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**CITY OF GROSSE POINTE PARK
NORTHWEST TAX INCREMENT FINANCE AUTHORITY
AMENDED DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN**

**Approved by the City of Grosse Pointe Park City Council and
The Grosse Pointe Park Tax Increment Finance Authority**

City of Grosse Pointe Park

**Amended Development Plan
and
Tax Increment Financing Plan**

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**AMENDED DEVELOPMENT PLAN
AND
TAX INCREMENT FINANCING PLAN**

City of Grosse Pointe Park

INTRODUCTION

The City of Grosse Pointe Park (the "City") is a mature suburban residential community. Over time, borders with neighboring communities have become vague and ill-defined. This erosion and the loss of identity and uniqueness has been particularly harsh on one area in particular. This area of concern is the Northwest section of the City. Over the last few years, in an unprecedented move, the City has condemned homes, garages and commercial structures within this section. As property values within this section of the City have not kept pace with the surrounding properties within the City.

On October 27, 1986, in an effort to (1) halt a decline in property values, (2) increase property tax valuation, (3) eliminate the cause of the decline in property values, and (4) promote growth within this section to the City, the Grosse Pointe Park City Council created by resolution the Grosse Pointe Park Tax Increment Finance Authority ("TIFA" or the "Authority").

The Grosse Pointe Park TIFA has all the powers and duties prescribed for a Tax Increment Finance Authority pursuant to Public Act No. 450 of 1980, as amended.

The Development and Tax Increment Financing Plans are companion plans.

The Development Plan calls for public and private improvements in the TIFA District (the "District"). These improvements include pedestrian lighting, acquisition of mobile toters, public parking improvements, façade and landscape services, housing loan/grant programs and improved entranceways and commercial enhancement.

The Tax Increment Financing Plan will generate the necessary funds to undertake these improvements. The Authority is confident that the plans presented will create a visually pleasing area which will not only revitalize the District but stimulate private investment.

The Authority respectfully submits the Amended Development Plan and Tax Increment Financing Plan for the City Council's review and approval. Together these Plans offer a "window of opportunity" to the overall revitalization and future economic stability of the District.

PART 1 – DEVELOPMENT PLAN

The City’s current effort to revitalize the northwest section of the City will depend upon the ability of its TIFA to initiate and participate in the improvement of properties within its District. The general goals of this Development Plan are as follows:

1. Improve the overall aesthetics of the District.
2. Enhance the western entrances of the District to promote a positive image.
3. Encourage renovation and general improvement of private and publicly owned properties of the District.
4. Increase safety and security within the District.
5. Encourage improvement of existing facades and landscapes.
6. Address and improve parking needs in the development area.

The Development Plan is consistent with these goal and the short and long term goals of the Grosse Pointe Park Master Plan.

DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA

The designated boundaries of the development are interpreted to extend throughout the entire Authority District as attached.

DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO HIGHWAYS, STREETS

The District is defined as the area bordered by Mack Avenue on the north, the northern boundary of the Grosse Pointe Park Jefferson Avenue Downtown Development Authority (DDA) on the south, the City limits on the west and the easterly edge of the alley between Beaconsfield and Nottingham on the east. The area includes the residential streets of Wayburn, Maryland, Lakepointe, Beaconsfield, Vernor, St. Paul, and the primarily commercial streets of Mack, Charlevoix, and Kercheval. For a more detailed description, please refer to the boundary map in Figure 1 and the legal description in Appendix A. Any boundary extensions of the plan are not contemplated or recommended at this time.

LAND USES EXISTING AND PROPOSED FOR THE DEVELOPMENT AREA

The District is an area of many land uses ranging from high and medium density residential to office and convenience/comparison businesses within the commercial areas. The City also has five (5) public parking facilities within the District, two (2) on Mack and three (3) on Kercheval. The District does not contain any other public land uses. See the legal description in Appendix A.

DESCRIPTION OF IMPROVEMENTS & TIMEFRAME OF IMPROVEMENT PLAN

Grosse Pointe Park City Council will review and approve all amendments to the TIFA's Development Plan to make a determination as to whether or not it constitutes a public purpose.

The improvements in the Development Plan are intended to revitalize the District by halting any decline in property values, increasing property valuations and promoting commercial and residential growth within the area defined.

The Authority anticipates the development of many projects. It is anticipated during this period further projects will be taken under consideration, however they may not be implemented until compliance with Public Act 450 of 1980 has been met. At this time the City Council is continuing this plan with an extension of time within the District for a 19 year period.

The Authority proposes the following improvements will be implemented during this 19 year additional period of time.

A. PUBLIC PARKING IMPROVEMENTS

To encourage the upgrading of properties within the District, it is the intent of the Authority to provide façade and landscape improvements to the citizens within the District. These services would include the architectural renderings of homes and business transferable landscape schemes for the District. These improvements, when undertaken, will not only improve the aesthetics of the District, but will generate new captured assessments for the Authority. Estimated cost is \$3,000,000.00

B. HOUSING AND COMMERCIAL PROPERTY REHABILITATION

To encourage the upgrading of properties within the City, the City has established Housing Rehabilitation Loan and Grant Programs.

Many single family, multiple family and commercial structures have over the years. The Authority will acquire and renovate properties where it is beneficial for District enhancement. Renovating properties throughout the District will be a catalyst encouraging other property owners to improve their properties. Property owners in this area will be assisted in maintaining and improve their properties. These renovations will be examples of practical improvements and architectural styles that property owners can learn from and create a catalyst for further enhancements by developing greater pride and sense of community.

Should large commercial development become feasible and desirable for the district, the Authority will assist in that development after consultation with the residents and City Council and all other interested parties. The estimated cost is \$ 4,000,000.00

C. STREET & SAFETY IMPROVEMENT

The streetscapes on Mack between Nottingham and Somerset once attractive have considerably deteriorated. It will be necessary for the TIFA to fund streetscapes and traffic flow, parking improvement and boulevard improvements upon Mack Avenue. When these streetscapes along with additional parking are completed and new traffic flow enhancement, businesses will be attracted and retained in the area and will fill the many empty commercial properties which exist.

General safety improvements including lighting, alley, fence improvements, general public safety enhancements including equipment, facility and new program enhancements will be actively pursued as well. To improve the image and security of the District the Authority proposes the placement of additional signage, landscaping, brickwork, concrete, street improvement, streetscapes, sidewalk, and other improvements throughout the District. The Authority is confident that this program will aesthetically improve the District and create an overall sense of revitalization of the entire District. Estimated costs is \$10,834,227.00.

SELL, EXCHANGE, OR LEASE OF REAL ESTATE

The Authority proposes to acquire, sell, convey, lease and/or exchange properties. Any property acquired, sold, conveyed, leased or exchanged will be done using the same procedures as those undertaken by the City.

DESIRED ZONING CHANGES

The Authority's Development Plan may require zoning changes for the District. If a Development Area Citizens Council is required, it will be established at that time. No such changes are anticipated at this time.

However any future changes that may occur are parking developments which could alter traffic patterns to a degree. These alterations could include the development of additional parking on the street right-of-way and reduction in traffic on the residential streets and improve the sense of safety within the District.

FINANCING

For total estimated costs of the development the authority intends to use tax increment revenues as the financial mechanism for implementing the proposed development plan.

The Development Plan and TIF Plan are companion plans. The Development Plan describes the improvements stimulating the revitalization of the District and identifies costs related to their implementations, and the Tax Increment Financing Plan describes how tax increment revenues will be raised.

It is anticipated within the twenty (19) year Development and TIF Plan, approximately \$17,834,227.00 will be captured for the Authority's use. Total proposed cost of the preceding improvements is \$17,834,227.00, including estimated administrative, planning, public relations and miscellaneous costs of \$600,000.00 over the 20 year period.

Should funds captured by the TIFA be in excess of the needs of these programs within the next twenty years, those excess funds will be turned over to the taxing jurisdictions.

ESTIMATES OF THE NUMBER OF PERSONS RESIDING IN THE DEVELOPMENT

The Authority notes that approximately 2650 people reside within the development area. Residences and commercial properties may be acquired by the Authority. The Authority expects to acquire properties from willing sellers rather than eminent domain to avoid displacing of persons or businesses. Should persons or businesses be displaced through eminent domain a plan for establishing priority for the relocation of persons displaced would be developed.

ADDITIONAL PERTINENT INFORMATION

Acquisition of property by eminent domain is not anticipated at the present time. If at some future date it is determined that taking of property by eminent domain is necessary a Development Area Citizens Council will be established at that time.

The TIFA will submit to the City Council an annual budget report on the status of the tax increment financing plan and estimated annual expenditure estimates in concert with the City's general budgeting process. Further, on an annual basis an audited financial statement will be provided.

The City may assess against the TIFA a reasonable pro rata share of the funds for the cost of its handling and auditing and miscellaneous administrative changes.

PART TWO -TAX INCREMENT FINANCING PLAN

This Tax Increment Financing Plan will provide the legal authority and procedures for public financial participation in the design and construction for the Development Plan. The Development Plan is hereby incorporated into the Tax Increment Financing Plan.

TAX INCREMENT PROCEDURE

Following the adoption of the development plan and TIFA plan, the City and County Treasurers are directed by law to transmit to the TIFA that portion of the tax levy for all taxing bodies paid each year on "captured assessed value" for all real and personal property in the District. The funds generated by this procedure are herein referred to as "tax increment revenue". "Captured assessed value" is the amount in any single year by which the total current assessed value of the District exceeds the total "initial assessed value". The "initial assessed value" is the state equalized valuation of all real and personal property in the District on December 31, 1985 as adjusted by the equalization process. Therefore, without any increase in tax rates, all new construction and other increases in assessment will be captured for financing improvements in the District.

Property that is exempt from taxation at the time of approval shall be included as having zero value. Property for which a commercial facilities exemption certificate has been issued shall not be exempt from taxation for the purposes of determining initial assessed value.

At this time the TIFA proposes to finance the entire twenty year development plan through captured tax increment revenues.

THE ESTIMATED TAX INCREMENT REVENUES FOR EACH YEAR OF THE PLAN

A summary of current assessed values for all real and personal property in the District is provided below:

INITIAL ASSESSED VALUE

Base Year Values

1985-1986 SEV Real Property	\$19,815,461
1985-1986 SEV Personal Property	\$ 574,640
Initial Assessed Value	\$20,390,101

Existing taxes levied on the increases in the initial assessed value of the District will be captured to finance the Development Plan.

The estimated annual tax increment revenue as follows is based on the average growth in state equalized value (SEV) of the City and the average millage rates levied by all taxing jurisdictions over the previous five years.

Therefore, the TIFA’s revenue projection is as follows:

PROJECTED REVENUE

YEAR	AMOUNT	CAPTURED
2015	34,814,500	901,500
2016	27,578,614	734,000
2017	28,130,186	748,680
2018	28,692,790	763,653
2019	29,266,646	778,926
2020	29,851,979	794,504
2021	30,449,018	810,394
2022	31,057,998	826,602
2023	31,679,159	843,134
2024	32,312,742	859,987
2025	32,958,997	877,197
2026	33,618,177	894,740
2027	34,290,540	912,635
2028	34,976,351	930,880
2029	35,675,878	949,506
2030	36,389,396	968,496
2031	37,117,184	987,865
2032	37,859,527	1,007,623

2033	38,616,718	1,027,776
2034	39,389,052	1,048,331
2035	40,176,833	1,069,298
		17,834,227

The increase in SEV is based upon a 2.% annual growth. The total estimate capture over the 20 year period is \$17,834,227.00 or an average of \$891,711 per year.

The TIFA is confident that these captured tax increments will enable the Development Plan to be completed.

The TIFA does propose to issue and incur bonded indebtedness to a maximum of \$5,000,000 at any given period within the 20 year period.

Tax increment revenue is to be disbursed by the Authority as deemed necessary and appropriate to implement the Development Plan in accordance with the Tax Increment Financing Plan. These directives include, but are not limited to, payment necessary to construct public facilities detailed in the Development Plan and payment of costs incurred by revisions or additions to the Development Plan as determined by the TIFA and approved by the City. A detailed distribution of expenditures during the twenty year stage are as follows:

Public Parking Improvements	\$ 3,000,000.00
Public Notification & Relations	
Operating, Planning	\$ 600,000.00
Sidewalks, Streets, Lighting & Safety	\$ 10,834,277.00
TOTAL ESTIMATED EXPENDITURES	\$ 17,834,227.00

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THE DURATION OF THE DEVELOPMENT PLANT AND TAX INCREMENT PLAN WILL NOT EXCEED TWENTY YEARS OR AS MODIFIED BY CITY COUNCIL

Taxes levied by all taxing jurisdictions on the captured assessed value within the District are proposed to be used for the exclusive purpose of implementing the Development Plan, except such limitations on such capture of local, school and regional school taxes as limited by State of Michigan.. There is no plan at this time for the TIFA to enter into any agreement with the Wayne County or other taxing jurisdictions to share the tax increment revenue. The estimated impact on assessed values for the affected jurisdictions are as follows:

AVERAGE ANNUAL 20 YEAR CAPTURE

	Estimated Annual	% of capture	\$ of Captures Taxes to Total
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	Captured \$	to total tax collected	Levy
Grosse Pointe Library	\$ 41,671	.007	5,360,437
City of Grosse Pointe Park	\$ 357,968	.04%	7,406,749
Wayne County	\$ 179,478	.0006%	267,153,563
Jail	\$ 25,364	.0006%	37,754,859
Wayne County Community College	\$ 87,624	.001%	75,902,163
Huron Clinton Metropolitan Authority	\$ 5,802	.0006%	8,447,143
W.C. Park	\$ 6,649	.0006%	9,896,514
WCTA	\$ 27,038	.0015%	17,114,756

The comparison of the captured amounts to the total levy indicates the capture has the greatest effect upon the City. Yet this amounts less than 5% of its current collections.

The long term benefit resulting from the implementation of the Development Plan is a revitalized economic area with renewed activity, which will result in increased assessed values for all jurisdictions once the Plan has been completed.

APPENDIX A

Legal Description

LEGAL DESCRIPTION

Beginning at a point on the centerline of Mack Avenue, 120' wide, which is 233' from, as measured perpendicular to, the centerline of Alter Road 66' wide; thence Southerly along the boundary between the City of Grosse Pointe Park and the City of Detroit to the Southeasterly corner of Lot 199, Turnbull and Epstein's Jefferson Avenue Subdivision; thence Southeasterly along the Southerly line of Lot 199 to the point of intersection with the Westerly right-of-way of Wayburn Avenue; then N68°45'E to the Easterly right-of-way of Wayburn Avenue; then Southerly along the Easterly right-of-way of Wayburn Avenue to the Northwest corner of Lot 203 of said Subdivision; then Easterly along the Northerly boundary of Lots 203 and 204 of said Subdivision to the Northeast corner of Lot 204; then Southerly along the Westerly edge of Lot 205d of said Subdivision to the Southwest corner of Lot 205d; then Easterly along the Southerly boundary of Lots 205d and 206d to the point of intersection with the Westerly right-of-way of the Maryland Avenue; then Northerly along the Westerly right-of-way of Maryland Avenue to the Southeast corner of Lot 156 of said Subdivision; then N68°45'E to the point of intersection with the Easterly right-of-way of Maryland Avenue; then Southerly along the Easterly right-of-way of Maryland Avenue to the Southwest corner of Lot 157 of said Subdivision; then Easterly along the Southerly boundary of Lot 157 of said Subdivision to the Southeast corner of Lot 157; then N68°36'E to the Easterly edge to said Subdivision; then Southerly along the Easterly edge of said Subdivision to the Northwest corner of Lot 1 of Bern's Jefferson Avenue Subdivision; then Easterly along the Northerly boundary of Lot 1 of said Subdivision to the Northeast corner of said lot; then N64°21'E to the Northwest corner of Lot 112 of said Subdivision; then Southerly along the Westerly boundary of Lot 112 to the Southwest corner of said Lot; then Easterly along the Southerly boundary of Lot 112 to the Southeast corner of said Lot; then Southerly along the Westerly boundary of Lots 70, 71, 72, 73 and 74 of Pinney's Plat to the Southwest corner of Lot 74 of said Plat; then Easterly along the Southerly boundary of Lot 74 to the Southeast corner of said Lot; then N63°48'E to the Southwest corner of Lot 7 of said Plat; then Easterly along the Southerly boundary of Lot 7 of said Plat to the Southeast corner of said Lot; then Northerly along the Easterly boundary of Lots 7, 8, 9 and 10 of said Plat; then N63°48'E to the Westerly boundary of Lot 4 of Freudhurst, Leopold Freud's Subdivision; thence Northerly along the Westerly line of Lots 5 through 83 inclusive of said Subdivision and the extensions thereof; thence Easterly along the Northerly line of said Lot 83 to the Easterly line of said Lot 83; thence Southerly along the Easterly line of said Lot 83 to the Northerly line of Lot 98 of said Subdivision as extended to the Westerly right-of-way of Nottingham Road; thence Easterly along said Northerly line of Lot 98 as extended to the Easterly line of said Lot 98; thence Southerly along the Easterly line of said Lot 98 to the Southwesterly corner of Lot 9 of Somerset Road Subdivision; thence Easterly along the Southerly line of said Lot 9 to the Southeasterly corner of said Lot 9; thence along a line from the Southeasterly corner to the Southwesterly corner of Lot 96 of said Somerset Road Subdivision; thence along the Southerly line of said Lot 96 to the Southeasterly corner of said Lot 96; thence Northerly along the Easterly line of Lots 96 and 1 of said Subdivision extended to the centerline of Mack Avenue; thence Westerly along the centerline of Mack Avenue to the point of beginning.

T.I.F.A. BOUNDARY MAP



FIGURES

TABLE 1

Tax Increment Financing Table