

**CITY OF PETOSKEY  
TAX INCREMENT FINANCE AUTHORITY  
Tax Increment Financing Annual Synopsis  
2019**

**ANNUAL SYNOPSIS**

The Tax Increment Finance Authority was created by the City of Petoskey City Council on April 1, 1985 and at their May 20, 1985 meeting, approved the Tax Increment Financing and Development Plans. The Financing and Development Plans, which were set to expire on June 30, 2004, were extended by City Council on June 20, 2004. The Plans now remain in effect until all debt is paid off and City Council determines that project areas within the Authority's District have been satisfactorily improved.

Tax increment financing is provided by captured tax revenue from increased taxable values in the development area as described in the legal description. The Development Plans include improvements to City owned properties along the Lake Michigan waterfront and Bear River Valley. Completion of projects slowed after voters approved Proposal A in 1994, which eliminated capture of Local School (K-12) property taxes. The City has a pay as you go philosophy on smaller projects, while financing larger projects through bond issuance.

In 2010 the City issued \$2,900,000 in bonds to finance construction of the Bear River Valley Recreation Area, which is scheduled to mature in 2029. Annual bond debt requirements vary during the remaining period from a low of \$206,900 in 2027 to a high of \$263,305 in 2022. These bond payments utilize the majority of the annual current TIF capture. Additional projects are performed based on available funding as reserves accumulate following payment on annual bond debt.

In 2018 the City's consultant, Beckett & Raeder, Inc., Ann Arbor, completed design plans for a new stair tower at Sunset Park. The current timber structure is due to be replaced in 2019. A new steel structure similar to the one constructed in the Bear River Valley was put out for bids and City Council awarded the project to Sajdek Contractor, Prudenville, in the amount of \$489,000 at the March 3, 2019 meeting. Future projects will be determined as TIFA Fund cash reserves are replenished following this year's project.

Future projects include the development of Solanus Mission Beach and Magnus Park. The Solanus Mission Beach project would include an accessible boardwalk from the Little Traverse Wheelway, wheelchair accessibility to the water and restrooms with a connecting path. This project is proposed to be funded partially with grant funding and is estimated at \$415,000. Magnus Park Campground is scheduled to have a master plan update in 2019, followed by conceptual planning. The cost of the upgrades are not known at this point but Magus Park Campground is trending more as a camping destination. Major upgrades are needed to keep up with current RV utility demands and the facilities need to be modernized for better efficiency.

## REQUIREMENTS

- I. Accumulation of Funds for more than 5 years. (*Not Applicable - 12/31/18 four years of accumulation*)
  1. Reasons for accumulating (5yrs.) and proposed uses
  2. Time frame for expending
  3. If accumulated over 10 yrs. – *Not Applicable*
    - A. Amount of funds held over 10 years
    - B. Why not expended
  
- II. List of Authority Accomplishments
  1. Progress made on Development Plan and TIF plan goals for the year
  
- III. List of Authority Projects
  2. Active and completed projects for the year
  
- IV. List of Authority events and promotion campaigns for the year