th~~ ~~St.), and 4~~~~th~~ ~~Street to the east. The boundary crosses Elm but only covers the structures that face 5~~~~th~~ ~~Street. The northern most boundary is Pine Street.~~

## Location and Extent of Existing Streets and Other Public Facilities Within the Development Area; Location, Character and Extent of Existing Public and Private Land Uses

### Streets

The Village’s downtown is built on a grid network with historic downtown density. The streets are two-lanes and feature either diagonal or parallel parking spaces. The sidewalks are wide enough for convenient pedestrian travel and access to storefronts that sit directly on their property line, yet not wide enough for extensive right-of-way landscaping. Some businesses have put out planter boxes to liven up the sidewalks. One interesting feature of the street grid is the varying building materials. For example, on Oak Street between Fourth and Fifth, the street is made of red brick, but continuing west on Oak Street, the brick changes color to grey, and then eventually to concrete.

#### Table XX: Downtown Streets

|  |  |
| --- | --- |
| Streets (North to South) | Streets (East to West) |
| 4th Street | Pine Street |
| 5th Street | Elm Street |
| 6th Street | Oak Street |
| 7th Street | Portland Street |
|  | Scott Street |

### Public Facilities

The Village-owned water system is operated and maintained by the Michigan American Water Company. The company owns the source and delivers high quality water through the Village’s distribution system. The Village also provides sanitary sewer and stormwater systems through North Houghton County Sewer Authority. The village is encompassed by the Keweenaw National Historic Park; at the southern gateway to the downtown is a Calumet Visitor center with information about historic and natural features in the area.

### Public and Private Land Uses Within the Development Area

There are about 209 parcels within the DDA boundaries. The land use classifications made by the assessor can be found in the table “Land Use Codes.”

#### Table X: Land Use Codes

|  |  |
| --- | --- |
| Land Use | Number of parcels |
| Residential | 53 |
| Commercial | 136 |
| Industrial | 5 |
| Exempt | 15 |
| Total | 209 |

Source: Assessor

### Private

#### Residential

There are 35 structures classified as residential in the downtown area. The single-family homes are of a historic nature, while the second story units are tucked away above commercial uses.

#### Commercial

The vast majority of parcels downtown are dedicated to commercial uses. There is a mix of local restaurants, small-scale retail, and services. Aside from local businesses, Calumet has a historic theatre with wider reach for its entertainment value. The Calumet Theatre, a regional gem now run by a non-profit, host 55-65 events per year drawing in 18,000 attendees annually.[[7]](#footnote-8)

#### Industrial

There is only industrial property in the downtown area that spans five parcels on the northern side of the district. The downtown area’s density is not suitable for the continuation of industrial properties as is reflected in the permitted uses in the Zoning Ordinance.

#### Vacant Land Uses

There is no assessor record of vacant parcels.

### Public

#### Educational Copper museum

The Copper Country Firefighter History Museum was originally built as a fire station in 1898 and was used until the 1960s. Built in Romanesque style of architecture, it is one of 21 heritage sites in the Keweenaw National Historical Park. The building is now used to display some of the first fire trucks and apparatus used with objects dating back to the 1850s.[[8]](#footnote-9)

~~The Keweenaw Heritage Center at St. Anne’s has been adapted to serve as an educational and cultural center with annual exhibits on aspects of life in the peninsula over the decades. The building was restored in 2011 so that it could continue to share tradition to future generations.[[9]](#footnote-10)~~

#### Recreational

The DDA district hosts smaller recreational areas such as Theatre Park to provide a public space for visitors and residents seeking a quieter respite in the downtown. It is hoping to convert the vacant lots 325-329 on 5th Street into a community garden with raised beds and historical interpretive signage.

The downtown is bordered on the east by Agassiz Park, a recreational facility that is considered an underused asset. It hosts a track and multipurpose field. In its history, some of its land has been sold to build multi-family residential units, but several acres remain available to the public.

#### Transportation

There is no public transportation that runs through the development area.

## Location and Extent of Proposed Public and Private Land Uses

INSERT MAP OF ZONING IN DDA DISTRICT

The Village adopted a Master Plan in 2018 and is amending its Zoning Ordinance and Map in conjunction with the writing of this plan in 2021. The new downtown zoning permits a range of retail and professional services and government buildings and educational institutions. While the Master Plan calls for updating permitted uses (and the Zoning Ordinance follows suit), land uses are expected to stay largely the same. Single-family homes may remain as they are now, but would be converted to businesses over time. The proposed change to public land is on a village-owned parcel on the 300 block of 5th Street, where preliminary site work has been conducted to determine the feasibility of converting a vacant lot into a community asset: a community garden that could host events.

## Legal Description of the Development Area

~~All property abutting Fourth, Fifth, Sixth, Seventh, Pine Street and Scott Street and that property bounded on the east by Fourth Street, on the west by Seventh Street, on the North by Pine Street, and on the South by Scotts Street.~~

## Existing Improvements in the Development Area to Be Demolished, Repaired, or Altered and Time Required for Completion

No existing improvements are specifically slated to be demolished, repaired, or altered except in conjunction with larger projects and efforts identified in this report. Infrastructure condition and unrelated activities outside the purview of the DDA may require that infrastructure previously installed by the DDA, such as sidewalks, be replaced and repaired.

## Location, Extent, Character and Estimated Cost of Improvements Including Rehabilitation for the Development Area and an Estimate of Time Required for Completion

### General Development Plan for Calumet

The success of Calumet’s downtown revitalization efforts will depend, in large measure, on its stakeholders’ ability to combine their assets into a cohesive strategy. It is generally agreed that the Village is home to unparalleled historic, cultural, and natural resources. However, each of these needs significant support in terms of money, time, or both. One example are the historic buildings which have earned national designation, yet their restoration may cost up to ten times the purchase price. Another is the extraordinary snow season that enables recreation opportunities available almost nowhere else, yet is difficult to learn about and even harder to access in this remote area.

An impressive catalog of national support is already involved in the area, including the National Park Service and the National Trust for Historic Preservation. However, these resources can only be deployed with focused local effort, and this is where Calumet must make an internal commitment to work together. Overall, the vision for the community is well-established: residents and stakeholders would like to see the historic downtown preserved as much as possible, to continue to emphasize and reflect its mining history, and to serve as a commercial hub for outdoor events and attractions. Detailed plans have been crafted spelling out an array of activities that will support these aims.

The shortfall to date has been in marshalling the execution. Capacity precedes funding here: the methodical, successful organization and accomplishment of community goals inspires the confidence of a return on both public and private investments. The reverse is also true: public disharmony is an active deterrent to investment, because it compounds the risk inherent in the investment with an added layer of uncertainty that the process may break down in ways that are out of the investor’s control. Though it may be counterintuitive, the single greatest thing the Village of Calumet can do to improve its physical downtown environment is for each of its governmental and quasi-governmental entities commit to working together to become a functional, attractive investment opportunity.

This foundational challenge of lack of staff capacity and budget is acutely felt within the DDA organization. Many of the projects and programs identified require consistent and coordinated management, and technical knowledge in grant writing, fundraising, program development and administration, small business assistance, and project management. Vacancy and depressed property values have resulted in insufficient capture to support professional staff, which in turn is a lost opportunity to draw more money to the downtown as fewer grants are secured, businesses are recruited, and public improvements are implemented that spur private investment. The DDA's first priority should be rigorous investigation for securing staff capacity, including:

» Dedicating more of the village staff time to the DDA, which may include introducing a new shared position.

» Continuing, expanding, and formalizing the existing partnership between the DDA and Main Street Calumet to share funding streams, board and staff capacity, and volunteer hours.

» Beginning with a volunteer or part-time staff. The position could be offered on a volunteer basis with a roadmap of actions which, if successfully executed, result in sufficient funds to implement a paid position.

» Fundraising and grant writing. Board members could establish a fundraising campaign and/or engage in grant writing to develop the necessary funds.

The best outcome likely incorporates all four of these suggestions, with Board members and volunteers taking on early actions toward a goal of increased participation from both the Village and Main Street Calumet. The powers and strengths of each organization are described below. The DDA’s unique attributes are its downtown focus and its funding stream. Its primary job will be to prioritize historic preservation efforts, working with building owners to meet applicable codes and to maintain their architectural splendor. The strategy will be equal parts implementing physical improvements, harnessing private investment for redevelopment projects, and working closely with existing businesses owners to retain them and grow their operations.

The program of improvements and activities presented in table “Development Plan” is a compilation of the findings from several outreach methods: Business Owner survey, Community (and beyond) survey, DDA Board Priority survey based on the village’s previous Master Plan, NPS Calumet Unit Cultural Landscape and Environmental Assessment, Calumet Area Trail System Concept Plan, and fieldwork conducted in September 2020. Because the DDA Board’s priorities were pulled from Calumet’s most recent Master Plan, the actions are in alignment with the village’s larger strategies and the DDA’s current undertakings. The Action Plan is organized by major theme that emerged from the outreach efforts. The left-most column refers to whether the action will be primarily led by the public sector (P) or whether its success will depend on a public-private-partnership (PPP).

### Public Improvements

The first obstacle to making public improvements is a limited budget. Currently, 60% of the DDA’s budget goes to snow removal. The DDA can establish a special assessment district to generate greater funds for essential services. With a special assessment, more funds will be freed up to spend on other public improvements as well as amenities in the public realm that benefits patrons such as benches, recycling and trash bins, and public art. Once these are installed, the village can look to other amenities mentioned in the survey findings: a public restroom, bicycle racks, painted cross walks, and landscaping that provides protection from the elements. One example of this would be the proposed community garden on village parcels that connect 5th and 6th Streets. Preliminary ideas have been sketched and require community feedback but designing and implementing public space will require considerable resources to turn these parcels into a community asset.

Other funds dedicated to the public realm could also be used to design winter-themed events to promote Calumet as a destination all year long. With the help of stakeholders, winter markets and events could draw greater attention to the area, if done with local businesses in mind. There were some comments in the survey that events have not been helpful in generating more business downtown, but with greater participation from business owners and data collection to gauge its success, events can be tailored to be favorable to downtown businesses.

### Buildings

The poor condition of buildings was mentioned several times and warrants an entire set of actions dedicated to this topic. Calumet is fortunate to have historic building stock with enviable architectural detail and character. However, as building codes progress to keep us safer, many older buildings become noncompliant, so the investment it requires to modernize them (not necessarily the façade but the internal systems) is often cost prohibitive. While many of the residents and tourists are fond of its ambiance they provide, investors cannot pencil out rehabilitation projects. It is unlikely that Calumet can save every historic building without a massive influx of will and funding. Yet, the issue is urgent because as they fall into disrepair, the effects of blight spread into disinvestment by other building owners.

The DDA and village can develop several codes that will help to quantify and address issues of vacancy and blight. A vacant property registry could collect valuable data such as the last time the building met code, potential for upper story units, any recent investment in the property. These findings can be tied to the building on GIS and monitored over time. Secondly, a property maintenance code is needed to determine which buildings are blighted, unsafe, or inhabitable. The maintenance code can attach fines to vacant buildings that are contributing to blight to disincentivize neglect.

The priority should be on keeping buildings safe and habitable. When those criteria are met, the DDA should continue to offer façade improvement grants with stipulations about maintaining the exterior’s historical integrity. Funds should not be awarded to building owners that will move the design aesthetic farther from its founding architectural roots.

With the data collected from the registry and blight violations, the Village and DDA can develop a set of criteria to determine which buildings should be the focus for preservation. These criteria should expose the balance between a building’s value to the community and the feasibility of repurposing it. These criteria should be built with stakeholders and analyzed as a group to develop much needed consensus on such a controversial endeavor. One of the most common responses from business owners was a desire for low interest loans to become code compliant. With more specific data, the DDA can establish incentives for redeveloping vacant properties. Appropriate incentives will require further discussion from the village and DDA to see if they have the capacity to administer incentives, but some relatively low-cost incentives could be waiving certain fees associated with new occupancy or site development, matching funds for certain repairs, and additional assistance through the process. In addition to incentives, the DDA can focus more intentionally on the buildings it has selected to preserve. Crowdfunding and crowdsourcing a vision for the buildings can help Calumet market more broadly the public support behind preservation and market these buildings to a broader audience.

Lastly, as the city updates its Zoning Ordinance, heightened design standards for the downtown can improve the quality of new development and ensure that it maintains a similar look to its founding years.

### Businesses

Businesses are also in need of direct assistance. In addition to needing capital for building improvements, they struggle to find and keep a workforce. The DDA and Village could play an intermediary role connecting businesses to local educational institutions and MiWorks to help them find reliable employees. Due to limited capacity, the DDA could identify a regional workforce program and introduce business owners to already established internship or apprenticeship programs without having to develop a new program. Another intermediary role would be to work with business owners who are planning to retire in the next couple years or would like to start a business. After identifying people who fall into those categories, the DDA can connect them to the appropriate agencies, such as the Small Business Development Center, so that the village does not lose businesses as people age or who have great business ideas. Finally, while businesses did not suggest they want to keep different hours of operation, the community said that they would frequent downtown more if it was open at night. For locally owned businesses, this could be difficult, but the DDA could plan and promote one day a week or one day per month where businesses have later hours. First Fridays or other themed nights provide more flexibility for patrons without overextending small business owners.

### Redevelopment

The Keweenaw Economic Alliance developed a prospectus of properties in need of redevelopment in the village. The prospectus outlines basic features of the buildings, the cost, and images, as well as a list of redevelopment tools and the permitting process. A party interested in rehabilitating a building should first contact the Village Administrator to determine if the project scope complies with the Zoning Ordinance and the Historic District Ordinance. Renovations or rehabilitation of the exterior requires approval from the Historic District Commission (HDC) using the Secretary of the Interiors Standards for Rehabilitation. The HDC will hold a public hearing for the proposed changes.

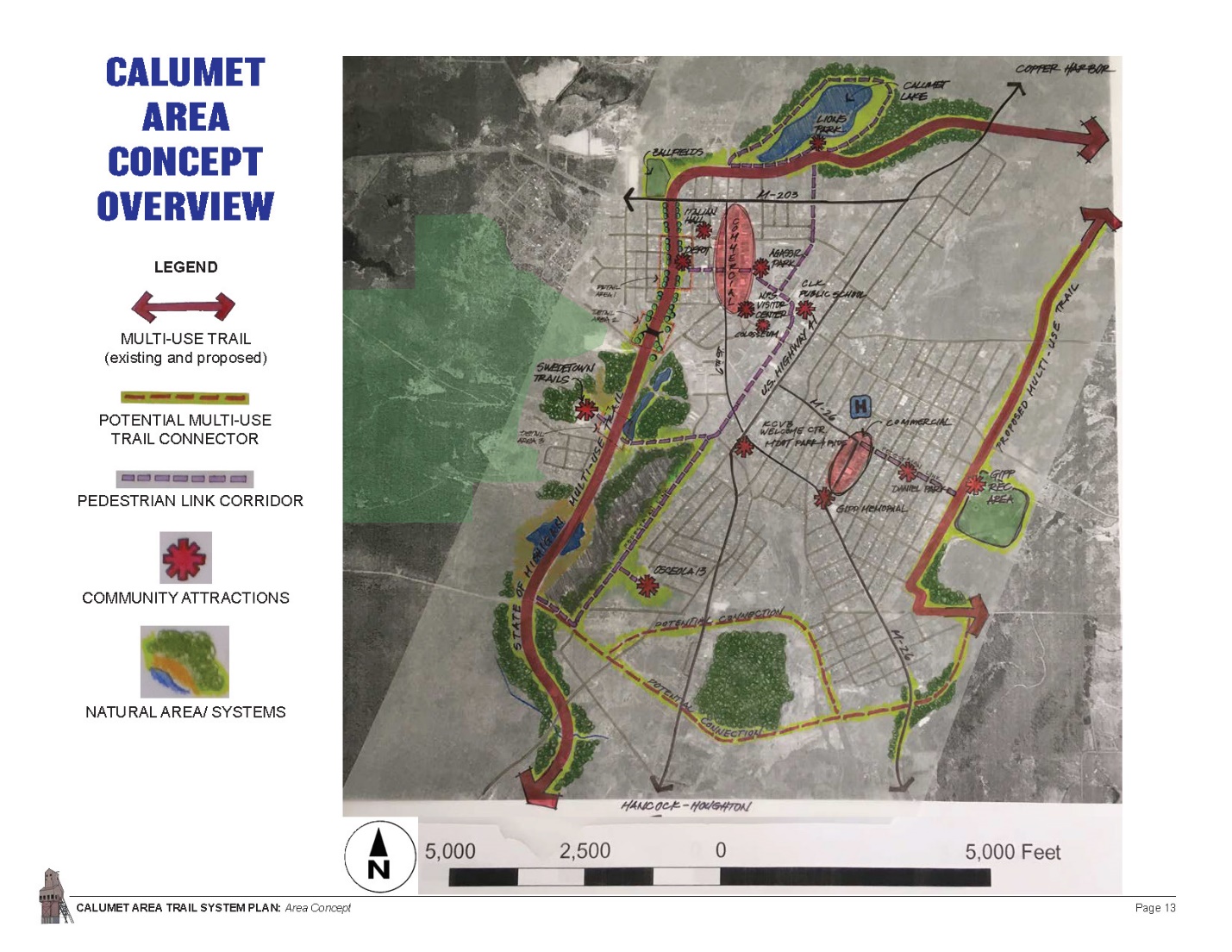
Because financing the renovation of a building is not always achievable by pure market driven forces, some public financial funding is available through Houghton County’s Brownfield Redevelopment Authority, MEDC’s Community Assistance Program, Historic Development Tax Credit, Houghton County and the Keweenaw Economic Development Alliance, and the Calumet DDA.

### Outreach

Outreach is broadly defined in this plan. It covers several different aspects of literally reaching outside of the organization to either promote, market, or educate, or seek funding. Each of those tasks are time intensive and will likely require staff, at a minimum for oversight, but otherwise can be done by dedicated volunteers. Many of the DDA Board’s priority action called for looking for outside funding. This is a necessary task but cannot be the only priority; smaller projects must be launched during the pursuit of and waiting time for grant money. In addition to grant writing, the DDA can participate in crowdsourcing funds for specific projects to build momentum for reinvestment. Crowdsourcing ideas through regular meetings with business owners and other valuable partners to develop buy in for new policies, programs, and plans will be crucial. The DDA cannot do all this work alone, so it will rely heavily on civic organizations and investors to actualize change.

### Trails

In 2020, the Calumet Area Trail System (CATS) Committee developed a concept plan to meet its vision of linking motorized, nonmotorized, and walking routes that feature local heritage, recreation, and commercial destinations to stimulate the area’s social vitality and economy. The committee, comprised of representatives from the village of Calumet, the village of Laurium, and Calumet Township, worked with stakeholders through a grant from the National Park Service’s Rivers, Trails, and Conservation Assistance Program. While the value of a trail system was already apparent to locals, the rise in tourism and the onset of COVID-19 deepened the commitment to recreation; a recent survey conducted by the National Recreation and Parks Association found that 83% of adults in US reported that local parks, trails, and open space are essential to maintaining their mental and physical health during the pandemic. In order words, a trail system has tremendous potential economic and public health benefits for the region.

It is within the DDA’s best interest to plan with the Trail System Concept Plan in mind. While the concept overview sketches show trails that mostly circle downtown, pedestrian links can be improved to connect to the larger system. As highlighted on the map, repairs to Oak Street sidewalks in the direction of the Calumet Depot, that are accessible and have lighting, would connect downtown to a potential trailhead. In addition to finding the funding to upgrade its connection to the regional system, the DDA should continue to meet on a regular basis with stakeholders to keep the momentum going and to stay abreast of funding opportunities. In the meantime, the CATS “implementation matrix” recommends that the Village of Calumet conduct a survey of sidewalks, develop a snow clearing plan, create a wayfinding system, and create a database of volunteers to assist in each step of this process.

INSERT TABLE (MADE ON 11X17)

## A Statement of the Construction or Stages of Construction Planned, and the Estimated Time of Completion

The schedule for construction of the public improvement program for the Development Area is based on the DDA’s prioritization of projects and programs. The timeframe for completion will vary depending on the form of capital funding. If the DDA elects a pay-as-you-go approach, then the timeframe to complete the projects identified will be spread out over many fiscal years. On the other hand, if the DDA elects to utilize a limited general obligation bond issued through the Village, then the timeframe for several projects will be accelerated. If a special assessment is enacted, some of the smaller scale projects may be completed with those additional funds.

## Parts of the Development Area to be Left as Open Space and Contemplated Use

The primary form of open space within the Development Area will consist of established sidewalks for pedestrians. The vacant lots at 325-329 5th Street are proposed to become a community garden to be open to the public with a central patio and raised garden beds to be rented to residents. This village-owned parcel is separated by an alley from a privately owned parcel on 6th Street. Together they total 2.5 acres and have potential to be a pedestrian crossing that hosts farmer’s markets, outdoor theatre, art, and site furnishings.

## Portions of the Development Area Which the Authority Desires to Sell, Donate, Exchange, or Lease to or from the Municipality and the Proposed Terms

The property at 512 Portland Street is owned by the DDA. The building is three stories, with a walk down commercial space and two upper floor apartments for a total of 4,950 square feet. It is up for sale.

## Desired Zoning Changes and Changes in Streets, Street Levels, Intersections, and Utilities

An updated Zoning Ordinance for the Village of Calumet was drafted concurrently with this Plan. The new standards permit dwelling units above the first floor of a commercial use by right, previously only permitted by special land use approval. The Civic and Commercial Historic Overlay District provides an additional layer of design standards to ensure that new development aligns with its architectural heritage and existing buildings cannot veer too dramatically from their history. In that sense, it will preserve the existing relationship between building facades and the public realm, where buildings sit on or near the front property line and are served by sidewalks. The new standards call for greater landscaping to buffer between less compatible uses.

Desired street level changes include improvements to the sidewalks so that they are accessible, well lit, and connected to the region’s trail system.

## An Estimate of the Cost of the Development, Proposed Method of Financing and Ability of the Authority to Arrange the Financing

Financing for the public improvement projects outlined in Section 6 would be provided through funds generated by the Tax Increment Financing Plan induced by annual increases in property valuations from natural growth and new construction within the Development Area. In addition, funds may be sought from special assessment districts (SADs), National Trust for Historic Preservation Planning Grants, Department of Natural Resources (DNR) National Trust Fund Grants, Community Development Block Grant program funds, Michigan Department of Transportation (MDOT) TAP Enhancement monies, Keweenaw Economic Development Alliance, Keweenaw National Historic Park, and the USDA Rural Economic Development Grants.

## Designation of Person or Persons, Natural or Corporate, to Whom All or a Portion of the Development is to be Leased, Sold, or Conveyed in Any Manner and for Whose Benefit the Project is Being Undertaken if that Information is Available to the Authority

The public improvements undertaken pursuant to this Development Plan will remain in public ownership for the public benefit.

## The Procedures for Bidding for the Leasing, Purchasing, or Conveying of All of a Portion of the Development Upon its Completion, if There is no Expressed or Implied Agreement Between the Authority and Persons, Natural or Corporate, that All or a Portion of the Development Will be Leased, Sold, or Conveyed to Those Persons.

All land acquisitions will proceed according to Michigan Public Act 344 of 1945, as amended; Michigan Public Act 87 of 1980, as amended; and the Federal Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970, as amended; and the regulations promulgated thereunder by the US Department of Housing and Urban Development.

Any such sale, lease, or exchange shall be conducted by the Downtown Development Authority pursuant to requirement specified in Act 57 of 2018, Part 2, with the consent of the Village Council. If needed, more detailed procedures will be developed before the transaction, according to applicable Village policy and Michigan State Law.

## Estimates of the Number of Persons Residing in the Development Area and the Number of Families and Individuals to be Displaced

There are an estimated 53 residential properties in the Development Area with an average household size of 2.76 for owner-occupied units, and 1.84 for renter-occupied units. As renter-occupied units are the majority (74.3%), 1.84 is used to calculate the number of residents in the Development Area. The estimate is 98 persons. This Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within the DDA District and Development Area.

## A Plan for Establishing Priority for the Relocation of Persons Displaced by the Development in Any New Housing in the Development Area

Because the Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within the DDA District and Development Area, a plan for compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 has not been developed. If it becomes necessary to displace individuals at some future date, the DDA shall abide by the provisions for relocation from the Federal Uniform Relation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Michigan Public Act 227 of 1972.

## Provision for the Costs of Relocating Persons Displaced by the Development, and Financial Assistance and Reimbursement of Expenses, Including Litigation Expenses and Expenses Incident to the Transfer of Title in Accordance with the Standards and Provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

Because the Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within the DDA District and Development Area, a plan for compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 has not been developed. If it becomes necessary to displace individuals at some future date, the DDA shall abide by the provisions for relocation from the Federal Uniform Relation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Michigan Public Act 227 of 1972.

## A Plan for Compliance with Act 227 of the Public Acts of 1972

Act 227 of Public Acts of 1972 provides financial assistance and advisory services and reimbursement of certain expenses to persons displaced from real property or deprived of certain right in real property. This Act requires procedures and policies comparable to the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Because this Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within the DDA District and Development Area, a plan for compliance with Act 227 is not addressed. If it becomes necessary to displace individuals and address location at some future date, the DDA shall abide by the provisions for relocation from the Federal Uniform Relation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Act 227 of Public Acts of 1972.

# Tax Increment Financing Plan

## Definitions from PA 57 of 2018

“Assessed Value” means the assessed value, as equalized, as follows:

» For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

» For valuations made after December 31, 1994, the taxable value as determined under section 27a of the general property tax 15 act, 1893 PA 206, MCL 211.27a.

“Captured assessed value” means the amount in any one year by which the current assessed value

of the project area, including the assessed value of property for which specific local taxes are paid

in lieu of property taxes as determined in subdivision (x), exceeds the initial assessed value. The

state tax commission shall prescribe the method for calculating captured assessed value.

“Eligible obligation” means an obligation issued or incurred by an authority or by a municipality on

behalf of an authority before August 19, 1993 and its subsequent refunding by a qualified

refunding obligation. Eligible obligation includes an authority’s written agreement entered into

before August 19, 1993 to pay an obligation issued after August 18, 1993 and before December

31, 1996 by another entity on behalf of the authority.

“Initial assessed value” means the assessed value, as equalized, of all the taxable property within

the boundaries of the development area at the time the ordinance establishing the tax increment

financing plan is approved, as shown by the most recent assessment roll of the municipality for

which equalization has been completed at the time the resolution is adopted. Property exempt

from taxation at the time of the determination of the initial assessed value shall be included as

zero. For the purpose of determining initial assessed value, property for which a specific local tax is

paid in lieu of a property tax shall not be considered to be property that is exempt from taxation.

The initial assessed value of property for which a specific local tax was paid in lieu of a property tax

shall be determined as provided in subdivision [X]. In the case of a municipality having a population

of less than 35,000 which established an authority prior to 1985, created a district or districts, and

approved a development plan or tax increment financing plan or amendments to a plan, and which

plan or tax increment financing plan or amendments to a plan, and which plan expired by its terms

December 31, 1991, the initial assessed value for the purpose of any plan or plan amendment

adopted as an extension of the expired plan shall be determined as if the plan had not expired

December 31, 1991. For a development area designated before 1997 in which a renaissance zone

has subsequently been designated pursuant to the Michigan renaissance zone act, 1996 PA 376,

MCL 125.2681 to 125.2696, the initial assessed value of the development area otherwise

determined under this subdivision shall be reduced by the amount by which the current assessed

value of the development area was reduced in 1997 due to the exemption of property under

section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, but in no case shall the

initial assessed value be less than zero.

“Obligation” means a written promise to pay, whether evidenced by a contract, agreement, lease, sublease, bond, or note, or a requirement to pay imposed by law. An obligation does not include a payment required solely because of default upon an obligation, employee salaries, or consideration paid for the use of municipal offices. An obligation does not include those bonds that have been economically defeased by refunding bonds issued under this act. Obligation includes, but is not limited to, the following:

» A requirement to pay proceeds derived from ad valorem property taxes or taxes levied in lieu of ad valorem property taxes.

» A management contract or a contract for professional services.

» A payment required on a contract, agreement, bond, or note if the requirement to make or assume the payment arose before August 19, 1993.

» A requirement to pay or reimburse a person for the cost of insurance for, or to maintain, property subject to a lease, land contract, purchase agreement, or other agreement.

» A letter of credit, paying agent, transfer agent, bond registrar, or trustee fee associated with a contract, agreement, bond, or note.

“special local tax” means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the

commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park

development act, 1984 PA 385, MCL 207.701 To 207.718, Section 5 of the State Essential Services

Assessment Act, 2014 PA 92, MCL 14 211.1055, Section 5 of The Alternative State Essential

Services 15 Assessment Act, 2014 PA 93, MCL 211.1075, and 1953 PA 189, MCL 211.181 to

211.182. The initial assessed value or current assessed value of property subject to a specific local

tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate.

However, after 1993, the state tax commission shall prescribe the method for calculating the initial

assessed value and current assessed value of property for which a specific local tax was paid in lieu

of a property tax.

## Purpose of the Tax Increment Financing Plan

The Village of Calumet’s Downtown Development Area has experienced property value deterioration detrimental to the health of the downtown and the village. Tax increment financing is a governmental financing program that dedicates a portion of the increase in the tax base resulting from economic growth and development to facilities, structures, or improvements within a development area to facilitate continued economic growth and development.

The Village of Calumet agrees with the following legislative findings:

A. That halting property value deterioration and promoting economic growth in the village are essential governmental functions and constitute essential public purposes.

B. That economic development strengthens the tax base upon which local units of government rely and that government programs to eliminate property value deterioration benefit local units of government and are for the use of the local units of government.

The Authority has determined that a tax increment financing plan is necessary for the achievement of the purposes of the Downtown Development Authority, as stated under the provisions of Act 57 of 2018 (the “Act”). The Tax Increment Financing Plan (the “Plan”) shall include a development plan, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, the duration of the program, the impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located, and a statement of the portion of the captured assessed value to be used by the Authority.

## Explanation of the Tax Increment Procedure

The theory of tax increment financing holds that investment in necessary capital improvements in a designated area within a municipality will result in greater property tax revenues from that area than would otherwise occur if no special development were undertaken. This section is intended to explain the tax increment procedure.

1. In order to provide a downtown development authority with the means of financing development proposals, the Act affords the opportunity to undertake tax increment financing of development programs. These programs must be identified in a tax increment financing plan, which has been approved by the governing body of a municipality. Tax increment financing permits the Authority to capture incremental tax revenues attributable to increases in value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alterations, additions, or any other factors which cause growth in value.
2. At the time the ordinance establishing a tax increment financing plan is approved, the sum of the most recently assessed values, as equalized, of those taxable properties located within the development area is established as the “Initial Assessed Value” (the IAV). Property exempt from taxation at the time of determination of the Initial Assessed Value is included as zero. In each subsequent year, the total real and personal property within the district, including abated property on separate rolls, is established as the current “Assessed Value.”
3. The amount by which the total assessed value exceeds the IAV is the “Captured Assessed Value” (the CAV). During the period in which a tax increment-financing plan is in effect, local taxing jurisdictions continue to receive ad valorem taxes based on the IAV. Property taxes paid on a predetermined portion of the CAV in years subsequent to the adoption of tax increment financing plan, however, are payable to an authority for the purposes established in the tax increment financing plan.

## Taxing Jurisdiction Agreement

Tax increment revenues for the Downtown Development Authority result from the application of the general tax rates of the incorporated municipalities and all other political subdivisions, which levy taxes in the development area to the captured assessed value. Since the Plan may provide for the use of all or part of the captured tax increment revenue, the DDA may enter into agreements with any of the taxing units to share a portion of the revenue of the District.

|  |  |
| --- | --- |
| Local Units of Government | Millage Rates |
| Village of Calumet | 2.2797 |
| Houghton County | 10.3428 |
| Total capturable millage rate | 12.6225 |

The Authority intends to utilize all other captured revenue from the District until the projects addressed in this Plan are completed and until any bonded indebtedness is paid.

## Proposed Valuations and Captured Revenue

The property valuation on which incremental tax revenues will be captured is the difference between the Initial Assessed Valuation and the current Assessed Valuation. The purpose of this section is to set forth the Initial Assessed Valuation, the projected Captured Assessed Valuation, and the anticipated increment revenues to be received by the Authority from the local taxing jurisdictions including the Village of Calumet, Houghton County, and XX, and any other authorities or special tax districts that may be eligible to levy property taxes within the boundaries of the Downtown Development Authority, herein collectively referred to as the “Local Taxing Jurisdictions.”

1. The Initial Assessed Valuation is established based on….
2. The anticipated assessed value is equivalent to…
3. The Authority will receive that portion of the tax levy of all taxing jurisdictions…

|  |  |
| --- | --- |
| Initial Assessed Value | |
| Total real property |  |
| Total personal property |  |
| Total State Equalized Value (SEV) |  |

## 6. Maximum Indebtedness

This plan does not directly anticipate any debt-financed projects. Decisions about methods of finance, including bonding, should be made with prudence and in consideration of the overall financial picture and DDA goals. The maximum amount of indebtedness to be incurred by the DDA under this 2021 Development and Tax Increment Financing Plan will be limited to only those projects and programs identified in the Development Plan and will be limited by the annual revenues available to DDA for bond interest and principal payments. The exact amount of a bond is determined by the availability of revenues and approval by the Village Council. Currently, revenues captured will be used to accomplish projects in the Development Area on a “pay-as-you-go” basis.

## 7. Use of Captured Revenues

Revenues captured through this Tax Increment Plan will be used to finance those improvements and projects outlined in Table X of the Development Plan. Further, captured revenues can be used to finance current financial obligations of the DDA, to pay for costs incurred by the village / DDA in implementing both the Development Plan and the Tax Increment Financing Plan, and to pay for costs associated with the administration and operation of the Development and Tax Increment Plan.

Table X summarizes the revenues available for capital projects over the life of this plan. There is an estimate $XX is anticipated to be available for capital projects. This is a slightly larger amount than the total outlay described in Table X in order to accommodate inflation, administration, and unforeseen circumstance. Should revenues exceed the forecast due to the conservative estimation of personal property tax revenue, alternative proposed budget guidance can be found in the Appendix.

## 8. Duration of the Program

The duration of the Development Plan shall extend through the life of the bond issues or other debt obligations of the Authority, or the final completions of the financing required to accomplish all projects delineated in the Development Plan, or the collection of taxes levied through December of 2040, whichever is earlier.

## 9. Plan Impact on Local Taxing Jurisdictions

The Authority recognizes that future development in the village’s business district will not be likely in the absence of tax increment financing. The Authority also recognizes that enhancement of the value of nearby property will indirectly benefit all local governmental units included in their plan. It is expected that the effected local taxing jurisdictions will experience a gain in property tax revenues from the Development Area during the duration of the plan and should realize increased property tax revenues thereafter as a result of activities financed by the plan. Such future benefits cannot be accurately quantified at this time.

INSERT TIF FORECAST

## 10. Release of Captured Revenues After Completion of Plan

When the Development and Financing Plans have been accomplished, the captured revenue is released, and the local taxing jurisdictions receive all the taxes levied on it from that point onward.

## 11. Assumption of Tax Increment Financing Plan

The following assumption were considered in the Tax Increment Financing Plan:

## 12. Operating Agreement Between Downtown Development Authority and Local Unit of Government Regarding Use of Tax Increment Revenues

## 13. Agreement Between Downtown Development Authority and Other Development Authorities

## 14. Relationship of the Tax Increment Financing Plan with Other Funding Programs

## Relationship to Community Master Plan

The 2018 Community Master Plan was reviewed in detail during the preparation of this plan, and all relevant action items were presented to the DDA Board for consideration and prioritization. They are incorporated into the Action Plan of this report.

## Submission of an Annual Report

The Recodified Tax Increment Financing Act, 2018 PA 57 (“Act 57”) was signed by Governor Rick Snyder on March 15, 2018. It consolidates the legislative authority to create and operate tax increment authorities into a single statute and repeals the Downtown Development Authority Act (1975 PA 197). Authorities created under Act 197 before Act 57 goes into effect will not be subject to the new legislation, with the exception of new reporting requirements. The initial reporting requirement occurs within 90 days of Act 57’s effective date of Jan. 1, 2019, when each authority must send Treasury a copy of, or an email link to, its currently adopted development plan or its currently adopted tax increment finance plan. Act 57 also requires an authority to submit a comprehensive annual report to Treasury and the governing bodies of its related municipality and of each taxing unit levying taxes subject to capture by the authority. Further, notice of the report shall be published in a newspaper of general circulation.

1. 2002 DDA Downtown Development Plan. Page 2. [↑](#footnote-ref-2)
2. Ibid. ACS 2018 5 Year Estimates. [↑](#footnote-ref-3)
3. Keweenaw Economic Alliance. Village of Calumet Prospectus. September 2016. Page 6. [↑](#footnote-ref-4)
4. Village of Calumet. “What is a DDA?” <http://www.villageofcalumet.com/what-is-a-dda.html#:~:text=The%20DDA%20District%20was%20established,to%20light%20industrial%20to%20residential.&text=A%20DDA's%20main%20ability%20is,management%20expertise%20into%20downtown%20districts.> [↑](#footnote-ref-5)
5. WUPPDR. Comprehensive Development Strategy 2017-2022. “Purpose.” Page 1. [↑](#footnote-ref-6)
6. US National Park Service. “Calumet Unit Cultural Landscape Report and Environmental Assessment,” 2013. Page I-1. [↑](#footnote-ref-7)
7. Calumet Theatre. “Theatre History.” <http://www.calumettheatre.com/about/our-history/> Retrieved August 3 2020. [↑](#footnote-ref-8)
8. Copper Country Firefighers History Museum. <https://www.coppercountryfirefightershistorymuseum.com/>. Retrieved March 16 2021. [↑](#footnote-ref-9)
9. Keweenaw Heritage Center. “Your Center.” <http://keweenawheritagecenter.org/about.php> Retrieved August 3 2020. [↑](#footnote-ref-10)