

City of Grosse Pointe Park

15115 EAST JEFFERSON AVENUE • GROSSE POINTE PARK, MICHIGAN 48230 • PHONE: 822-6200

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JANE M. BLAHUT
Finance Director/City Clerk

Downtown Development Authority Tax Increment Finance Plan Amendment

WHEREAS, the Downtown Development Authority for the City of Grosse Pointe Park has recommended that the tax increment capture pursuant to the Plan be extended for a period of fifteen additional years; and

WHEREAS, the City of Grosse Pointe Park has determined that it is in the public interest to extend the period of tax increment capture pursuant to the Plan for fifteen years from the date of this Resolution; and

WHEREAS, the City of Grosse Pointe Park has determined that the additional fifteen year tax increment capture period constitutes a public purpose and will continue to pursue the revitalization of the district through various enhancements within the development district which includes continued entrance way improvements, soften the appearance of the commercial area, improve vehicular and pedestrian circulation to reduce conflicts, address parking needs in the development area and, wherever possible, in adjacent residential areas, complement existing retail and office uses by expanding compatible development including civic related programs to strengthen the development area, encourage renovation or reuse of vacant or unsightly property, encourage coordinated improvements of facades; and

WHEREAS, the City of Grosse Pointe Park desires to extend the period of tax increment capture pursuant to the Plan for a period not to exceed fifteen years from the date of this Resolution;

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

The, City of Grosse Pointe Park Downtown Development Authority Tax Increment Finance Plan is hereby amended to allow tax increment capture as authorized therein through fiscal year end 2026.

I hereby certify this is a true and accurate copy of a resolution adopted by Mayor and Council at a regular meeting held on Monday, August 27, 2012.

AYES: Councilmember Clark, Arora, Denner, Theokas, and Grano, and Mayor Heenan

NAYS: None

Absent: Councilmember Robson


Jane M. Blahut, Clerk

8-28-2012



TREE CITY USA

DOWNTOWN DEVELOPMENT AUTHORITY

EXTENDED 8/28/12

PROJECTED TAX REVENUES

2012	\$	109,333
2013		111,519
2014		113,750
2015		116,025
2016		118,346
2017		120,712
2018		123,127
2019		125,589
2020		128,101
2021		130,663
2022		133,276
2023		135,942
2024		138,661
2025		141,434
2026		144,262

Projected revenues based upon estimation at 2% annual increase in taxable values. Total estimated collections 2012-2026 \$ 1,890,740.00

IMPACT ON JURISDICTION

Taxing Unit	Estimated Capture	Estimated % of total budget
City of Grosse Pointe Park	\$ 56,474	.0057%
Wayne County	28,233	Less than .001%
Jail	3,989	Less than .001%
Parks	1,046	Less than .001%
HCMA	913	Less than .001%
WCCC	9,531	Less than .001%
WCTA	2,509	Less than .001%

Library

\$ 6,555 Less than .001%
109,250

DEVELOPMENT PLAN
PROJECT COST ESTIMATES
2012-2026

ITEM

Funding Improvement upon Jefferson Avenue is for a Cultural Center improvement including design, and annual support. Land acquisition for Public Works Department redevelopment and Administrative fees estimated total project costs:

\$ 7,000,000.00

ITEM

Parking Improvement Plans/Streetscape Right of Way Improvement Plans from Wayburn through Nottingham, administrative fees estimated total project costs:

\$ 2,000,000.00

GROSSE POINTE PARK DOWNTOWN DEVELOPMENT AUTHORITY

EAST JEFFERSON AVENUE
DOWNTOWN DISTRICT

DEVELOPMENT PLAN AND TAX
INCREMENT FINANCING PLAN

SCHERVISH VOGEL MERZ, P.C.

October 13, 1986

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I. INTRODUCTION

The City of Grosse Pointe Park is a mature suburban residential community with three distinct commercial areas: the Mack Avenue commercial strip; the Kercheval Avenue shopping area; and the East Jefferson Avenue municipal center/commercial area. Over time, borders with neighboring communities have become vague and ill-defined, causing Grosse Pointe Park's perceptual uniqueness and identity to be eroded. There is a need to re-establish a positive municipal image and strengthen community identity. Nowhere is this more apparent than in the East Jefferson area. The City Hall serves as the focal point for Grosse Pointe Park and is a source of pride for its citizens, but a positive image for the surrounding commercial area is hampered by vacant buildings, underutilized property, broken sidewalks, disorganized circulation, inadequate parking, and inappropriate land uses. These problems not only detract from the city's civic center, they discourage potential private investment. The Grosse Pointe Park Downtown Development Authority was established to enhance existing appropriate commercial activities which are essential in servicing the community, fostering a stable tax base and encouraging new private investment. Under this directive the Authority proposes the Development and Tax Increment Financing Plan described in this report.

THE GROSSE POINTE PARK DOWNTOWN DEVELOPMENT AUTHORITY

The Grosse Pointe Park Downtown Development Authority (Authority) was created by ordinance of the Grosse Pointe City Council (City Council) on June 21, 1984. The Authority has all of the powers and duties prescribed for a Downtown Development Authority pursuant to Act No. 197 of the Public Acts of 1975 of the State of Michigan, commonly referred to as the Downtown Development Authority Act (Act). The act provides the legal mechanism for local officials to address the need for economic development in downtown business districts. The purpose of the Authority is to plan and finance improvements to specified commercial areas in Grosse Pointe Park.

The Authority is under the supervision and control of a Board of Directors consisting of the Mayor of the City and nine members appointed by the Mayor, subject to the approval of City Council. The Authority requires that a majority of the members of the Board of Directors have an interest in property located in the downtown district. The law provides for staggered terms for these directors, and an initial appointment of the directors with varying lengths of term so that the staggering may be carried out.

The law permits but does not require the Authority to employ a full-time staff including a Director, Secretary and Treasurer. At present, the Authority does not have any employees. The law also permits the Authority to employ legal counsel. A copy of the Grosse Pointe Park Downtown Development Authority Ordinance is presented in Attachment #1.

Boundaries

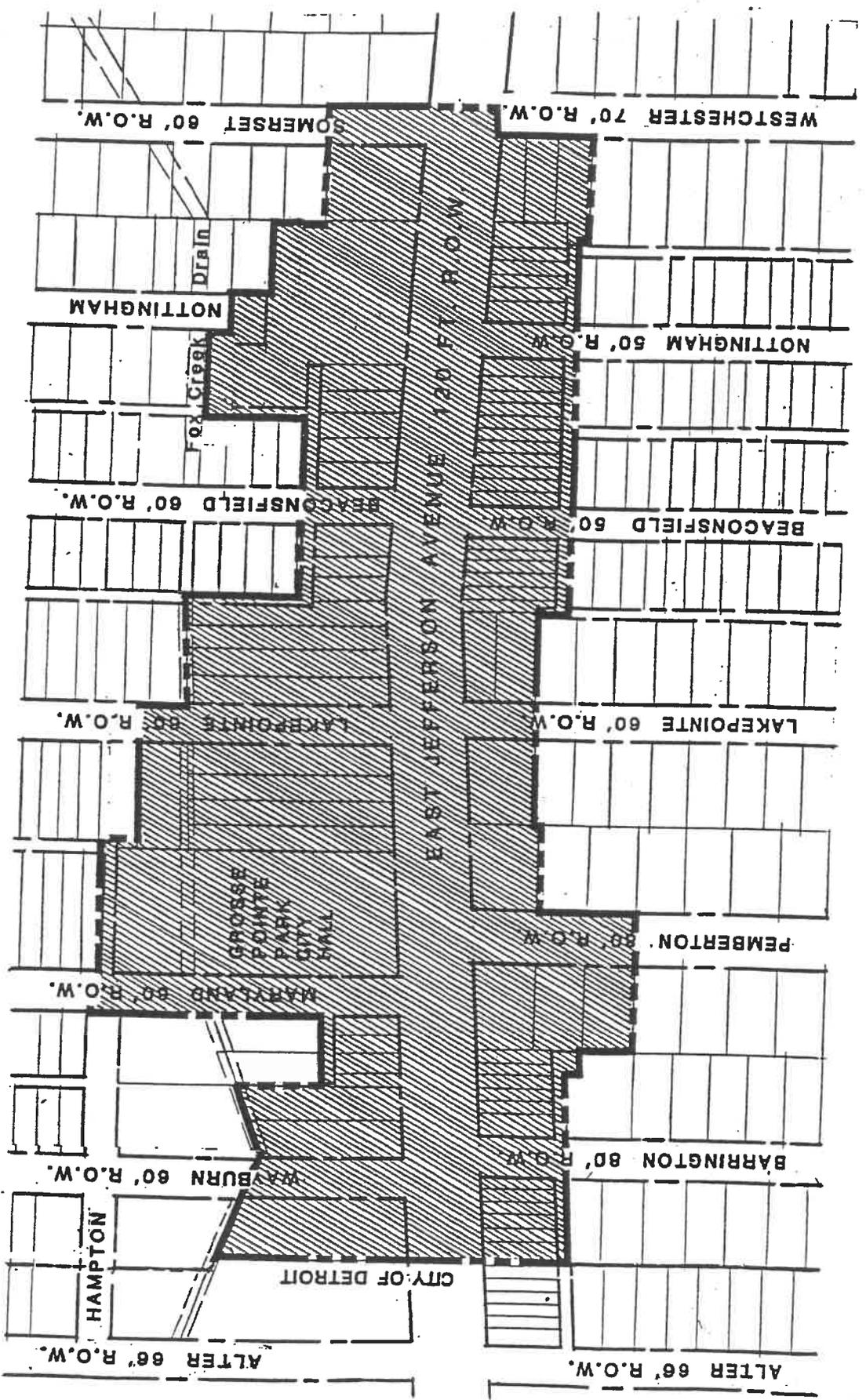
At present, the Authority's boundaries are defined to include the downtown district along Jefferson Avenue between the Detroit/Grosse Pointe Park City boundary to the west and Somerset Road/ Westchester Road to the east. For a more detailed description please refer to the boundary map in Figure 1 and legal description in Attachment 2. A minimum number of residential lots are included in the boundary primarily to allow for the development of three new single family houses and buffer zones separating residences from commercial development. After complying with public notice requirements, City Council can alter or amend boundaries of the downtown district to include or exclude lands. No such alterations are planned.

Planned Improvement Projects

The Authority has adopted a Development Plan for the Jefferson Avenue Downtown District (District). A description of the Plan is provided in Part II of this report. Issues that are addressed include development boundaries, anticipated new developments, types of improvements to be made, parties affected by improvements, methods of financing and other information. The law requires that the Grosse Pointe Park City Council hold a public hearing on the Development Plan, make a determination as to whether or not it constitutes a public purpose, and then approve the Plan before the Authority can proceed with implementation.

DOWNTOWN DISTRICT

**FIGURE 1:
DISTRICT & DEVELOPMENT AREA BOUNDARIES**



Tax Increment Financing

The Authority has a number of financing methods available to fund improvements in the District including: establishing a tax increment financing plan; levying a 2 mil property tax; borrowing funds; bonding; accepting donations; establishing a special assessment district as well as other methods.

The Authority intends to use tax increment revenues as the primary financial tool for implementing the proposed Development Plan. A Tax Increment Financing (T.I.F.) Plan for the Jefferson Avenue Downtown District is described in Part III of this report. The T.I.F. Plan capitalizes on and makes use of the increased tax base created by new development within the boundaries of the area. Captured revenue from new construction will finance proposed improvements, as opposed to alternative methods of generating revenue such as increasing taxes. It is the obligation of the Authority to clearly state the procedures of Tax Increment Financing and to provide an opportunity for the Wayne County Board of Commissioners and local school boards to review and comment.

In summary, the Development Plan and Tax Increment Financing Plan are companion plans: the development plan describes the improvements for stimulating the downtown economy and identifies costs related to their implementation; and the tax increment financing plan describes how tax increment revenues will be raised and their participation in financing the development plan. The Authority is convinced it is a public necessity to participate in and encourage new economic activity and improvements in the Jefferson Avenue Downtown District.

II. THE DEVELOPMENT PLAN

BOUNDARIES

The boundaries of the area in which the development plans are to occur coincide with the boundaries of the Downtown Development Authority as previously described and detailed in Part 1 and Attachment 2 of this report.

EXISTING LAND USE CHARACTER

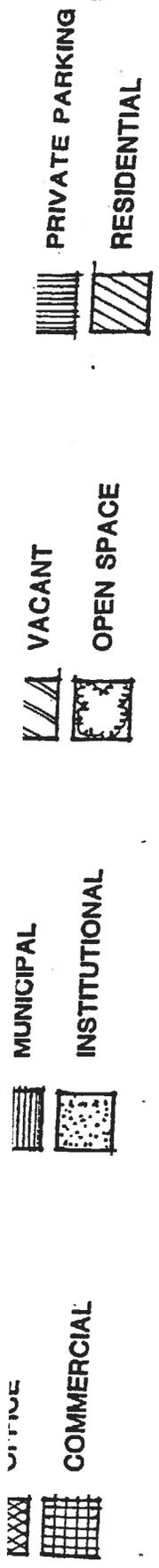
All pertinent information relative to location and extent of existing land uses, including private and public parking areas and open space, is shown in Figure 2. Generally, the area is local office and neighborhood commercial in character, with Grosse Pointe Park's municipal complex serving as the nucleus. Major private land uses are the Maher/Seymour Automobile Dealerships, the Grosse Pointe Park Ophthalmology Clinic and neighboring Detroit Institute of Ophthalmology.

Several parcels of vacant land dispersed throughout the development area are municipally owned. These include six undeveloped residential lots, a passive city park, and vacant gas station and restaurant buildings located at Nottingham Road/Jefferson Avenue. The Authority intends to take advantage of the open space afforded by these areas to further the goals of the plan. The zoning changes necessary to accommodate the program are described in a subsequent section of this report. All zoning changes will be pursued through appropriate procedures as required for city approval.

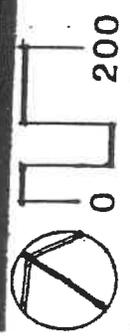
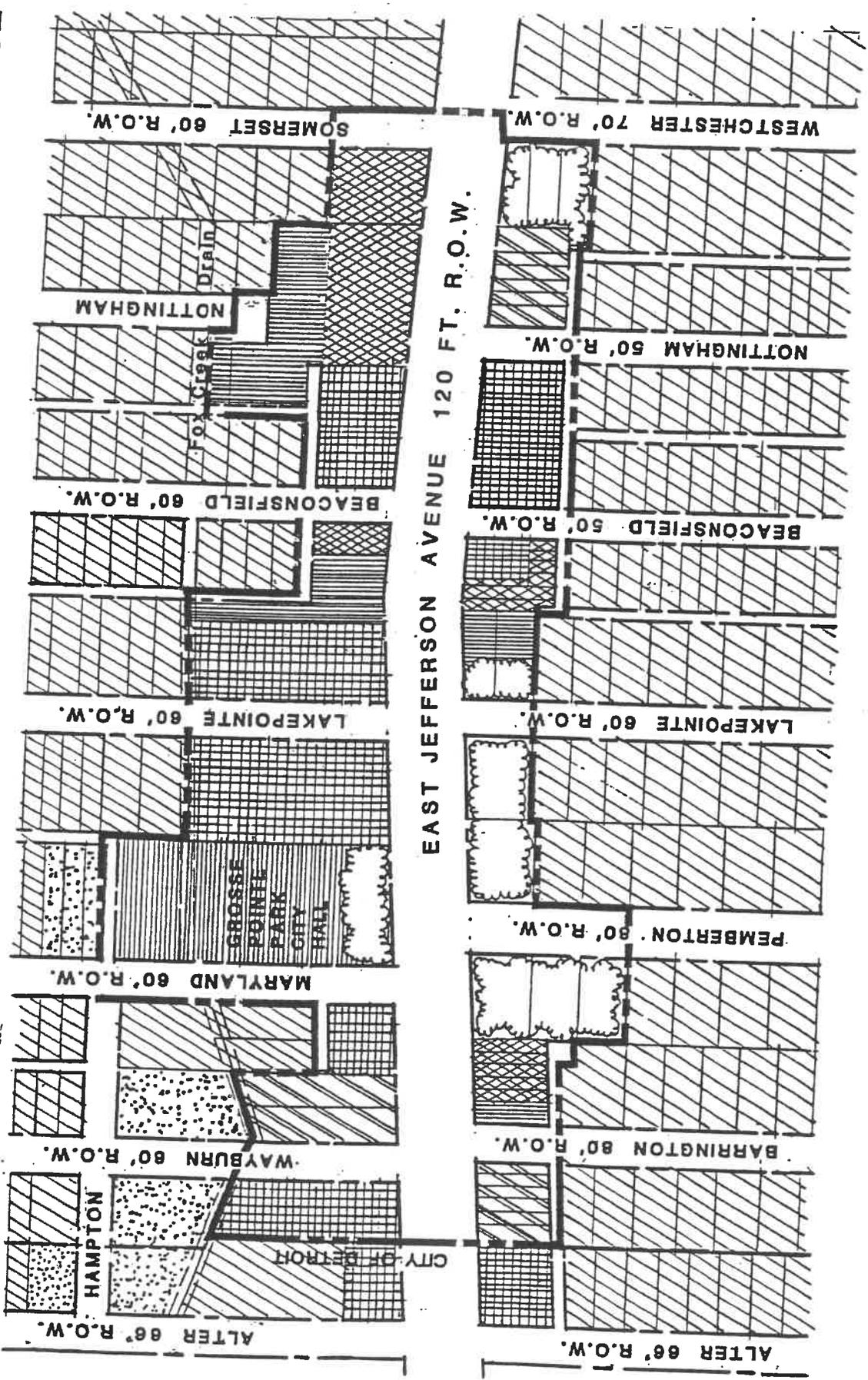
GOALS

Grosse Pointe Park's current effort to revitalize the Jefferson Avenue commercial center will depend upon the ability of its Downtown Development Authority to initiate and participate in the development of improved public uses and new private uses. The general goals of this development plan are as follows:

1. To develop an entrance image and suitable area identity;
2. Soften the commercial area with a coordinated landscaping plan;



**FIGURE 2:
EXISTING LAND USE**



3. Improve vehicular and pedestrian circulation to reduce conflicts;
4. Address parking needs in the development area and, wherever possible, in adjacent residential areas;
5. Compliment existing retail and office uses by expanding compatible development to strengthen the development area;
6. Encourage renovation or reuse of vacant or unsightly property;
7. Encourage coordinated improvements of existing facades;
8. Develop a comprehensive plan to achieve the above.

The Jefferson Avenue Development Plan will meet these goals by creating a visually pleasing and functionally efficient environment which will unify the area and stimulate private investment. It retains existing desirable land uses and reinforces them with new complimentary uses. These planned uses are consistent with the development goals of the Authority and the short and long term goals of the Grosse Pointe Park Master Plan. The Development Plan is illustrated in Figure 3. It includes both public and private components. Public development will be funded by the Authority's tax increment revenues and by the City. Private development will be financed by individual developers.

The Public Improvements to be financed by the Authority are extensive. Therefore, the Authority proposes that the entire program be implemented in separate phases over an extended period of time. The first phase of this Plan will be based upon conservative projections of revenue. For example, if Phase One is successful and tax increment revenues are sufficient to finance Phase Two, the Authority, with City Council approval, will proceed with implementation. The success of each phase in stimulating economic growth will determine the implementation schedule for subsequent phases of work.

PUBLIC IMPROVEMENTS FINANCED BY THE AUTHORITY

The Authority proposes improvements that include streetscape beautification and construction of a boulevard for Jefferson Avenue between Wayburn and Westchester Roads. A major element of this program is to develop additional parking facilities to relieve overburdened conditions at City Hall and throughout the District.

Streetscape improvements will include new sidewalk pavement, crosswalks, roadway curbing, curbside parking, street furniture, pedestrian scale lighting, landscaping with trees, shrubs and flowers, and irrigation for 15' wide areas along both side of Jefferson Avenue and a short distance down each side street for the entire development area. In addition, a boulevard will be constructed for Jefferson Avenue between Wayburn and Westchester Roads. The boulevard will be fully landscaped, irrigated and maintained. Jefferson Avenue's width will be reduced from the existing three traffic lanes each way to two lanes each way in the development area. The existing number of on-street parking spaces will be retained or increased when the Development Plan is fully implemented. Because the right-of-way is within the jurisdiction of Wayne County, planned improvements must be approved by the Wayne County Office of Public Services Division of Engineering before they can be implemented.

Pemberton Road will be re-aligned through city-owned vacant residential lots located at 981 and 993 Pemberton Road while reserving the third lot for residential development. This will allow for efficient use of available open space and will improve traffic circulation by aligning the intersection of Pemberton and Maryland Roads. Existing curbside parking along Pemberton Road will be replaced by a new off-street parking area. Another off-street parking area will be constructed near the intersection of Jefferson Avenue and Lakepointe Road. This parking facility will be extensively landscaped, including a 60' X 100' greenbelt for the Lakepointe residential area.

These proposed streetscape, boulevard and parking improvements will enhance existing commercial uses and provide an attractive setting for potential new development, while buffering the residential community from Jefferson Avenue. At present, the implementation schedule for improvements is based upon projected revenue from tax increment

financing. Other sources of revenue are being investigated, including contributions from Wayne County. Based upon preliminary discussions, the Wayne County Office of Public Service may contribute funds for roadside demolitions, curbing and storm sewer adjustments. However, for the purposes of this report, and the intent on the part of the Authority to present costs in a clear and concise manner, cost estimates will not take potential outside sources of funding into account unless a clear commitment has been made.

The Authority proposes that construction be implemented in five phases. The priority for phasing has been determined by the needs of the area, potential for attracting new private development, and efficiency in terms of traffic flow and safety. Phases of construction are illustrated in Figure 4.

Phase One

The Authority proposes that improvements for Jefferson Avenue, extending from Wayburn to Maryland Roads, be implemented in Phase One. This area has the greatest potential for creating an immediate impact upon entering the City from the west. Also, vacant properties along both sides of Jefferson Avenue offer opportunities for attracting new private investment. The total estimated cost for public improvements in Phase One, including contingencies and fees, is \$555,500.00. To finance this construction, the Authority is requesting that City Council issue a general obligation bond at 6% interest over 20 years, that will be retired by the Authority's tax increment revenues. Therefore, the bonded indebtedness committed to principal for Phase One is \$555,500.00. The Authority proposes that Phase One be implemented before 1989.

Phase Two

Construction of streetscape and boulevard improvements for the east end of the development area is critical to the success of the Plan. Existing new office development will be enhanced further by streetscape and boulevard improvements. City-owned vacant gas station and restaurant properties at Jefferson Avenue/ Nottingham Road will become more attractive to private development interests. Also, the visual transition from the residential area east along Jefferson Avenue through the Downtown District will be improved dramatically. The total estimated cost, including contingencies and fees, is \$544,500.00. The Authority anticipates that this phase will be implemented by 1990.

The implementation program as discussed previously, will depend upon the success of Phase One. For Phase Two, and all subsequent phases of work as described herein, City Council will be asked by the Authority to issue general obligation bonds based upon the ability of the Authority's tax increment revenue to retire the bonds for each phase. Council will have the choice to approve bonding for the work, portions of the work, or none at all. A detailed explanation of bonding procedures is presented in Part III of this report.

Phase Three

The third phase of construction will focus on the Jefferson Avenue right-of-way between Nottingham and Beaconsfield Roads. This work will enhance existing land uses and encourage renovation and other private improvements. Total estimated cost, including contingencies and fees, is \$400,500.00. The Authority projects that Phase Three will be implemented in 1992.

Phase Four

Improvements for the central corridor of the development area, between Lakepointe and Beaconsfield Roads, will extend boulevard and streetscape construction through nearly one-half the development area. Essentially, this phase completes the desired lush canopy effect created by the boulevard in the downtown area. Total estimated cost, including contingencies and fees, is \$504,000.00. This phase is tentatively scheduled for implementation in 1993.

Phase Five

This phase is the most extensive and final phase of the streetscape and boulevard program. It includes two municipal parking areas, streetscape improvements for Jefferson Avenue, and the re-alignment of Pemberton Road. Although improvements to the municipal area are important to the image of Grosse Pointe Park, the Authority has determined that existing conditions in other sections of the development area require immediate attention. Cost is another reason for constructing improvements in the municipal area last. Because Phase Five exceeds the scope of any other phase of work, City Council will have the opportunity to decide on bonding based upon the successful track record of previous bond issues and payments generated by tax increment revenues. Total construction cost, including contingencies and fees, is \$984,000.00. The Authority projects implementation of Phase Five in 1995.

OTHER PUBLIC IMPROVEMENTS

- The Authority will work with the City of Grosse Pointe Park to develop existing city-owned open space located in front of City Hall and the park directly across East Jefferson Avenue. The goal is to provide an attractive and functional setting for the municipal complex.

The Authority proposes that the City Hall grounds improvement include landscaping, irrigation and special paving to enhance the existing building by creating an image of prominence and importance. Also, the park across from City Hall should be extensively re-designed.

Elements proposed to improve the park include special paving, a fountain, gazebo, extensive landscaping and flower gardens, irrigation, and pedestrian lighting. The park will serve as a gathering place for special civic events and will establish a focal point for the community while discouraging sports playing or loitering. At present, the Authority does not intend to participate in financing this improvement.

PRIVATE IMPROVEMENTS

The viability of proposed public improvements is largely dependent on the ability of the Authority to attract new business that will generate additional tax dollars. By working with the City, the Authority will simulate desirable private development in the East Jefferson Downtown District. The Authority does not propose that any private property be condemned under the City's power of eminent domain.

The following development components represent the Authority's projection for new private development in the Jefferson Avenue Downtown District. In addition to those improvements that already have been made in the District in 1986, these projections represent the basis for anticipated tax increment revenues of the Authority. The total estimated value of anticipated private improvements, based upon September 1986 cost data, is approximately \$4.5 million.

Nottingham Parking Deck

The Authority proposes that a parking deck be constructed on City-owned property located at 15402-12 East Jefferson Avenue. The structure will

provide space for approximately 150 cars and will not exceed the scale or height of existing adjacent commercial buildings. Without the parking spaces provided by this structure, the potential for new office development in the area will be restricted if not altogether eliminated.

The Nottingham Parking Deck could be built one of three ways: a private developer can build and manage the structure; the city can build and manage the structure; or the city can own the structure but commission a developer to build and manage the structure. If the city develops the structure revenue bonds can be sold to finance construction. They would be retired by income generated by lease parking. However, if a private developer builds the structure, tax revenue can be captured to finance the overall development. The Development Plan and Tax Increment Financing Plan assume that the parking deck will be developed by a private entity. The fair market value of this project is estimated at \$817,000.00.

Barrington/Jefferson Office Development.

The vacant Union 76 gas station at 14950-54 E. Jefferson Avenue and Barrington Road offers the opportunity to develop a strong visual impact for the east entrance to the district. Currently the site is privately owned by Unocal Corporation. New development would require demolition of existing structures. The Authority encourages private purchase and demolition as necessary to accommodate new construction. Unfortunately, the current size of the site restricts its potential for attracting desirable private office development. Therefore, the Authority recommends that the City vacate the existing Barrington Road right-of-way at Jefferson Avenue. This will expand the site's buildable land to approximately 0.5 acres, which would support a 10,000 s.f. 2-story office building with off-street parking facilities. The fair market value of this development is estimated to be \$700,000.00

Wayburn/Jefferson Office Development

The Authority proposes that the existing privately owned, partially vacant building at 15003-05 E. Jefferson Avenue should be privately renovated for office development. The adjacent vacant restaurant building and accompanying land at 15009 E. Jefferson Avenue currently used by the Detroit Department of Transportation (DDOT), should be

cleared to accommodate necessary parking facilities. These privately funded improvements would depend upon securing easement requirements to accommodate DDOT buses which use the property as a queuing and turn-around area. The Authority and City will work towards obtaining these easements to accommodate a desirable office development. Fair market value for this development is estimated to be \$550,000.00.

Esquire Theater Redevelopment

The Authority will work with the City in encouraging privately funded purchase and renovation of the existing Esquire Theater into office/retail space. The \pm 10,000 s.f. theater, located at 15311 and 15319-21 East Jefferson Avenue, could be doubled in size by adding a second floor. However, existing parking facilities are insufficient to accommodate redevelopment. Efforts of the Authority will be focused upon the construction of a nearby parking facility to accommodate the needs of this development as well as other potential office expansion projects. The Nottingham Parking Deck proposal, as described previous, is a direct response to this need. Estimated fair market value for the Esquire redevelopment is \$1,270,000.00.

The Grosse Pointe Institute of Ophthalmology Expansion

Proposed growth of the GPIO into its 10,000 s.f. basement for surgical and office use is predicted within two years. This projected increase in use will require additional parking facilities, again stressing the importance of the Nottingham parking deck to the overall success of the Plan. Total estimated value of the expansion is \$150,000.00.

Westchester/Pemberton Residential Development

The Authority recommends that vacant City-owned property located at 995, 985, 979 Westchester Road and 973 Pemberton Road be sold or otherwise conveyed by the City to a private developer. The Authority, through agreement with City Council, proposes to represent the City's interest in selecting and working closely with a private developer who will purchase these properties and construct three (3) \pm 2,000 s.f. single family homes. The homes will reflect the character and scale of existing adjacent homes, and their design will ensure privacy and marketability.

Facade Improvement Program.

The Authority proposes to provide architectural services for design, cost estimating and working drawings for interested businesses in the District using tax increment revenue. Funding for this service will come from revenue not committed to debt payment on bonds. The estimated cost of this service, fully implemented, is approximately \$30,000. The Authority will provide only the architectural services. Actual construction costs of these improvements will be privately financed. Subsidized low interest loans or other financing methods available to the Authority for providing assistance to private building owners in constructing these improvements will be pursued.

PROPERTY ACQUISITION

The Authority presently proposes not to acquire any properties. Based upon the changing needs of the area and any future revisions to the Development Plan, the Authority may consider additional development through acquisition of private property. Should that occur, the Development Plan will be amended and be subject to public hearing and City Council approval.

PROPERTIES TO BE DEMOLISHED, ALTERED OR REPAIRED BY THE AUTHORITY

Currently all demolition of property would be carried out by private developers or the City of Grosse Pointe Park.

Other structural facilities which are proposed to be altered or removed including street right-of-way adjustments and changes are:

1. Existing sidewalks, curbing and all associated utility adjustments as required to accommodate new construction along East Jefferson Avenue and side streets as shown in the Development Plan.
2. Partial vacation of the Barrington Road right-of-way and demolition of pavement, curbs, walks and required utility adjustments, as deemed necessary to accommodate new parking and office development.
3. Partial vacation of the Pemberton Road right-of-way, including the removal of pavement, curbs, walks and utility relocation as required to accommodate improved traffic circulation, parking and civic center improvements.

All other repairs or alterations to be made to existing structures in the development area, if financed wholly or partially by the Authority, will be carried out according to land use objectives of the Development Plan, or a modification thereof. The estimated time required for completion of demolition and removal of various street rights-of-way is based upon the coordinated implementation strategy for streetscape improvements.

EXISTING ZONING AND PROPOSED ZONING CHANGES

Existing zoning classifications for the development area are illustrated in Figure 5. Changes that are proposed for implementing objectives of the plan are:

1. City owned lots at 981 and 993 Pemberton shall be re-zoned from RB-1 (Family Residential) to P-1 (Vehicular Parking) to facilitate parking needs and circulation improvements for Pemberton Road.
2. City owned lot at 991 Lakepointe shall be re-zoned from RB-1 (Family Residential) to P-1 (Vehicular Parking) to facilitate parking needs for City Hall.
3. City owned lots at 15402-12 Jefferson Avenue are zoned B-2 (General Business) may allow for construction of the proposed parking structure. If this is not allowed, these lots will have to be re-zoned to P-1 (Vehicular Parking) and a variance will be needed because P-1 limits structure height to 15 feet. Determination of which route will be sought from legal council.

The procedure for zoning change is 1) letter to City Manager; 2) public hearing before Planning Commission; 3) public hearing before City Council; and 4) amendment of the zoning ordinance by City Council.

It is not anticipated that any additional zoning changes or revisions will be needed at this time.

COST ESTIMATES AND FINANCING

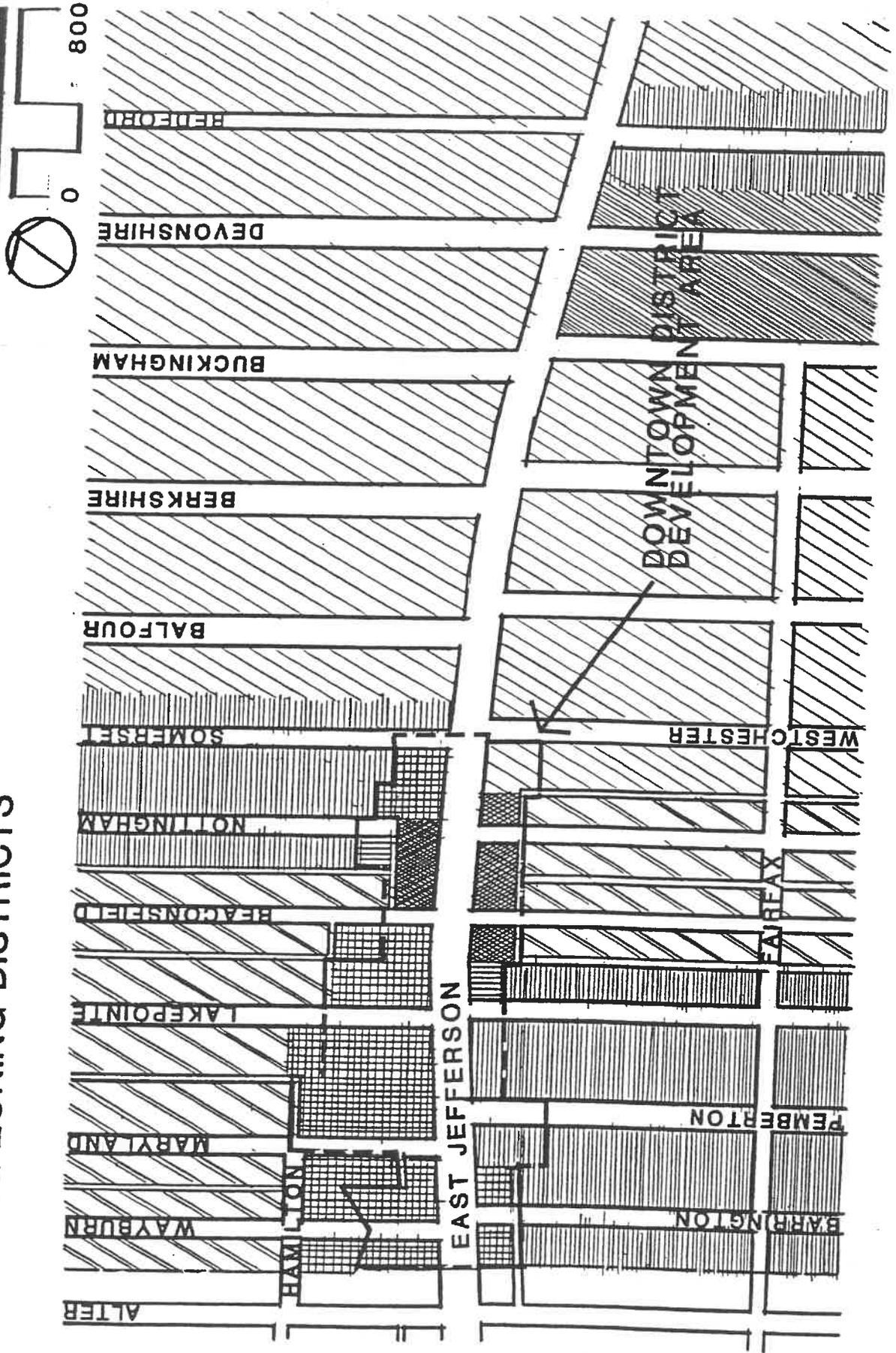
Cost estimates for completing boulevard and streetscape improvements, facade design services, repayment of borrowed funds from the City, administrative expenses and contingencies to be undertaken and financed by the Authority for this development are presented in Attachment 3.

- Local Business B-2
- General Business
- Office - Service P-1
- Parking

- KA One Family Residential
- RB One Family Residential
- RC Two Family Residential
- RD Two Family Residential

FIGURE 5:

EXISTING ZONING DISTRICTS



Implementation of these improvements will be based upon the estimated proceeds received from tax increment revenues, subject to City Council's approval for issuing general obligation bonds. The Authority is proposing a 2 mil tax levy imposed on properties in the District to provide funding for general administration and operating expenses incurred during implementation of the Plan. Improvements by the Authority will be financed by one or more of the following methods:

**TABLE 1
Proposed Financing Methods**

<u>Item</u>	<u>Source of Funds</u>
Boulevard, streetscape, parking and facade improvement, architectural service.	Tax increment revenues, including bonds issued in anticipation of T.I.F. revenues, Wayne County gasoline tax revenues.
General administration expense for the Authority.	Ad Valorem Tax 2 mil levy (implemented in 1987)
Civic Center Improvements	City/Private Sources
Parking Structure	Private Developer
Other Developments	Private Developer

PROPOSED DISPOSITION OF DEVELOPMENT PROPERTY

At present the Authority has no agreements with any private interests, parties or individuals with regard to the development, lease or sale of any portions of the proposed development. Parcels to be developed by private parties will remain under public ownership until they can be sold, leased or otherwise conveyed to private development interests. All public development activities described herein anticipate continued ownership of property by the City of Grosse Pointe Park or public entity created by the City. Pending approval, the Authority proposes to construct these improvements for the City of Grosse Pointe Park. Maintenance of improvements will be the responsibility of the City.

Terms for any proposed land conveyance to private development interests shall be determined by the Authority as approved by the Grosse Pointe Park City Council. Bidding procedures for receiving bids and issuing awards will be in accordance with existing authorized procedures available to the City for disposing of city-owned property.

IMPACT UPON DEVELOPMENT AREA RESIDENTS

The numbers of residents living in the development area is approximately 30 persons. Under the provisions of the Downtown Development Authority Act, a development area citizens council is not required because less than 100 residents live in the development area. The Authority does not intend to displace any residents currently living in the development area. Therefore, no plan for relocating displaced residents is required at this time.

PART III: TAX INCREMENT FINANCING PLAN

PURPOSE

This Tax Increment Financing (T.I.F.) Plan will provide the legal authority and procedures for public financial participation in the design and construction for the Development Plan described in Part II. The Development Plan is hereby incorporated into the T.I.F. Plan.

PROCEDURES

As mandated by the Downtown Development Authority Act, the City of Grosse Pointe Park must adopt a development and a tax increment financing plan by resolution of City Council. This approval must be in accordance with the notice, hearing, and disclosure provision of Section 18 of the Act.

Following the adoption of the resolution, the City and County treasurers are directed by law to transmit to the Authority 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 development area. The funds generated by this procedure are herein referred to as "tax increment revenue". "Captured assessed value" is interpreted as the amount in any single year by which the total current assessed value of the development area exceeds the total "initial assessed value". Therefore, without any increase in taxes, all new construction and any effect inflation has upon taxes will be captured for financing improvements in the Development Area.

The "initial assessed value" is defined as the most recently assessed value of all taxable property within the boundaries of the development area at the time when initial tax value determination is approved. In this plan, the 1985 State Equalized Valuation (SEV) for the development area will determine the initial tax value (the base year SEV from which the "captured assessed value" is calculated).

Property that is exempt from taxation at the time of approval shall be included as zero. Property for which a commercial facilities exemption certificate (Act 225; Public Acts of 1978) has been issued shall not exempt from taxation for the purposes of determining initial assessed value.

REVENUES

A summary of current assessed value for all real and personal property in the development area is provided below:

TABLE 2

Initial Assessed Value

BASE YEAR VALUES

1985-86 SEV Real Property	\$1,395,809
1985-86 SEV Personal Property	<u>\$339,480</u>
1985-86 Total SEV	\$1,735,289

Calculations for the estimated assessed value of all improvements now under construction or committed to be completed by December 31, 1986, any speculative future development projects, and estimates for increased value of real and personal property are included in Table 3.

The estimated annual tax increment revenue is based upon the current tax levy of 58.91 mils, which represents the total for all taxing jurisdictions. Therefore, the Authority's revenue projection for 1987, based upon building construction committed to or completed in 1986 is \$51,407.95. Total projected tax increment revenue over a 25 year period is estimated at \$8,007,658.76.

Upon City Council approval, the Authority plans to implement a 2 mil ad valorem tax levy on the District beginning in 1987. This revenue and revenue generated by tax increment financing brings the total estimated revenue for the 25 year period to \$8,364,066.00. This amount exceeds the estimated construction costs of all phases of the Development Plan, plus interest on bonds, funded by the Authority.

BONDED INDEBTEDNESS TO BE INCURRED

All bonding methods employed by the Authority are subject to provisions of the Act. Before any bonding can be authorized, the Authority shall submit an estimate of the portion of tax increment revenue to be appropriated for payment on principal and interest to City Council for approval. The amount of any bonds secured by tax increment revenues may not exceed that amount which 80% of the estimated tax increment revenue for any given year will service, relative to annual principal and interest requirements.

IT AUTHORITY 25 YEAR REVENUE PROJECTIONS

Park City Manager's Office
 Park Building Department
 Downtown Development Authority
 P.C.

1999	15 YR.			2002	2003	2004	2005	20 YR.		2007	2008	2009	2010	2011	25 YR. TOTAL
	2000	2001	TOTAL					2006	TOTAL						
29875.88	315521.25	332931.74		351022.99	369821.60	389355.24	409652.64	430743.68		452659.37	475431.97	499094.97	523683.20	549232.83	
16755.36	17410.50	18091.25		18798.61	19533.64	20297.40	21091.03	21915.69		22772.60	23663.00	24588.23	25549.63	26548.62	
315521.25	332931.74	351022.99	3332201.83	369821.60	389355.24	409652.64	430743.68	452659.37	5384434.36	475431.97	499094.97	523683.20	549232.83	575781.44	8007658.76
14548.49	15117.34	15708.43	161252.36	16322.63	16960.84	17624.01	18313.11	19029.15	249502.10	19773.19	20546.32	21349.58	22184.46	23051.87	356407.62
30069.74	348049.08	266731.41	3493454.20	386144.23	406316.08	427276.65	449056.78	471688.52	5633926.46	495205.16	519641.29	545032.68	571417.28	598833.31	8364066.38
74246.26	7558669.29	7854213.25		8161312.99	8480420.33	8812004.77	9156554.15	9514575.42		9885595.32	10273161.20	10674841.60	11092228.11	11525934.23	
4421.03	295543.97	307099.74		319107.34	331584.43	344549.39	358021.27	372019.90		386565.88	401680.60	417586.31	433706.12	450664.03	
4492.29	6060036.25	6367135.99	61874838.89	6686243.33	7017827.77	7362377.15	7720398.42	8092418.32	88754103.87	386565.88	788246.48	1205632.79	1535336.91	2090002.94	104863890.99
669.29	7854213.25	8161312.99		8480420.33	8812004.77	9156554.15	9514575.42	9886595.32		10273161.20	10674841.60	11092228.11	11525934.23	11976598.25	

Calculations based upon 1985-86 rate of 58.91 mills.
 Instruction SEV for 1986 is based upon Building Permit Applications Filed
 City.

The Authority may authorize, issue and sell tax increment bonds and revenue bonds to finance the development plan. Tax increment bonds issued by the Authority may pledge only the tax increment revenue of the project for which the bonds are issued. These bonds may not pledge the full faith and credit of the Authority or City. As an alternative, the City may authorize, issue and sell general obligation bonds to finance the Development Plan for the Authority. While current litigation does not limit the Authority's ability to issue tax increment bonds, it makes their purchase unlikely. Therefore, the Authority requests that the City issue general obligation bonds to finance the Development Plan, using tax increment revenue conveyed by the Authority to the City to retire the bonded debt. The City would have to back these bonds with its full faith and credit in the event of shortages in tax increment revenue.

At this time, the Authority requests that the City issue a general obligation bond to finance only Phase One of the Development Plan. Total bonded indebtedness for this phase, as stated previously in Part II, is \$555,500.00. If a 20 year general obligation bond were issued at 6% compounded annual interest, annual payments would be \$48,431.00. Total payment to retire the bond would be \$968,620.00. This amount would be financed entirely by the Authority's tax increment revenue, exclusive of any contributions from the City. Since the 20 year tax increment revenue is estimated to be \$5.4 million (See Table 3, "20 Year Total"), the Authority is confident in its' ability to retire bond principle and interest. In the event that City Council chooses to bond each phase as described in Part II of this report, the maximum amount of bonded indebtedness for streetscape and boulevard improvements is estimated at \$2,988,500.00. For comparison, if the entire Development Plan were financed by the City, construction cost and interest paid on bonds would constitute approximately a one mil tax increase across the city.

EXPENDITURES

Tax increment revenue is to be disbursed by the Authority as deemed necessary and appropriate to implement the Development Plan in accordance with the T.I.F. Plan. These directives include, but are not limited to, payment necessary to construct public facilities detailed in the development plan, payments for site clearing and payments of costs incurred by revisions or additions to the development plan as determined by the Authority and approved by the City.

The Authority has the option to modify its priority of payments at any time, if such action is deemed appropriate and necessary to implement the Development Plan. The tax increment revenue shall be utilized entirely by the Authority for the purposes set forth in the Development Plan, and for the time period stated hereinafter.

DURATION OF THE PROGRAM

While it is proposed that all bonds issued will have a maximum 20 year maturity, there will be five separate bond issues to finance improvements as new developments generate increased tax capture. If separate bond issues for each phase are approved by City Council, the time period between first and last bond issue is projected to be no greater than seven years. The duration of the entire program, if implemented, will not exceed 25 years, or as modified by the City of Grosse Pointe Park upon notice and public hearing requirements as stipulated by the Act.

IMPACT ON ASSESSED VALUES

Taxes levied by all taxing jurisdictions on the captured assessed value within the development area are proposed to be used for the exclusive purpose of implementing the T.I.F. Plan. There is no plan at this time for the Authority to enter into any agreement with the Grosse Pointe School Board, Wayne County or other taxing unit to share the tax increment revenue. However, the Authority shall inform members of the Wayne County Board of Commissioners, Grosse Pointe School Board and other taxing jurisdictions of the fiscal and economic implications of the proposed Development Plan and T.I.F. Plan, so that they may express their recommendations at the public hearing for the Plans. The estimated impact on assessed values for affected jurisdictions is presented in Table 4.

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.

USE OF CAPTURED ASSESSED VALUE

The T.I.F. and Development Plans provides for the use of all captured assessed value revenues by the Authority.

REPORTS AND REVIEWS

The Authority shall submit to the City Council an annual report on the status of the tax increment financing account. This report will be published in a newspaper of general circulation in Grosse Pointe Park. The development plan will be reviewed by the City at least once every five years following its adoption, and all amendments and revisions shall be submitted to City Council for approval.

TABLE 4

Impact On Taxing Jurisdictions

TAXING UNIT	1985-86 TOTAL BUDGET	TAX MILEAGE RATE (1985-86)	PERCENT TOTAL BUDGET
CITY OF GPP	\$5,350,000.00	.01681	0.27%
WAYNE COUNTY	\$189,000,000.00	.00707	0.033%
G.P. SCHOOL DIST.	\$37,698,876.00	.03263	0.076%
INT. SCHOOL DIST.	\$6,271,088.00	.00110	0.015%
W.C.C.C.	\$29,910,000.00	.00105	0.003%
H.C.M.A.	\$18,821,778.00	.00025	0.0012%

*The Estimated 1986 Total SEV for the District is \$2,666,829.00. The projected 1986 Captured Assessed Value SEV is \$872,652.00. Projected 1986 Tax Increment Revenue is \$51,407.95. Figures are based upon Estimated Real and Personal (Ad Valorem) Assessment for 1986.

SUMMARY

The Development Plan calls for intensive public and private improvements in the East Jefferson business district. The public improvements would include a boulevard treatment on East Jefferson, streetscape improvements very similar to those on Mack Avenue in Grosse Pointe Park, new off-street parking lots, and a new city park opposite City Hall. Proposed private improvements include a parking deck and several new office development projects.

The Authority proposes three principle sources of funding for the Development Plan. First of all, the Authority's Board, comprised almost exclusively of businesses and property owners in the Authority's district, proposes that a 2 mil tax be imposed on all properties in the district. That tax will not be applied to any other properties in Grosse Pointe Park. That tax demonstrates the local businesses' commitment to the Development Plan. Second, the Board proposes that a Tax Increment Finance Plan be adopted by the City. Under the Plan, tax revenues from the downtown district to the City, Grosse Pointe School District and other taxing jurisdictions would be frozen at the 1985 levels. Increases in tax revenues over 1985 levels resulting from new developments in the district (e.g., the Ophthalmic Surgeons' new facility on East Jefferson) will go to the Downtown Development Authority to finance public improvements. The new tax revenues which the Authority would "capture" through the Tax Increment Finance Plan would have a very small impact on the budgets of the taxing jurisdictions from whom the new revenues are captured. The third source of funds for the Plan are proposed to come from City and private sources and would be utilized for improvements to the new park opposite City Hall on East Jefferson Avenue.

The Authority proposes that the Development Plan be carried out in a series of phases. The phases are intended to carry out, public improvements in those locations with the greatest potential for new private developments first, deferring those improvements with less impact on potential development until later. In this fashion, the ability to attract new development as soon as possible will be greatly enhanced, increasing the probability of new development and related "captured" tax revenues.

Each phase of the Development Plan would have an associated bond issue. Each bond issue will require separate City Council action. The phasing of subsequent bond issues will depend on the implementation of Phase I and resulting development. In this way, the Downtown Development Authority and City Council will proceed on a piecemeal basis, building on the success of each prior phase of the Development Plan.

The Downtown Development Authority is requesting that City Council review and approve the Development and T.I.F. Plans. Together they represent a unique opportunity to improve the business and esthetic environment of our City's "front door" to the world. Accomplishing the goals of these Plans will contribute much to the overall revitalization and future economic stability of the Downtown District.

ATTACHMENT 1: The Grosse Pointe Park Downtown
Development Authority Ordinance

ORDINANCE NO. 106

ORDINANCE ESTABLISHING A DOWNTOWN DEVELOPMENT AUTHORITY FOR THE CITY OF GROSSE POINTE PARK PURSUANT TO PUBLIC ACT NO. 197, MICHIGAN PUBLIC ACTS OF 1975, AS AMENDED, TO BE KNOWN AS THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF GROSSE POINTE PARK

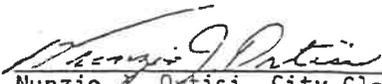
THE CITY COUNCIL OF THE CITY OF GROSSE POINTE PARK ORDAINS:

That the Grosse Pointe Park City Code is hereby amended by adding a new Appendix C, which appendix reads as follows:

1. A Downtown Development Authority, pursuant to Public Act No. 197, Michigan Public Acts of 1975, as amended, is hereby established.
2. The authority shall be known as "The Downtown Development Authority of the City of Grosse Pointe Park."
3. The boundaries of the downtown district within which the authority shall exercise its powers are the business areas on East Jefferson Avenue from the westerly city limits to the easterly right-of-way of Balfour Road.
4. The City Council authorizes the City Clerk of the City of Grosse Pointe Park to file an executed original of this ordinance with the Michigan Secretary of State.
5. The City Council authorizes the City Clerk of the City of Grosse Pointe Park to cause a copy of this ordinance to be published once in The Grosse Pointe News.
6. The invalidity of any section, clause or provision of this ordinance shall not affect the validity of any part of this ordinance which can be given effect without such invalid provision.
7. This ordinance shall take effect upon July 1, 1984.

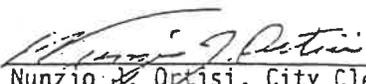
STATE OF MICHIGAN)
COUNTY OF WAYNE)

I hereby certify that the foregoing mentioned ordinance was published in the Grosse Pointe News on the 28th of June 1984, and was posted as follows: Grosse Pointe Park Bulletin Board in accordance with Section 7.3 of the City Charter.


Nunzio J. Ortisi, City Clerk

We hereby certify that the foregoing mentioned ordinance is a true and complete copy of an ordinance offered and adopted by the City Council of the City of Grosse Pointe Park at a meeting held on the 25th day of June 1984


Palmer T. Heenan, Mayor


Nunzio J. Ortisi, City Clerk

**ATTACHMENT 2: Legal Description for
Downtown District Boundaries**

LEGAL DESCRIPTION OF DEVELOPMENT AREA

GROSSE POINTE PARK DOWNTOWN DEVELOPMENT AUTHORITY

Beginning at the point of intersection of the Northerly right-of-way of Jefferson Avenue and the common boundary of the City of Detroit and City of Grosse Pointe Park ("City Line"); then Northerly along the City Line to the Northerly boundary of Lot 201 of Turnbull and Epstein's Jefferson Avenue Subdivision; then Easterly along the Northerly boundary of Lots 201 and 202 of said Subdivision 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 of 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; then Easterly along the Northerly boundary of Lot 4 of said Subdivision to the Northeast corner of said Lot; then N64°21'E to the Easterly right-of-way of Nottingham Road; then Southerly along the Easterly right-of-way of Nottingham Road to the Northwest corner of Lot 178 of said Subdivision; then Easterly along the Northerly boundary of Lot 178 to the Northwest corner of Lot 178; then Southerly along

the Easterly boundary of Lot 178 to the Northwest corner of Outlot A of Somerset Road Subdivision No. 2; then Easterly along the Northerly boundary of Outlot A of said Subdivision to the Northeast corner of said Lot; then $N64^{\circ}12'30''E$ to the Easterly right-of-way of Somerset Road; then Southerly along the Easterly right-of-way of Somerset Road to its point of intersection with the Northerly right-of-way of Jefferson Avenue; then $S21^{\circ}4'15''E$ to the Southerly right-of-way of Jefferson Avenue; then Westerly along the Southerly right-of-way of Jefferson Avenue to the point of intersection with the Westerly right-of-way of Westchester Road; then Southerly along the Westerly right-of-way of Westchester Road to the Southeast corner of Lot 627 of Windmill Pointe Subdivision; thence Westerly along the Southerly boundary of Lot 627 to the Southwest corner of said Lot; then $S65^{\circ}W$ to the Easterly boundary of Lot 22 of Dennee and McAllister's Jefferson Avenue River View Park Subdivision; then Northerly along the Easterly boundary of Lot 22 of said subdivision to the Northeast corner of Lot 22; then Westerly along the Northerly boundary of Lots 22, 135, 136 and 249 to the Westerly boundary of said Subdivision; then $S65^{\circ}W$ to the Easterly boundary of Lot 622 of Windmill Pointe Subdivision; then Northerly along the Easterly boundary of said Lot to the Northeast corner of said Lot 622; then Westerly along the Northerly boundary of Lot 622 to the Northwest corner of said Lot; thence $S64^{\circ}47'W$ to the Southeast corner of Lot 482 of said

Subdivision; then Westerly along the Southerly boundary of Lot 482 of said Subdivision to the Westerly boundary of said Lot; then Southerly along the Easterly boundary of Lot 481 of said Subdivision to the Southeast corner of said Lot; then Westerly along the Southerly boundary of Lot 481 of said Subdivision to the Southwest corner of said Lot; then Southerly along the Easterly right-of-way of Pemberton Road to the Southwest corner of Lot 479; then S64°47'W to the Easterly right-of-way of Pemberton Road; then Westerly along the Southerly boundary of Lot 356 of said Subdivision to the Southwest corner of said Lot; then Northerly along the Westerly boundary of Lots 356 and 355 to the point of intersection with the Southerly right-of-way of the public alley forming the Northerly boundary of Lot 347 of said Subdivision; then Westerly along the Southerly edge of the right-of-way of said public alley, continuing to the point of intersection of said alley with the City Line; then Northerly along the City Line to the Point of Beginning.

4196X+

**ATTACHMENT 3: Cost Estimate for Improvements
Financed by the Authority**

September 9, 1986
 (Revised September 22, 1986)
 (Revised October 10, 1986)

GROSSE POINTE PARK DOWNTOWN DEVELOPMENT AUTHORITY
 JEFFERSON AVENUE IMPROVEMENT AREA
 COST ESTIMATE SUMMARY

ITEM	COST	TOTAL
1. Jefferson Avenue Improvements		
A. Phase One: Wayburn Rd. to Maryland Rd.		
1. Streetscape Beautification	\$384,000	
2. Boulevard Construction	<u>75,000</u>	
Sub-Total	\$459,000	
10% Contingency	<u>46,500</u>	
Sub-Total	\$505,000	
10% A/E Fees	<u>50,500</u>	
SUB-TOTAL		\$555,500
B. Phase Two: Nottingham Rd. to Westchester Rd.		
1. Streetscape Beautification	\$367,500	
2. Boulevard Construction	<u>82,500</u>	
Sub-Total	\$450,000	
10% Contingency	<u>45,000</u>	
Sub-Total	\$495,000	
10% A/E Fees	<u>49,500</u>	
SUB-TOTAL		\$544,500
C. Phase Three: Beaconsfield Rd. to Nottingham Rd.		
1. Streetscape Beautification	\$248,500	
2. Boulevard Construction	<u>82,500</u>	
Sub-Total	\$331,000	
10% Contingency	<u>33,000</u>	
Sub-Total	\$364,000	
10% A/E Fees	<u>36,500</u>	
SUB-TOTAL		\$400,500
D. Phase Four: Lakepointe Rd. to Beaconsfield Rd.		
1. Streetscape Beautification	\$343,000	
2. Boulevard Construction	<u>73,000</u>	
Sub-Total	\$416,000	
10% Contingency	<u>42,000</u>	
Sub-Total	\$458,000	
10% A/E Fees	<u>46,000</u>	
SUB-TOTAL		\$504,000

E. Phase Five: Maryland Rd. to Lakepointe Rd.		
1.	Streetscape Beautification	\$446,500
2.	Boulevard Construction	28,500
3.	Pemberton Rd. Re-Alignment/Parking Area	244,500
4.	Lakepointe/Jefferson Parking Area/ Landscaped Buffer	<u>93,500</u>
	Sub-Total	\$813,000
	10% Contingency	<u>81,500</u>
	Sub-Total	\$894,500
	10% A/E	<u>89,500</u>
	SUB-TOTAL	\$984,000
2.	Facade Design Service	
	A. Architectural Design and Contract Documentation	\$30,000
3.	Authority Loan Payment to City	\$30,000
4.	Authority Administrative/Operating Expenses	\$125,000
GRAND TOTAL		<u>\$3,173,500*</u>

*Based upon September, 1986 Cost Data

*Costs do not include allowances for traffic signal adjustments that may be required to accommodate the plan.