
**Development Plan and Finance Plan Update
Westwood Development Area**

**Tax Increment Finance Authority
City of Dearborn Heights**

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Public Hearing held as advertised on December 16, 1998. Adopted by the TIFA Board on February 10, 1999. Adopted by Resolution by the City Council on February 23, 1999.

With Assistance By:

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Table of Contents

Page No.

Resolution Approving Amendments Follows TOC

Section 1.0

Development Plan

Section 16(2)(a)	1
Section 16(2)(b)	2
Section 16(2)(c)	3 - 4
Section 16(2)(d)	5 - 10
Section 16(2)(e)	11 - 12
Section 16(2)(f)	13
Section 16(2)(g)	14
Section 16(2)(h)	15
Section 16(2)(i)	16
Section 16(2)(j)	17
Section 16(2)(k)	18
Section 16(2)(l)	19
Section 16(2)(m)	20
Section 16(2)(n)	21
Section 16(2)(o)	22
Section 16(2)(p)	23
Section 16(2)(q)	24

Tax Increment Plan

Section 13(1)(a)	25 - 26
Section 13(2)(b)	27
Section 13(2)(c)	28
Section 13(2)(d)	29 - 30
Section 13(2)(e)	31
Section 13(2)(f)	32
Section 13(2)(g)	33
Section 13(2)(h)	34
Section 13(2)(l)	35

Section 2.0 - Tables

1	TIFA Project List
2	Base Year Taxable Value Calculations by School District
3	Captured Value Westwood Development Area
4	Homestead and Non-Homestead Taxable Value Distribution by School District
5	Millage Rates for the Westwood Development Area, by School District
6	Potential Revenue Stream – Westwood School District Properties
7	Potential Revenue Stream – Taylor School District
8	Potential TIF Revenue Stream by School District Area
9A	1994 Limited Tax Development Bonds Schedule of Principal and Interest Requirements on a Calendar Year Basis
9B	1994 Limited Tax Development Bonds Schedule of Principal and Interest Requirements on a Fiscal Year Basis
10A	Property Acquisition Bond Schedule

Table of Contents (Continued)

Tables (Continued)

10B	Building Construction and Equipment Bond Schedule
11	TIF Authority Revenue Projections, By Year
12	Total Revenue Projections, By Year
13	Schedule of Revenue Expenditures
14	Estimated Revenue Reallocation Westwood School District Homestead Properties
15	Estimated Revenue Reallocation Westwood School District Non-Homestead Properties
16	Estimated Revenue Reallocation Taylor School District Homestead Properties
17	Estimated Revenue Reallocation Taylor School District Non-Homestead Properties
18	Estimated Revenue Reallocation by Taxing Jurisdiction

Section 3.0 – Maps

1	TIFA District Boundary Map
2	Existing Land Use
3	Utilities
4	Future Land Use
5	Completed TIFA Projects
6	Zoning Districts
7	Proposed Zoning

Section 16(2)(a)

The designation of boundaries of the development area in relation to the boundaries of the authority district and any other development areas within the district.

The development area boundaries are identical with the TIFA district boundaries. The development area boundaries for the Westwood Development Area are formed by Annapolis, Michigan, and Dartmouth Avenues on the north, by Gulley and Telegraph Roads on the east, by Van Born Road on the south, and by Inkster and Beech Daly Roads on the west.

The boundaries of the development area are shown on Map 1, presented below.

Section 16(2)(b)

The designation of boundaries of the development area in relation to highways, streets, or otherwise.

The boundaries of the development area in relation to highways, streets, and other rights-of-way, are shown on Map 1, previously presented under Section 16(2)(a).

Section 16(2)(c)

The location and extent of existing streets and other public facilities within the development area and the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the development area.

The location and extent of existing streets, as well as public and private land uses within the development area are presented on Map 2. Public facilities include the following land uses:

Central Wayne County Sanitation Authority Incineration Facility at Inkster and Annapolis
Robichaud High School at Beech Daly and Notre Dame
Thorne Elementary School at Annapolis and Gulley
Federal Elementary School at Powers and Inkster
Fire Station No. 1 on Telegraph Road
John F. Kennedy Library on Van Born Road
Westwood Schools Administration Building on Beech Daly and Notre Dame
Wayne State University DMC Nursing and Convalescent Center on Powers Avenue
Dearborn Heights Public Works Department on Van Born Road
Daly Park at Lehigh and Westlake
First Assembly of God on Telegraph north of Van Born
Van Born Baptist Church on Van Born west of Beech Daly
A church on Beech Daly north of Van Born
St. John the Baptist Catholic Church and Grade School at Fellrath and Eton
VFW Post 7910 on Van Born Road

Other public facilities within the development area include utility systems. They are presented on Map 3.

The land development pattern proposed for the development area is shown on Map 4. The future land use proposals shown on Map 4 are as adopted by the City Planning Commission at their September 8, 1983 meeting.

A description of the property contained in the development area is presented below. The development area consists of these properties and all adjacent rights-of-way, as shown on Map 1.

**CITY OF DEARBORN HEIGHTS
WESTWOOD DEVELOPMENT AREA**

LAND LOCATED IN SECTIONS 20, 29, 31, 32, AND 33, TOWN 2 SOUTH, RANGE 10 EAST, CITY OF DEARBORN HEIGHTS, WAYNE COUNTY, MICHIGAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT AT THE INTERSECTION OF THE NORTH RIGHT-OF-WAY LINE OF MICHIGAN AVENUE (204 FEET WIDE) WITH THE CENTERLINE OF GULLEY ROAD (VARIABLE WIDTH); PROCEEDING THENCE SOUTHERLY ALONG SAID CENTERLINE OF GULLEY ROAD TO THE CENTERLINE OF DARTMOUTH AVENUE (50 FEET WIDE); THENCE EASTERLY ALONG SAID CENTERLINE OF DARTMOUTH AVENUE TO THE INTERSECTION OF SAID CENTERLINE OF DARTMOUTH AVENUE WITH THE EASTERLY RIGHT-OF-WAY LINE OF TELEGRAPH ROAD (VARIABLE WIDTH); THENCE SOUTHERLY ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF TELEGRAPH ROAD TO THE CENTERLINE OF VAN BORN ROAD (120 FEET WIDE); THENCE WESTERLY ALONG SAID CENTERLINE OF VAN BORN ROAD, ALSO BEING THE SOUTH LINE OF SAID SECTIONS 31, 32, AND 33, TO THE CENTERLINE OF INKSTER ROAD (120 FEET WIDE); THENCE NORTHERLY ALONG SAID CENTERLINE OF INKSTER ROAD, ALSO BEING THE WESTERLY LINE OF SAID SECTION 31 TO THE CENTERLINE OF ANNAPOLIS AVENUE (76 FEET WIDE); THENCE EASTERLY ALONG SAID CENTERLINE OF ANNAPOLIS AVENUE, ALSO BEING THE EAST-WEST ONE-QUARTER LINE OF SAID SECTION 31 TO THE CENTERLINE OF BEECH DALY ROAD (VARIABLE WIDTH); THENCE NORTHERLY ALONG SAID CENTERLINE OF BEECH DALY, ALSO BEING THE WEST LINE OF SAID SECTIONS 29 AND 32 TO THE INTERSECTION OF SAID CENTERLINE OF BEECH DALY ROAD WITH THE NORTH RIGHT-OF-WAY LINE OF SAID MICHIGAN AVENUE; THENCE EASTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE OF MICHIGAN AVENUE TO THE POINT OF BEGINNING.

Section 16(2)(d)

A description of improvements to be made in the development area, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.

The City of Dearborn Heights Tax Increment Finance Authority originally adopted a development plan and finance plan in 1986. Since that time, they have made a number of improvements and completed a variety of projects. They are presented on Map 5.

The City of Dearborn Heights desires to continue to encourage economic development activities and prevent deterioration of properties within the Westwood Development Area. Proposed improvements are discussed below. Each project is defined as either a short term, on-going or long-term project. The actual time frame for each is delineated in Table 13 of this Plan.

Short-Term

1. Library Modernization

Public facilities include libraries according to Section 1(u)(i) of PA 450 of 1980. The City intends to fund improvements to the John F. Kennedy library. These activities include site, structural, and equipment improvements.

2. Decorative Exterior Lighting

Exterior lighting has effectively been used as a measure to improve safety and security to an area. It can also be used as an urban design element, which, in combination with other improvements (landscaping, façade renovations, and street furniture) can add to area aesthetics to create an image of a unified "community" or "sense of place."

3. Parks and Recreation Improvements

The City intends to make a variety of site improvements and install equipment at park sites within the development area. It may also create a new park within the development area. The creation of a new park and the improvements to existing parks will occur in accordance with the City's Recreation Plan, as may be amended. Projects contemplated at the present time include a walking track and tennis court resurfacing at Daly Park.

4. Library/DPW Site Improvements

The City is proposing to embark on site improvements to the Library/DPW site at Van Born Road, near Telegraph. The work that is envisioned includes the paving of gravel/dirt access, storage and parking areas. In the library, the creation of a passive recreation area adjacent to the building is anticipated. This activity will include installation of landscaping improvements, attractive pedestrian access, pedestrian furniture (benches, trash receptacles). Interior improvements to the library will be focussed upon computer upgrades (new and replacement equipment). For library improvements, TIFA funds will be matched with state and local funds.

5. Fire Station Improvements

Public safety also includes response to fires and medical emergencies. Fire Station No. 1 is located within the TIFA District. It is the City's intention to make building and site improvements to this fire station. The cost for these improvements is estimated at \$250,000.

Long-Term

6. Industrial Park Improvements

The City's 1982 Comprehensive Plan Program report entitled *Existing Land Use Survey* identified the southwest area of the City as being particularly well suited for industrial and related activities.

The Comprehensive Plan Program's Goals and Objectives for Development include the following industrial objectives:

- Encourage well planned and adequately developed industrial areas which provide sites meeting functional needs of industry in an attractive industrial park-like setting; and,
- Develop area plans to guide and encourage solutions to problems created by obsolete platting which results in underdeveloped industrial usage or conflicts between adjacent industrial and residential properties.

To date, the Authority has conducted an Industrial/Business Park Study. Findings and recommendations of the study included design plans, cost analysis, development yield calculations and project phasing and finance plan. The City intends to adopt an Industrial/Business Zoning District (M-3) with development standards recommended by the plan and to rezone the study area. Additional activities currently being pursued include site acquisition and site preparation (including improving/bringing utilities onto the site). Later, the City will undertake a promotional campaign to recruit or retain existing industrial uses.

7. Gulley Road Bridge

The City intends to install a new bridge, across the Ecorse Creek, at Gulley Road. The cost for this structure is estimated to be \$350,000.

On-going

8. Tree Trimming

Landscaping presently exists within the parkways (the area within the right-of-way, between the curb and sidewalk) of the development area. The City intends to finance the pruning of these plant materials to encourage their growth and to avoid interference with overhead utility lines and utility poles.

9. Flood Prevention Program

The Ecorse Creek extends throughout the development area. To improve its water carrying capabilities, and in turn, reduce its flooding potential, the City intends to make improvements to the Creek, including bank stabilization, installation of a pond, and straightening of the Creek along various stretches of its course.

10. Environmental Clean-Up Program

The City intends to establish an account for the purpose of conducting environmental audits of sites, and for the remediation of contaminated sites, in an effort to improve land and prepare sites for building. This account is designed to address pre-existing conditions (which, at the time of this amendment, have not been identified) or for payment toward the clean-up of future hazardous deposits.

11. Beech Daly Road Bond Payment

The City has issued a bond in support of financing Beech Daly Road improvements from Michigan Avenue to Annapolis. Bond payments are scheduled to end in 2008. Improvements included: road, storm sewer, water mains, and sidewalks. Additional easements were acquired. Roadway improvements included a four-lane concrete road with concrete curb and gutter. The roadway surface is now 48 feet wide and is constructed of 9-inch thick reinforced concrete. Side street intersections have been repaved to 20 feet beyond the Beech Daly curb-line. The length of roadway paving from Annapolis to Beech Daly is approximately 7,600 feet. The roadway is centered on the Inkster, Dearborn Heights boundary line.

The existing combined sewer system was separated by construction of a new storm sewer system in the Beech Daly Road right-of-way. The storm sewer now is sized to accommodate lateral storm sewers, and drainage from Beech Daly Road itself. Water mains for both the cities of Inkster and Dearborn Heights were replaced and relocated. Due to narrow right of way widths, additional easements were acquired.

12. Road Paving Program

Several of the streets within the development have deteriorated, and must be replaced. The City intends to undertake a road repaving program for the following streets:

- Annapolis Road, from Inkster to Telegraph
- Gulley Road, from Van Born to Pennie; and
- Gulley Road, from Princeton to Michigan

13. Infrastructure Improvements

The City intends to improve and repair the local infrastructure within the development area on an on-going basis. Specific district-wide activities include:

- Pavement joint and crack sealing;
- Storm sewer cleaning and improvements;
- Storm sewer manhole and catch basin repair/reconstruction;
- Street repairs;
- Water main replacement;
- Sanitary sewer cleaning and rehabilitation;
- Sanitary sewer improvements, including relining for the Downriver and Rouge Valley improvement programs; and,
- Right-of-way maintenance and repair including landscaping.

14. School District Improvements

There are two school districts that occupy portions of the development area. They are the Westwood School District and the Taylor School District (see Map 1). The City intends to support improvements to their facilities or properties located within the development area. Desired projects will be included in each school district's Capital Improvement Plan and will be submitted annually to the TIFA Board for inclusion in the TIFA annual budget.

15. Commercial Loan Rehabilitation Program

The City desires to provide a financial incentive to existing nonresidential properties within the development area to improve or expand their facilities, (specifically facades, parking lot layout and site landscaping) through a low-interest loan program. These loans would be available to office, commercial, and industrial sites throughout the development area. Demolition of structures would also be an eligible expense. In order to qualify for low interest loans, applicants will have to document that the proposed improvements are in compliance with façade design and other improvement guidelines which will be developed and adopted by the City prior to the loan program implementation.

16. Crime Prevention Bureau

Urban crime is commonly recognized as an obstacle to attracting private investment into a target area. Individual merchants, industrialists, and homeowners can reduce the incidence of crime in their area through installation of various security devices on site, by cooperative measures such as a neighborhood watch program and similar efforts. It is critical that these activities be coordinated to achieve the maximum benefit. The City intends to reinstitute a Crime Prevention Bureau that dedicates a single police officer to the development area and the City's low and moderate income areas which are eligible for Community Development Block Grant funding. (There is significant overlap between the areas.) The officer will conduct community outreach and education programs, as well as conduct patrols. The position requires \$40,000 per year. TIFA revenues will fund one-half of this amount (\$20,000 per year) for work performed in the development area.

17. Property Acquisition and Demolition

The City intends to establish this line item for the purchase and/or demolition of properties within the TIFA District for the development of the Police and Court public facilities. This acquisition is expected to be funded through bond financing. The City prefers to purchase such properties at prices arrived at through voluntary negotiation with property owners. If a mutually agreeable purchase price can not be reached, then, if the projects for which the property is needed meet the eligibility requirements for public condemnation and acquisition, that option will be pursued pursuant MCL 125.1810. A sum of \$5,467,442 is budgeted to cover the cost of property acquisition, legal, site preparation, bonding costs and associated costs. Associated costs will include, but not be limited to, legal expenses, expenses incident to the transfer of title and professional architectural design fees.

18. Property Acquisition

This project line item is intended for the purchase of property within the TIFA District that will be used to advance economic (re)development. This property acquisition project line item is distinct from the property acquisition required for the development of the Police and Court public facility. This project line item will not be funded through bond financing.

19. Public Institution Facilities Construction and Improvements

The City plans to invest in the purchase, renovation and/or new construction of public institution buildings. Candidate buildings include, but are not limited to, police stations, fire stations, court buildings, or other public facility buildings. In particular, this program will include the construction of a new police headquarters and court building for the 20th District Court to be located within the District. Longer term, TIFA may seek to renovate buildings for use by other public agencies. While it is recognized that such public institutions will be used by the public city-wide, it is expected that the major investment of a public institution building will be an economic anchor that will beautify the area and make future private investment more feasible. To be considered public institution buildings, such buildings must be designed and dedicated to use by the public generally or used by a public agency.

For the construction and equipping of the police and court buildings, TIFA is budgeting \$18,000,000. The TIFA will issue bonds to finance the cost of the police and court buildings and repay such bonds with tax increment revenue, lease payments and any other revenue and/or funding mechanism that may become available during the life of the bond repayment. These funding mechanisms may include but not be limited to, City-wide millage, state and federal grants and private grants and investment. It is estimated that building construction and equipping will cost \$18,000,000 and that, with bonding cost, the total budget for the project is estimated at \$35,766,684.

20. Ordinance Officer

The City intends to utilize TIFA funds to assist in the funding of a full-time ordinance officer. This officer will be assigned to code enforcement activities in TIFA for half the duty time. Full cost is estimated at \$40,000 annually, the TIFA portion will be \$20,000.

21. Administration and Contingencies

This line item is intended to cover the cost of project estimating overruns and administration costs including staff and consulting fees.

Section 16(2)(e)

The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

The location, extent, and character of the improvements are identified in Section 16(2)(d) above. It is estimated that the projects can be completed by the Year 2034. The cost for each project, as said costs are presently estimated, and their priority, are as follows:

**Table 1
City of Dearborn Heights
Tax Increment Finance Authority
Project List**

Project Priority	Project Description	Location	Estimated Cost
Short-Term	1. Library Modernization	John Kennedy Library	\$200,000
	2. Decorative Lighting	District-wide	200,000
	3. Parks and Recreation Improvements	District-wide	500,000
	4. Library/DPW Site Improvements	City DPW Yard at Van Born Road	600,000
	5. Fire Station Improvements	Fire Station No. 1	500,000
Subtotal			\$2,000,000
Long-Term	6. Industrial Park Improvements	Area of Inkster and Van Born Roads	7,500,000
	7. Gulley Road Bridge	Gulley Road at Ecorse Creek	350,000
Subtotal			\$7,850,000
On-going	8. Tree Trimming	District-wide	350,000
	9. Flood Prevention Program	District-wide	5,000,000
	10. Environmental Clean-up	District-wide	1,100,000
	11. Beech Daly Road Bond Payment	Beech Daly Road, Annapolis to Michigan Avenue	5,753,712
	12. Road Paving	Annapolis and Gulley Roads	5,000,000
	13. Infrastructure Improvements	District-wide	
	(a) Pavement Joint and Crack Sealing	District-wide	500,000
	(b) Storm Sewer Cleaning/Improvements	District-wide	500,000
	(c) Storm Sewer Manhole and Catch Basin Repair/Reconstruction	District-wide	1,000,000
	(d) Street Repairs	District-wide	4,500,000
(e) Water Main Replacement	McDonald, Eton, Pennie	6,500,000	

Project Priority	Project Description	Location	Estimated Cost
	Program	and Powers Roads (John Daly to Beech Daly)	
	(f) Sanitary Sewer Rehabilitation/ Cleaning		3,500,000
	(g) Sanitary Sewer Improvements, Including Relining	Rouge Valley Sewer and Downriver sewer	10,000,000
	(h) Right-of-Way Maintenance and Repair	District-wide	2,500,000
	14. School District Improvements	District-wide	3,500,000
	15. Commercial Loan Rehabilitation Program	District-wide	750,000
	16. Crime Prevention Bureau	District-wide	500,000
	17. Property Acquisition/Demolition Bond	Michigan/Beech Daly	5,467,442
	18. Property Acquisition/Demolition	District-wide	3,000,000
	19. Public Institution Facilities and Buildings Construction and Improvements (Police/Court)	Michigan and Beech Daly	35,766,684
	20. Ordinance Officer	District-wide	\$740,000
	21. Administration and Contingency	District-wide	2,249,360
Subtotal			\$ 98,177,199
Total			\$ 108,027,199

Section 16(2)(f)

A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

The statement of the stages of planned construction is identified in Section 16(2)(e), above. On-going projects represent activities anticipated to continue through the year 2034. Short-term projects are those activities expected to be completed by the year 2005. Only two long term projects are identified (Industrial Park Improvements and Gulley Road Bridge). While industrial park planning activities may occur in the short term, it is expected that implementation will not be initiated until after 2000.

Section 16(2)(g)

A description of any parts of the development area to be left as open space and the use contemplated for the space.

The City's future land use plan for the development area is shown on Map 4. A total of 198 acres or 28 percent of the total development area is planned for open space. This is composed of the road rights-of-ways, land occupied by the Ecorse Creek, and Daly Park.

Section 16(2)(h)

A description of any portions of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

After its construction, the Authority plans to lease the police headquarters and Court buildings to the City for an annual fee of approximately \$240,000. This rental fee will be applied to the payment of bonds issued by the TIFA to finance the costs to construct and equip the facility. The City will pay such rental fees from revenues generated by the District Court which will be authorized to be used for court facilities. These revenues are generated through the imposition of court fines and are estimated to be \$240,000 per year. Depending upon the availability of local funding the actual annual rental payment may be greater in a given year than the estimated level of \$240,000. Rental payments in excess of the budgeted \$240,000 will be applied to subsequent bond payments or to principal. In years in which the court fees are less than \$240,000, the City will make up the difference by an allocation from general funds.

Section 16(2)(i)

A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

The existing Zoning Districts for the development area are shown on Map 6. It is anticipated that over time, the zoning patterns will be changed to those shown in Map 7, but in order to achieve the results in the proposed projects in this Development Plan, no zoning changes are required.

Section 16(2)(j)

An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

The total cost for undertaking the projects identified under Section 16(2)(e) is \$108,027,199.

The activities of the Authority and the development of public improvements shall be financed from one or more of the following sources.

- a. Contributions to the authority for the performance of its functions.
- b. Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.
- c. Tax increments received pursuant to a tax increment financing plan.
- d. Proceeds of tax increment bonds.
- e. Proceeds of revenue bonds.
- f. Money obtained from any other sources approved by the governing body of the municipality.
- g. Grants from federal, state or private sources.
- h. Bequests.

The ability of the Authority to arrange the financing is considered to be established on the basis of tax increment revenues currently available to the Authority.

Section 16(2)(k)

Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.

The City of Dearborn Heights Police Department
The 20th District Court

Section 16(2)(l)

The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons.

Not applicable.

Section 16(2)(m)

Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

According to the 1990 U.S. Census data, there are 8,341 persons residing in the development area, or 13.7 percent of the entire City 1990 population (60,838 people). No occupied residence is targeted for acquisition or clearance by the Authority. No forced relocation of families is anticipated as a result of the development projects.

Section 16(2)(n)

A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

Not applicable.

Section 16(2)(o)

Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, 42 USC 4601 to 4655.

No residential displacement of persons or households is anticipated to occur as a result of this plan. However, the Authority recognizes that condemnation of private commercial property for the public welfare may occur and that as a result, it is possible that displacement of businesses may occur. Any such displacement that occurs will be carried out in accordance with the federal uniform relocation assistance and real property acquisition policies act of 1970, 42 USC 4601 to 4655.

In anticipation of costs associated with the relocation of businesses from properties acquired through condemnation, the Authority plans to issue tax increment finance bonds to finance property acquisition costs which may include, but not be limited to, the purchase price of property, relocation of residents and businesses (owner occupied or rental), legal expenses and expenses incident to the transfer of title. It is estimated that a total sum of \$5,467,442 will be needed for these and other related expenses.

Section 16(2)(p)

A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

While it is not anticipated in this plan to have application, if condemnation is required it will occur only on commercial properties. No relocation or displacement of residential property will occur. The TIFA will comply, if necessary with Michigan Public Act No. 227.

Section 16(2)(q)

Other material which the authority, local public agency, or governing body considers pertinent.

Wherever the provisions of the Development Plan and Finance Plan are inconsistent with any provisions of the prior adopted plans (1986, 1993, 1995), the provisions of these Development Plan amendments shall be controlling. All provisions of the prior plan consistent with the provisions of these Development Plan amendments shall be and remain in full force and effect.

8

Section 13(1)(a)

A statement of the reasons that the plan will result in the development of captured assessed value that could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the Plan would be achieved by some means.

The City of Dearborn Heights City Planning Commission adopted a Land Use Plan for the City in 1983. The Land Use Plan narrative indicated the benefits of the Plan. It states:

Traditionally, a Land Use Plan for those communities in the process of growth is necessary since it can influence and direct the future scale of that growth. However, a current up-to-date plan is also necessary for the older, more established communities like the City of Dearborn Heights. By utilizing the Plan as a guide, positive stabilizing elements of a community, such as well-maintained residential neighborhoods, can be preserved and enhanced. The Plan can be a key defense in zoning litigation against a municipality. A sound urban development plan can also aid in creating an atmosphere for the optimum use of scattered vacant lots and parcels, the redevelopment and upgrading of substandard, deteriorating areas and gradual elimination or discontinuance of nonconforming uses, and the ultimate creation of a united planned community.

The Land Use Plan report concludes, by stating, in part:

The City should be aware that blight should be stopped before it starts. It is here that the Land Use Plan must serve as a positive land use statement for development in the City. Existing uses should be closely watched for signs of deterioration and proposed new uses must be closely scrutinized for possible negative impact on adjacent development.

The City embraced these concepts and identified areas considered as having potential land use development and redevelopment opportunities. The *Existing Land Use Survey and Analysis* report completed as part of the City's last comprehensive planning program identified the southwest area of the City as particularly well suited for industrial and related activities. Its proximity to I-94 and the Detroit Metropolitan-Wayne County Airport coupled with the availability of vacant acreage in marketable parcels were cited as the primary reasons. The TIFA District boundaries were selected to enable the Authority to promote commercial and industrial development in this geographic area of the community.

The TIFA District boundaries were selected for a second reason. This area has trailed other areas of the City with regard to appreciation of property values. In fact, at the time the TIFA District was first created, in 1986, the actual SEV of a significant number of properties in the area had declined in previous years. A decline in the average sales prices of homes in a majority of the southern area of Dearborn Heights, including the targeted area, has occurred over time. Thus, the subject area qualified for the use of tax increment financing under the terms of PA 450 of 1980 under the guidelines established by the state Attorney General Opinion No. 6335 issued in January, 1986.

Coupled with this decline in SEV and market values is also the need to repair and replace certain elements of the utility and road system within the area. These infrastructure improvements are costly, and at the same time are needed to deliver the necessary services to existing and future users. The upgrading of these facilities is expected to attract new businesses and development which will spur an increase in overall value of the area.

8

Section 13(2)(b)

An estimate of the captured assessed value for each year of the plan.

Data in Table 2 reveal the TIFA District had an initial value of \$69,945,630 when it was originally established. The captured value through the Year 2034 is presented in Table 3. Growth is based upon a conservative annual property value gain estimate of 1.25 percent, slightly below that which occurred since 1993. The TIFA shall capture all the assessed value (be it greater than or less than the estimates shown in Table 3) in each year of the plan and utilize the captured value in accordance with this plan.

Section 13(2)(c)

The estimated tax increment revenues for each year of the plan.

Tax increment revenues means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon captured assessed value of real and personal property. Data in Table 4 reveal the taxable value of homestead (i.e., residential) and nonhomestead (i.e. business) properties within the TIFA District. Data in Table 5 reveal the applicable millage rates available for application, by school district. Data in Tables 6 and 7 show the estimated potential available tax increment revenues resulting from homestead and nonhomestead properties, by school district. Data in Table 8 summarize the total tax increment revenues projected to be available each year. Note that for Tables 6-8, no school taxes will be captured after 2008; which is the year that the payments on the existing Beech Daly Road improvements bond are scheduled to be complete.

Section 13(2)(d)

A detailed explanation of the tax increment procedure.

Tax Increment Financing is a method of funding public investments in an area slated for (re) development by capturing, for a time, all or a portion of the increased tax revenue that may result if the (re)development stimulates private investment. The concept of tax increment financing is applied only to the development area for which a development plan has been prepared by the Tax Increment Finance Authority and adopted by the community's legislative body.

"Captured assessed value" means the amount in any one year by which the current assessed value of the district, including the assessed value of property for which specific local taxes are paid in lieu of property taxes, exceeds the initial assessed value. "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the district area at the time the resolution establishing the Tax Increment Financing Plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. (Property exempt from taxation at the time of the determination of the initial assessed value is included as zero.) Tax dollars accruing from any incremental increase in the SEV above the initial assessed value (base year total) may then be "captured" and used by the TIFA.

There are certain limitations to calculating the amount of tax increment revenues. As stipulated in Section 1 of PA 450:

- (aa) *"Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:*
 - (i) *Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax, Act No. 331 of the Public Acts of 1993, being sections 211.901 and 211.906 of the Michigan Compiled Laws, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this act.*
 - (ii) *Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, Act No. 331 of the Public Acts of 1993, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (i), to repay eligible advances, eligible obligations, and other protected obligations.*
 - (iii) *Tax increment revenues do not include any of the following:*
 - (A) *Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.*

- (B) *Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.*

- (iv) *The amount of tax increment revenues authorized to be included under subparagraph (ii), and required to be transmitted to the authority under section 14(l), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, Act No. 331 of the Public Acts of 1993, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):*
 - (A) *The percentage which the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bear to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.*
 - (B) *The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (ii).*

The Michigan State Tax Commission has provided instructions to communities on what can be captured. Their December 1994 instructions are presented below.

Section 13(2)(e)

The maximum amount of bonded indebtedness to be incurred.

It has been estimated that the property acquisition, demolition and other costs associated with property acquisition and site preparation for the Police and Court building will be \$3,500,000. This will be funded with a \$3,500,000 bond. The City of Dearborn Heights TIFA will pay the principal and interest on this bond which is estimated to total \$5,467,442. The estimated payment schedule is shown in Table 10A.

The construction and equipping of the Police and Court facility is estimated at \$18,000,000. TIFA will pay the principal and interest on an \$18,000,000 bond for the construction and equipment of a police station and the 20th District Court building. The total principal and interest requirements for this bond is estimated to be \$35,766,684. The estimated payment schedule is shown in Table 10B.

Tables 9A and 9B are the estimated bond schedules reprinted from the 1995 TIFA Amendment and referring to the Beech Daly Road Improvement Project. That bond is an existing, eligible obligation as defined in Section 1 (m) of PA 450: "an obligation issued or incurred by an authority or by a municipality on behalf of an authority before August 19, 1993 and its subsequent refunding by a qualified refunding obligation. Eligible obligation includes an authority's written agreement entered into before August 19, 1993 to pay an obligation issued after August 18, 1993 and before December 31, 1996 by another entity on behalf of the authority. " The payment of this eligible obligation is actually not made by the TIFA, but "passed through" to the state; it is included here for historical and information purposes. It is scheduled to be liquidated in 2008.

Section 13(2)(f)

The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.

The anticipated amount of operating and planning expenditures (shown as administration) of the Authority is presented by year in Table 13. No prior advances have been extended by, or have been incurred by the municipality. No advances must be repaid to others from tax increment revenues.

Section 13(2)(g)

The costs of the plan anticipated to be paid from tax increment revenues as received.

Refer to Table 13 Schedule of Revenue Expenditures.

8

Section 13(2)(h)

The duration of the development plan and the tax increment plan.

This plan shall endure for a period equal to the lesser of: (a) the completion of all projects contemplated therein; (b) until all incurred indebtedness has been paid; or (c) the Year 2034. This Tax Increment Finance Plan shall not be abolished until the principal and interest on all bonded debt has been paid or funds sufficient to make such payment in full have been segregated.

Section 13(2)(i)

An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the development area is located.

Refer to Tables 14 - 18, Estimated Revenue Reallocation by Taxing Jurisdiction.

8