



City of New Baltimore, Michigan
Local Development Finance Authority
Economic Development Plan

Approved by the New Baltimore LDFA on July 19, 2023

ACKNOWLEDGEMENTS

City of New Baltimore Administration

Thomas Semaan, Mayor
Marsha Shinska, Clerk
Jeanne Bade, Treasurer
Florence Hayman, Mayor Pro Tem
Ryan Covert, City Council
Jacob Dittrich, City Council
David Duffy, City Council
Mel Eason, City Council
Jason Harvey, City Council

New Baltimore Local Development Finance Authority

Patrick Bourgeois
John DeRoo
Phil Kraft
Nicole McKee
Todd Rathbun
Ted Whittlesey
Thomas Semaan, Mayor
Ron Trombly, Assistant to the Mayor
Ryan Covert, Council Liaison
Florence Hayman, Council Liason



Cassin Planning Group LLC

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INTRODUCTION

The Local Development Financing Act (LDFA), Public Act 281 of 1986, was enacted by the Michigan Legislature in the Fall of 1986 and became effective February 1, 1987. The purpose of the Act was to provide for establishment of Local Development Finance Authorities and to authorize the authorities to create and implement plans to prevent conditions of unemployment and promote economic growth. In addition, the Act authorized and permitted the use of tax increment financing.

Tax increment financing allows a local government to finance public improvements in a designated area by capturing a portion of the property taxes levied on any increase in property taxes within the area. In order to become effective, a tax increment financing plan must be adopted by the governing body,

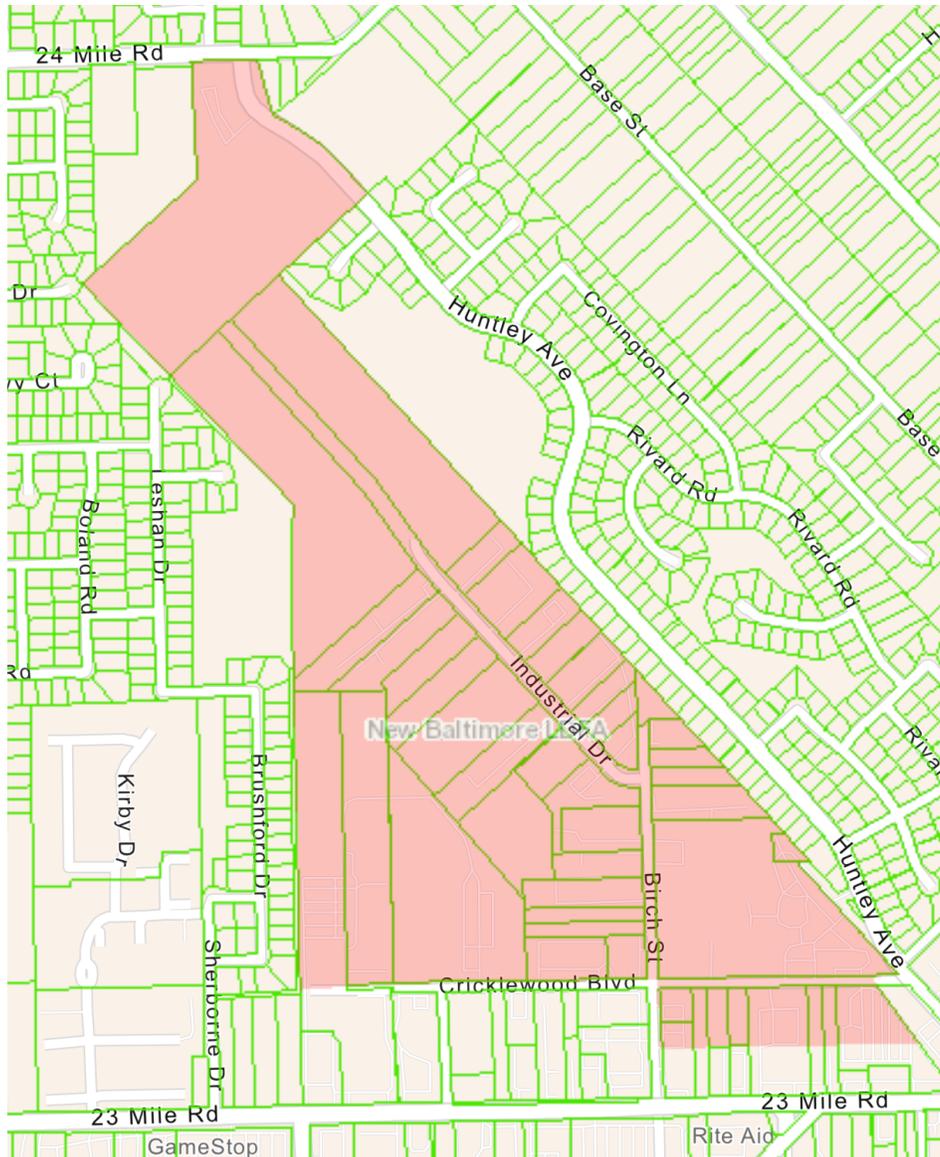
After adoption of the plan, the Local Development Financing Authority may undertake any of the following activities.

- Acquire, construct, or improve a public facility or infrastructure.
- Create and implement long-range economic plans that create jobs and promote economic growth.
- Make an enter into contracts.
- Incur costs necessary to the function of the board.
- Acquire, own lease, convey, demolish, relocate, rehabilitate, improve, prepare, or otherwise dispose of real or personal property.
- Collect revenues from these activities.
- Accept grants and donations of property, labor or other things of value from a public or private source.

In 1998, the New Baltimore City Council established the New Baltimore Local Development Finance Authority and created a LDFA District. The District was generally describes as “that property north of Cricklewood and south of 24 Mile Road, east of the shared border between

the City of New Baltimore and the Chesterfield Township and west of the residential subdivisions of Covington Park and Riverside Estates”.

The intent of this LDFA Economic Development Plan is to evaluate existing conditions within the LDFA district, suggest opportunities for future development and improvement, and to create an Action Plan for their implementation.

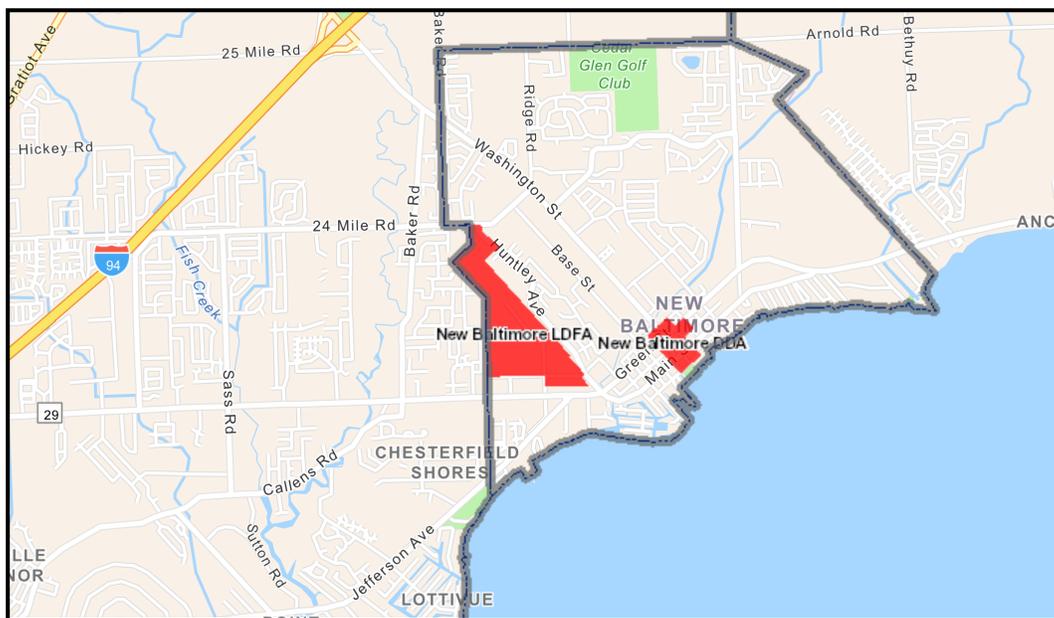


New Baltimore LDFA District Boundary

Existing Conditions

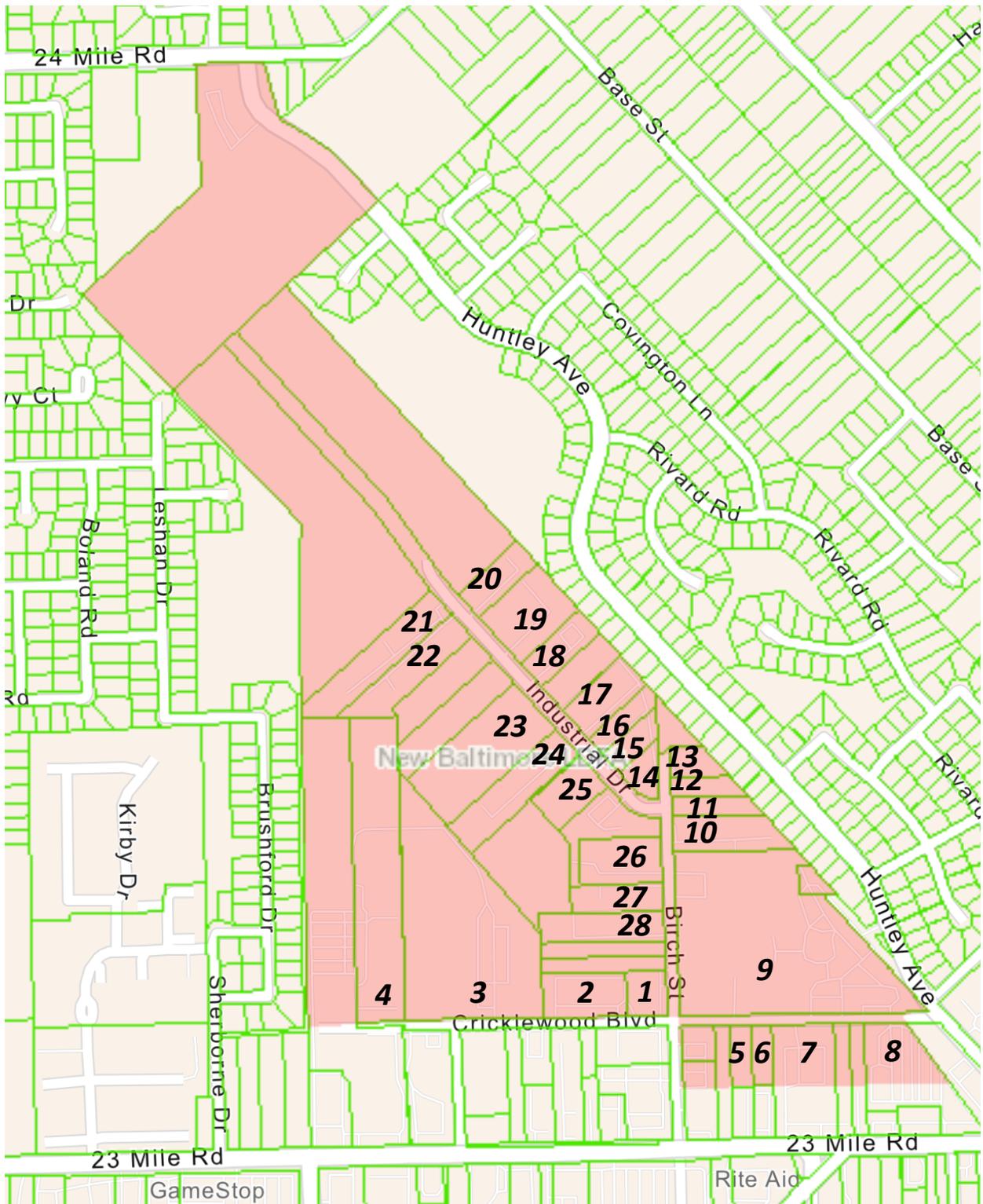
Location

The New Baltimore LDFA District, containing approximately 160 acres, is located along the western boundary of the City, just north of 23 Mile Road. It is ideally located within close proximity to I-94, which provides quick access to not only Detroit and Port Huron, but also to two international Canadian border crossings (Sarnia and Windsor).



Current Development

The District currently contains 23 developed Industrial buildings, 3 marijuana facilities, the City of New Baltimore’s Public Works and Wastewater Facility, and the Maynard “Red” Aurand Memorial Park. The map and chart on the following pages provide more detail.



Building Locations

Existing Building Inventory

ID	Address	Property ID	Property Owner	Land Use
1	35269 Cricklewood	09-13-301-013	35269 Cricklewood LLC	Marijuana
2	35207 Cricklewood	09-13-301-015	Firzgerald-Janski Prop.	Industrial
3	35105 Cricklewood	09-13-301-007	Transnav Technologies	Industrial
4	35035 Cricklewood	09-13-301-002	Transnav Technologies	Industrial
5	35322 Cricklewood	09-13-376-017	Express Stop RE Holdings	Industrial
6	35328 Cricklewood	09-13-376-018	Express Stop RE Holdings	Industrial
7	35269 23 Mile	09-13-376-010	Lunberjack	Retail
8	35515 23 Mile	09-13-452-004	Five Star Storage	Industrial
9	35389 Cricklewood	09-13-326-028	City of New Baltimore	Public
10	51500 Birch	09-13-326-050	Big Door Storage	Industrial
11	51500 Birch	09-13-326-050	Big Door Storage	Industrial
12	51620 Birch	09-13-326-033	Magnum Tool	Industrial
13	51690 Birch	09-13-326-030	PSM Holdings	Industrial
14	51510 Industrial	09-13-326-049	SMAC Properties	Industrial
15	51512 Industrial	09-13-326-048	Ti-Pro	Industrial
16	51514 Industrial	09-13-326-047	Whittlesey Dev't. LTD	Industrial
17	51518 Industrial	09-13-330-007	Whittlesey Dev't. LTD	Industrial
18	51528 Industrial	09-36-326-039	Jennifer Bethany LLC	Industrial
19	51536 Industrial	09-13-326-045	EBBCO Inc.	Industrial
20	51540 Industrial	09-13-326-036	S&G Prototype	Industrial

ID	Address	Property ID	Property Owner	Land Use
21	51543 Industrial	09-13-301-027	J. Rockwood Industrial	Marijuana
22	51537 Industrial	09-13-301-027	EBBCO Inc.	Industrial
23	51525 Industrial	09-13-301-031	Mindright	Marijuana
24	51517 Industrial	09-13-301-029	Magnum Induction	Industrial
25	51513 Industrial	09-13-301-023	Ti-Pro	Industrial
26	51529 Industrial	09-13-301-025	RSE Inc.	Industrial
27	51509 Birch	09-13-301-026	Nass Corporation	Industrial
28	51469 Birch	09-13-301-005	R.A. Thomas Auto Body	Industrial







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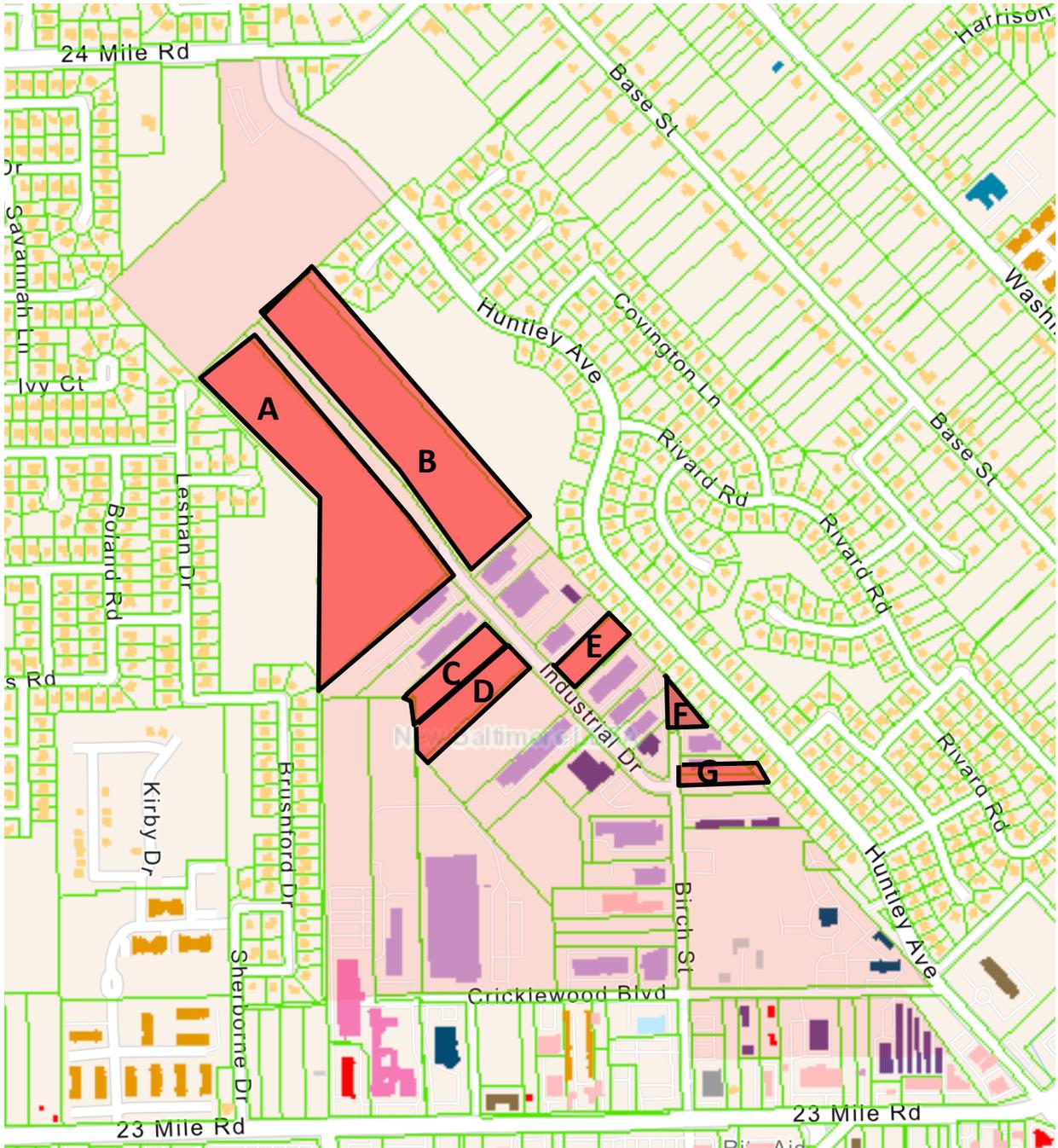
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Vacant Properties

There are currently 7 vacant parcels of land within the Development Area, that range in size from .9 acres to 18.10 acres. The following Map and Table provides detail on these properties.



Vacant Parcels within the LDFA District

Vacant Property Inventory

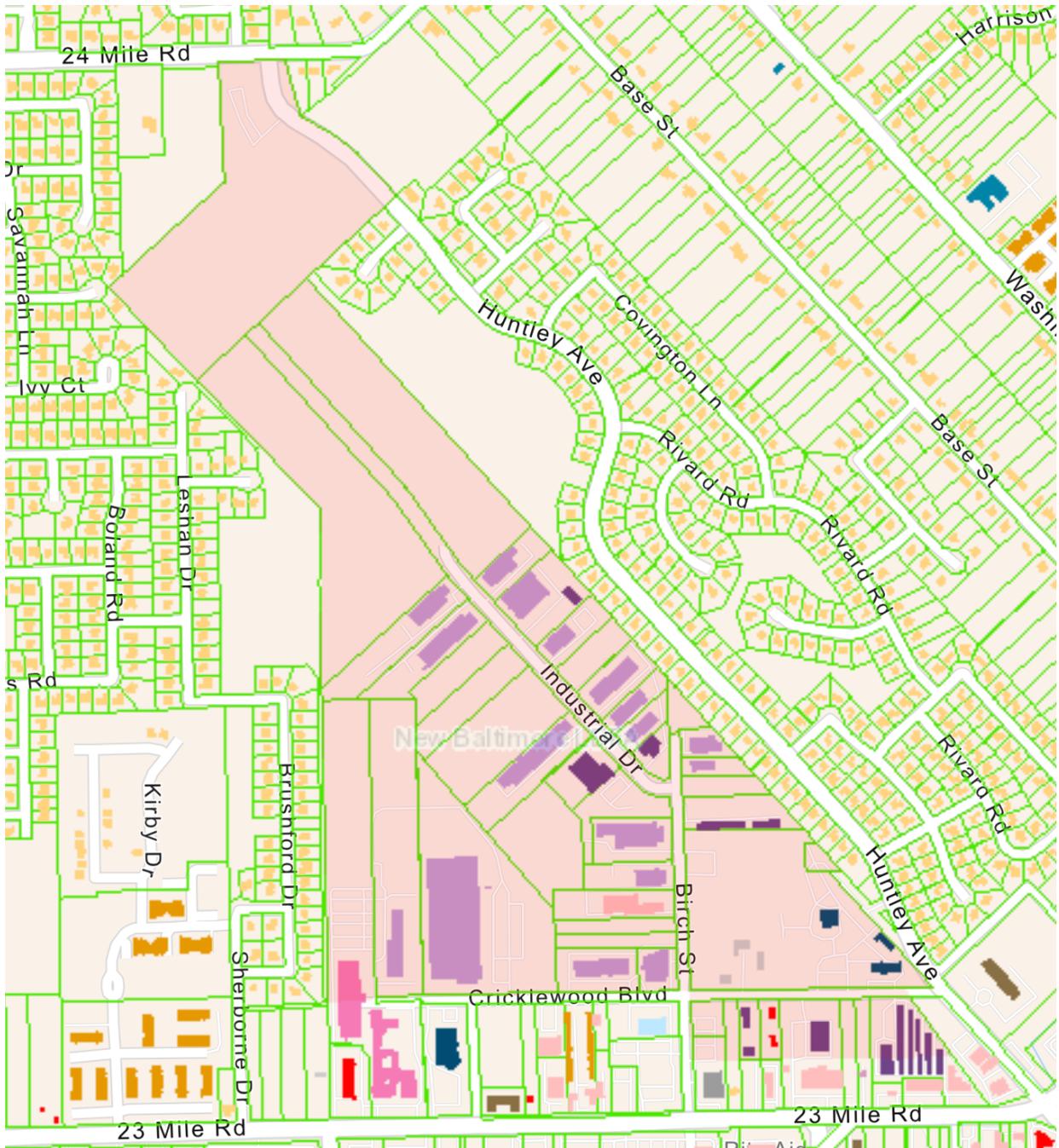
ID	Location	Property ID	Property Owner	Size	Future Use
A	Industrial Dr. (proposed)	09-13-101-018	New Baltimore Invest- ment	18.10 acres	Open Space
B	Industrial Dr. (proposed)	09-13-101-013	Fox Manufacturing	12.94 acres	Open Space
C	Industrial Dr.	09-13-301-018	Whittlesey Development	2.14 acres	Industrial *
D	Industrial Dr.	09-13-301-019	Whittlesey Development	2.23 acres	Industrial*
E	Industrial Dr.	09-13-326-034	Whittlesey Development	1.33 acres	Industrial*
F	Birch St.	09-13-326-034	Anchor Bay Schools	.66 acres	Industrial*
G	Birch St.	09-13-326-034	Verde Properties	.90 acres	Industrial*

* Although very much depended on parcel configuration and number of stories, a good “rule-of-thumb” is that each acre of industrial land will allow approximately 15,000—20,000 square foot of building. In this regard, with 7.26 acres of vacant land capable of being developed as industrial, it can be expected that the LDFA district could expect approximately 109,000 to 145,000 square feet of additional building space on the vacant parcels.

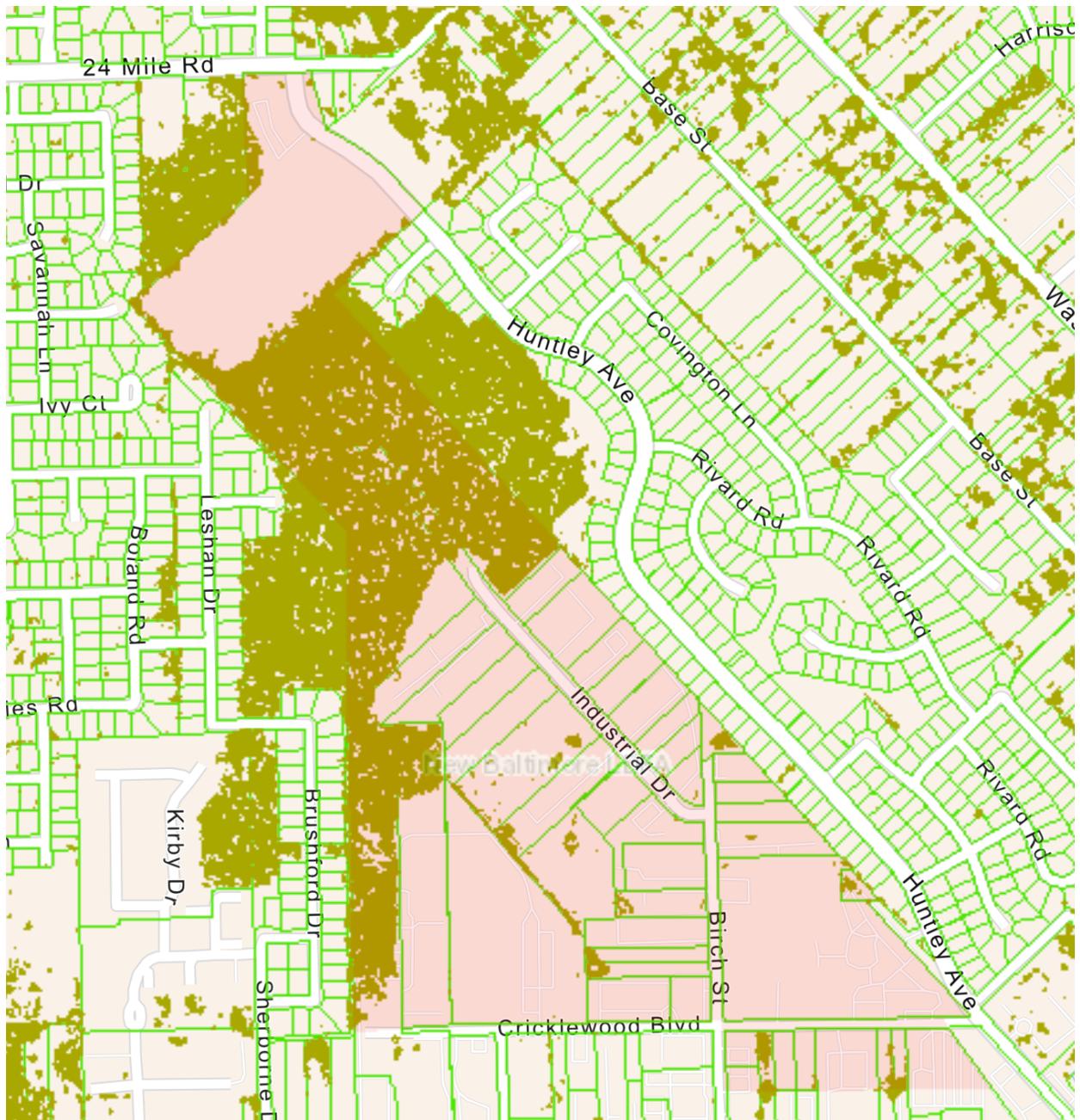
Environmental Factors

The maps on the following pages provide a detailed look at existing buildings, existing vegetation, and existing wetlands within the Development Area.

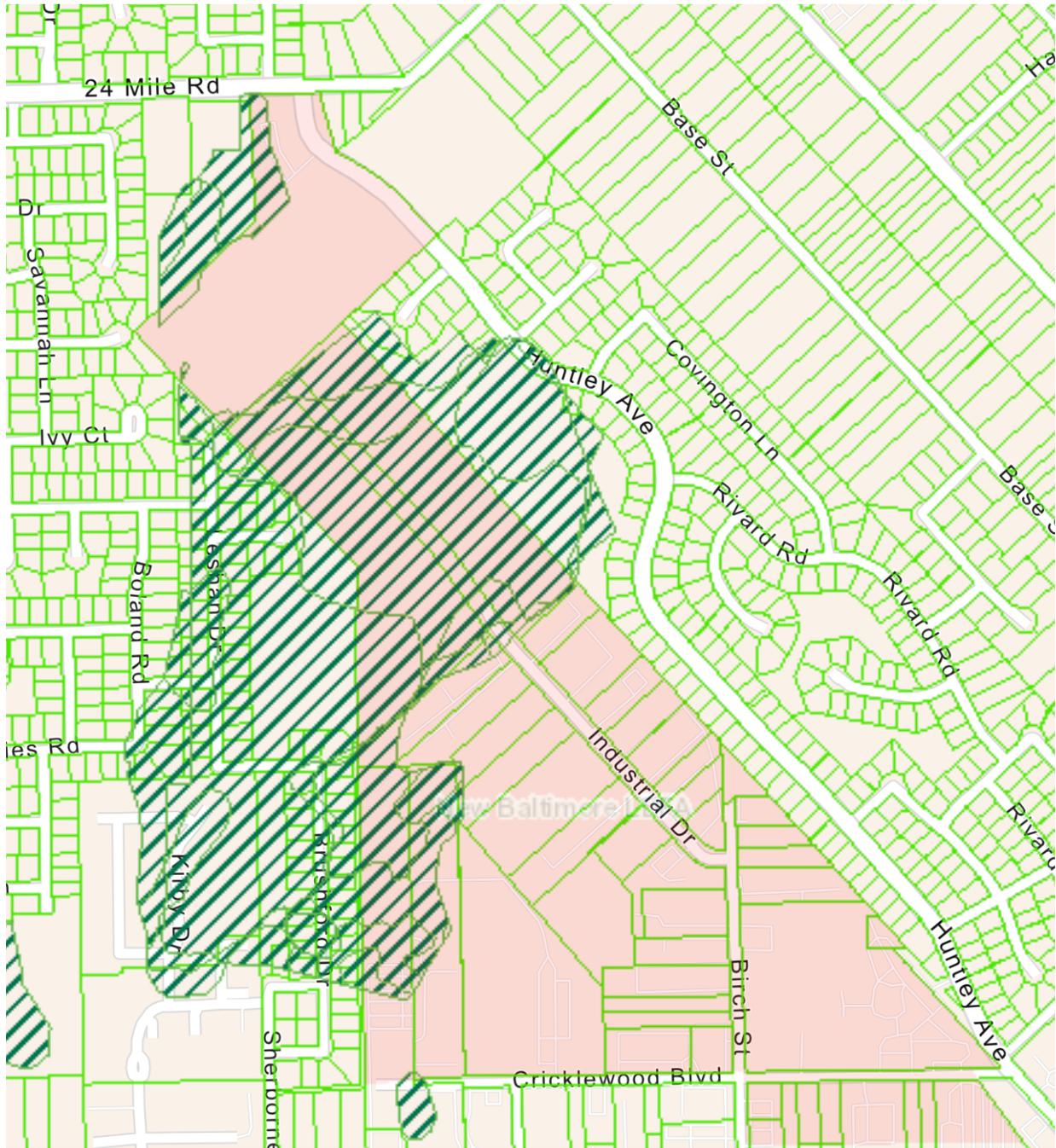
Of critical significance is the fact that the location of the wetlands renders vacant parcels A and B severely limited for future development. All other vacant parcels appear to be appropriate for additional development. In addition some currently developed properties have available space for building expansion.



Building Footprints within LDFA District



Location of Woodlots within LDF District



Location of Generalized Wetlands within
LDFA District

Summary of Key Findings

- The LDFA Development District is approximately 160 acres in area, and contains 23 developed industrial parcels, a city park, a public works and water facility, and 3 marijuana facilities.
- There is a significant area of regulated wetlands within the Development District that severely restricts future development.
- Of the 7 vacant parcels available in the district, the 2 largest properties have regulated wetlands, that will significantly reduce development potential. There is a possibility of limited industrial development on the southern portion of the parcels. The remainder of these properties may be best suited for future passive recreational use.
- It is estimated that the 5 buildable vacant parcels are capable of supporting 109,000 to 145,000 square feet of additional industrial building floor space.
- Several developed properties have space available to accommodate expansion.

ACTION PLAN

The primary function of the LDFA is to undertake projects that will ensure the long-term sustainability and economic growth of the Development District. Captured tax revenues, grants, and other city designated funds are used to finance these projects.

The New Baltimore LDFA anticipates the following improvements, projects, and activities will be undertaken within the next 10 years within the Development District.

Project	Cost Estimate	Project Timeline
Birch Street Reconstruction (23 Mile to Cricklewood)	\$700,000	1-3 years
Industrial—Birch Sidewalk (W. Side of Birch, S. Side of Industrial Drive)	\$215, 175	1-3 years
Property Purchase (Vacant 13 acre parcel at the end of Birch Street)	Unknown	3-5 years
Obtain easement at the north end of Industrial Dr. for turnaround	\$10,000	1-3 years
Construct turnaround at north end of Industrial Dr.	\$250,000	1-3 years

Project	Cost Estimate	Project Timeline
WWTP Loop Road for Sludge Hauling	\$150,000	6+ years
Retention Basin Cleanout	\$35,000	1-3 years
Miscellaneous Curb Repair & Joint Sealing	\$14,400	1-3 years
Industrial Park Entrance Sign	\$30,000	6+ years
Marketing and Promotions	\$1,500 annually	Ongoing

TAX INCREMENT FINANCING PLAN

Tax Increment Procedures

As provide in Public Act 197 of 1975, as amended tax increment financing is an effective financing tool for the designated development areas within the LDFA development district. Tax increment financing is the process of expending new property tax dollars for improvements that generally benefit the source of the taxes. Tax dollars generated from new property developments and improvement to property within a designated development area are “captured” and utilized by the LDFA to finance public improvements within the development area. This process supports and encourages continued private investment.

To utilize tax increment financing, the LDFA must prepare a Development Plan and a Tax Increment Financing Plan. The plans specify the initial assessed value, estimate the captured assessed value, and provide for the expenditure of the funds. These plans may be amended to reflect changes desired by the LDFA or City Council.

The procedures outlined below are the procedures provided by Act 197 effective as of the date this Plan is adopted, but are subject to any changes imposed by future amendments to Act 197. The Tax Increment Revenues are generated when the current assessed value of all properties within the Development Area exceed the Initial Assessed Value of the properties. The amount in any one year by which the Current Assessed Value exceeds the Initial Assessed Value is the Captured Assessed Value.

Initial Assessed Value: “Initial Assessed Value” is the assessed value, as equalized, of all the taxable property within the Development Area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment rolls) for which equalization has been completed at the time the ordinance is adopted. Property exempt from taxation at the time of the determination of the Initial Assessed Value shall be included as zero. However, in determining the Initial Assessed Value, property for which a “specific local tax,” as defined in Act 197, is paid in lieu of a property tax is not considered to be property that is exempt from taxation. The Original Plan was approved by the New Baltimore City Council (Resolution No. 449) in March, 1998.

Current Assessed Value: Each year the “Current Assessed Value” of the Development Area will be determined. The Current Assessed Value of the Development Area is the taxable value of

the property in the Development Area.

Captured Assessed Value: The amount by which the Current Assessed Value exceeds its Initial Assessed Value in any one year is the “Captured Assessed Value.”

Tax Increment Revenues: For the duration of the LDFA Plan, taxing jurisdictions will continue to receive tax revenues based upon the Initial Assessed Value of the Development Area. The LDFA will receive that portion of the ad valorem tax levy and specific local taxes of all taxing jurisdictions on the Captured Assessed Value of the taxable property in the Development Area, other than State, local school district and intermediate school district tax levies and specific local taxes attributable to such ad valorem property taxes (the “Tax Increment Revenues”), subject to limitations and exemptions which may be contained in Act 197, this Plan, and the provisions of any agreements for the sharing of Captured Assessed Value.

Tax Increment Revenues can be used as they accrue annually, can be held to accumulate amounts necessary to make improvements described in this Plan or can be pledged for payment of bonds or notes issued by the LDFA or the City under Act 197 or other applicable law.

Bonded Indebtedness: The LDFA has the ability to bond against future revenues to supply the funds required to accomplish larger public improvement projects. The extent of the indebtedness and the timing of the debt retirement will be determined by the projected tax increment revenues. The maximum indebtedness can not exceed the ability to service the debt from tax increments. Only 80% of projected LDFA revenues are available as debt service funds as required by Public Act 197 of 1975, as amended.

Tax Revenue Projections

The Tax Revenue Projection Table that follows, indicates the sources of income available to the City of New Baltimore LDFA to pay the costs of the development plan and the estimated amount of each source for the next 15 years, based on taxable value and captured assessed value of real and personal property within the Development Area, assuming annual growth in the Development Area of 3% on real and personal property.

New Baltimore LDFA Development District Tax Increment Revenue Projections

Year	Taxable Value	Captured Value	Tax Increment Revenue
2022*	\$12,766,019	\$3,478,019	\$76,499
2023	\$13,148,999	\$3,582,359	\$78,793
2024	\$13,543,469	\$3,689,830	\$81,157
2025	\$13,949,774	\$3,800,525	\$83,592
2026	\$14,368,267	\$3,914,541	\$86,100
2027	\$14,799,315	\$4,031,977	\$88,683
2028	\$15,243,294	\$4,142,936	\$91,343
2029	\$15,700,593	\$4,277,524	\$94,084
2030	\$16,171,610	\$4,405,850	\$96,906
2031	\$16,656,759	\$4,538,925	\$99,813
2032	\$17,156,462	\$4,674,168	\$102,808
2033	\$17,671,155	\$4,814,392	\$105,892
2034	\$18,201,290	\$4,958,823	\$109,069
2035	\$18,747,329	\$5,107,588	\$112,341
2036	\$19,309,749	\$5,260,819	\$115,711
2037	\$19,889,041	\$5,418,640	\$119,182

* Actual 2022 Values