

DOWNTOWN DEVELOPMENT AND TAX INCREMENT FINANCING PLANS

City of Eastpointe
Downtown Development Authority

Development Plan & TIF Plan ADOPTED BY CITY COUNCIL:

Date:

Development Plan & TIF Plan ADOPTED BY THE DDA BOARD
OF DIRECTORS

Date: October 9, 2007



ORDINANCE NUMBER _____

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF EASTPOINTE

The City of Eastpointe having created, according to the law the statutes provided, a Downtown Development Authority (DDA) pursuant to Ordinance No. 682 on May 22, 1986, and said DDA having complied with the requirements of said Ordinance, the City of Eastpointe hereby adopts an updated Development Plan and Tax Increment Finance Plan for the Downtown Development Authority for the City of Eastpointe, Michigan, dated _____, which is hereby incorporated by reference in its entirety.

CERTIFICATION

We, David Austin, Mayor, and Linda Weishaupt, Deputy City Clerk for the City of Eastpointe, Macomb County, Michigan, do hereby certify that the foregoing Ordinance No. ____ was approved by the City Council of Eastpointe after a second reading thereof, at a regular meeting of said Council held on _____.

David Austin, Mayor

Linda Weishaupt, Deputy City Clerk

ACKNOWLEDGEMENTS

Eastpointe City Council

Honorable David Austin, Mayor

Veronica Klinefelt, Mayor Pro-Tempore

Suzanne Pixley, Councilor

Ron Selvidge, Councilor

Bill Sweeney, Councilor

Eastpointe Downtown Development Authority

Perry Engardio, CPA

Carl Gerds, Attorney

Micki McFarlane, Resident

William Nill, President of First State Bank

Darwin Parks, City Manager

Joe Sternad, Postmaster

Ellen Wallaert, Attorney

Eastpointe City Manager

Darwin Parks

Eastpointe DDA Director

Steve Horstman

DDA Consultants

Scott Clien, Giffels – Webster Engineers Inc.

Cynthia Eggleton, CERB Associates

Deborah Schutt, Schutt & Company

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PURPOSE OF THE DEVELOPMENT AND TAX INCREMENT FINANCING PLANS

The Eastpointe Downtown Development Authority (DDA) was officially established May 22, 1986 by the Eastpointe (then East Detroit) City Council in accordance with the guidelines of Act 197 of the Public Acts of 1975, as amended.

The primary purpose for establishing the Authority was to create a body which would effectively administer an established Downtown Development District with the intent of promoting orderly economic growth and development in the City's principal commercial area.

The intent and purpose of this endeavor is to also prevent the continued physical deterioration and resulting loss in property values of existing land use within and adjacent to the Downtown District due to an aging building stock and loss of business establishments.

The Authority consists of eight members, and includes representatives of City government, downtown businessmen and residents of the City. There are few residents within the district and the establishment of a Development Area Citizens Council is not warranted at this time, however if the implementation of plans are successful in becoming reality the need for one will exist in the future.

The DDA and City adopted the first Development Plan and Tax Increment Finance Plan in December, 1987. An update to the plan was created in February, 1989 and August 1991. These plans which were strictly focused on physical streetscape improvements have since been realized. However, the DDA and city have concluded that physical streetscape improvements alone do not achieve the purpose of the Authority and revitalization. In 2006, the DDA undertook an effort to develop a *Vision and Process* for expanding their scope of projects and programs. The DDA has chosen to follow the proven four-step revitalization approach of the National Trust for Historic Preservation Main Street program: Organization, Design, Promotion and Economic Restructuring. This Development Plan and Tax Increment Finance Plan have been created to reflect this new approach.

The Development Plan and the Tax Increment Financing Plan are two separate plans as required by Act 197. They are presented here as one document. These plans recognize that the specifics of projects and their costs and schedules will not realistically be determined until concept plans are advanced to final design and engineering is determined. Therefore as each plan is advanced and is adopted by the DDA and City Council, it becomes part of these plans.

THE DEVELOPMENT PLAN

THE DEVELOPMENT PLAN

Vision Statement

Downtown Eastpointe is a fun, colorful, vibrant, pedestrian friendly destination with versatile specialty stores in mixed use developments with entertainment, events, outdoor cafes and residences which support a variety of life styles and cultures - open and inviting 24/7 - with year-round activity.

Supporting Statements

- Eastpointe downtown is obvious to the visitor and those passing through with distinct and well defined entry points and a design and character that stands out from other locations along Gratiot.
- Eastpointe downtown is blooming with color as reflected in planting beds and hanging planters.
- Eastpointe downtown is pedestrian friendly with
 - decorative crosswalks and bulbouts at 9 Mile & Gratiot, Cousins, and St. Peters
 - Traffic lights that are timed to allow adequate crossing times for pedestrians with count down signals
 - The improvements for pedestrians at the Northwest corner (of Gratiot and 9 Mile) have been complete
 - Signage is oriented to pedestrians
 - Design of private and public improvements respect and cater to pedestrians
 - On-going educational and awareness efforts support pedestrian activity
 - On-going promotional efforts encourage and support pedestrian activity



- Eastpointe downtown accommodates and supports all non-motorized transportation through maneuverable curbs, bike lanes and lockers/racks and other elements.
- Traffic through the downtown is calmed with slow speeds and safe conditions.
- The High School morning start and afternoon dismissal is orderly and safe for students with good traffic flow.
- Activities are provided to creatively channel student activity and prevent “hang-out” of students and younger crowds.
- The Post Office in the downtown attracts many visitors and the mail boxes are easy to access by those wanting to use them.
- Eastpointe downtown has adequate and easy to find parking with clearly striped on-street parking spaces and well signed lots behind storefronts.
- Eastpointe downtown has storefronts built to zero lot line. They are well lit and attractive with complimentary and compatible architecture, using quality building materials and have well proportioned storefronts with adequate window glazing.
- Eastpointe downtown has destinations that are easy to find with a well implemented Wayfinding system.
- Eastpointe has mixed use multi-story buildings with a higher urban massing at the 9 Mile and Gratiot intersection that is reduced in density and intensity both toward the south and north along Gratiot away from the urban core at the intersection.
- Eastpointe downtown has housing in mixed-use buildings with condominiums, lofts and apartments on the 2nd floor and above. Ground floor uses have many destination businesses including trendy boutiques, variety of retail, jazz/blues club, wine shop, Wild Wings and numerous art and cultural attractions.
- The Eastpointe downtown sponsors and hosts many annual events including:
 - World Festival
 - Art & Ice Festival
 - Cruisin’ Gratiot
 - Music in the Park
 - Wheelin’ Women
 - Retail Events
 - Regular Smaller Events

- Eastpointe – its chamber, residents and city government values the downtown business community. Programs are available to assist downtown businesses achieve success and meet their challenges.

DEVELOPMENT PLAN

This plan is created to implement projects that are designed to meet certain goals established for the Downtown Development area of the City of Eastpointe. The goals are described as follows:

I. GOALS AND OBJECTIVES FOR THE CITY OF EASTPOINTE DOWNTOWN DEVELOPMENT DISTRICT

ECONOMIC

- Improve the Downtown Area through effective planning and implementation of public improvement projects.
- Improve the downtown area through offering incentive programs to business and property owners
- Promote and coordinate activities aimed at improving the business retail climate within the District.
- Retain existing businesses and attract new businesses that provide goods and services to the primary retail trade area consistent with the vision.
- Improve the economic vitality of the Downtown Area by providing a balanced mix of commercial uses consistent with market demands.
- Assist the private sector in the development of under-utilized land parcels in a manner that achieves the most appropriate use.
- Foster development, redevelopment and expansion within the Downtown District, thus creating new employment and business opportunities.
- Encourage use and development in the downtown district consistent with the development plan and other plans and studies developed by the DDA.

AESTHETIC

- Establish a defined, attractive, and distinctive character for the Downtown Area.
- Support a compatibility and continuity of design between new and existing developments.
- Eliminate blighting influences within the area.
- Revitalize and restore the historic character of the downtown district.
- Strengthen the urban development style as depicted in the development plan and vision and other plans and studies developed by the DDA.

CIRCULATION

- Encourage pedestrian and non-motorized activity and provide for pedestrian and non-motorized facilities.
- Provide for safe, efficient, and convenient traffic movement, parking, and access for vehicles, goods and people in a manner that minimizes vehicular and pedestrian conflicts, yet supplies appropriate amenities.
- Provide new streets and alleyways to complement the development plan goals and objectives.

- Better define on-street parking.
- Encourage off street parking in attractive public lots and parking garages.
- Make accommodations and encourage public transportation.

FACILITIES AND SERVICES

- Develop the Downtown in a manner that complements and improves existing activities and functions.
- Support regulatory and enforcement measures to ensure a well-maintained and attractive district.
- Assist in providing the public improvements needed to attract new private investment.
- Promote both public and private re-investment in existing infrastructure and building.
- Maximize the investment in the current road network and public facilities through extended maintenance activities.

BUILDING/SITE IMPROVEMENTS

- Support high standards for future site improvements and new developments as a method to upgrade the quality of the Downtown Area and to ensure the long-term viability and existence of the business district.
- Eliminate current sources of blight, such as sign disrepair and sign clutter, poor property maintenance practices, and inappropriate land uses.
- Encourage a high standard of property maintenance on both private and public property.

LAND USE

- Conserve and revitalize existing private operations by eliminating incompatible uses of land or structures.
- Encourage the appropriate development of vacant parcels and redevelopment of other parcels as necessary to more efficiently utilize land.
- Consolidate smaller land parcels to encourage higher density development, redevelopment, or expansion.
- Provide transitional style housing to protect the single-family residential neighborhoods adjacent to the commercial area.
- Improve and expand the existing street network and the related vehicular and pedestrian access points.
- Include the DDA in the site plan review process for sites within the district.

DDA/ORGANIZATION

- Provide, in the DDA, an organization that unifies the owners and operators of businesses in the Downtown Area, thus fostering a spirit of cooperation.
- Utilize revitalization programs and processes which have demonstrated success.
- Use the DDA as coordinator between the City and the Business Community, to develop solutions of mutual concerns.
- Improve the overall quality of life within the City in innovative ways that are beneficial to all facets of the community.

- Employ volunteers and staff who are committed to the downtown to plan, implement and develop programs sustaining a viable downtown.

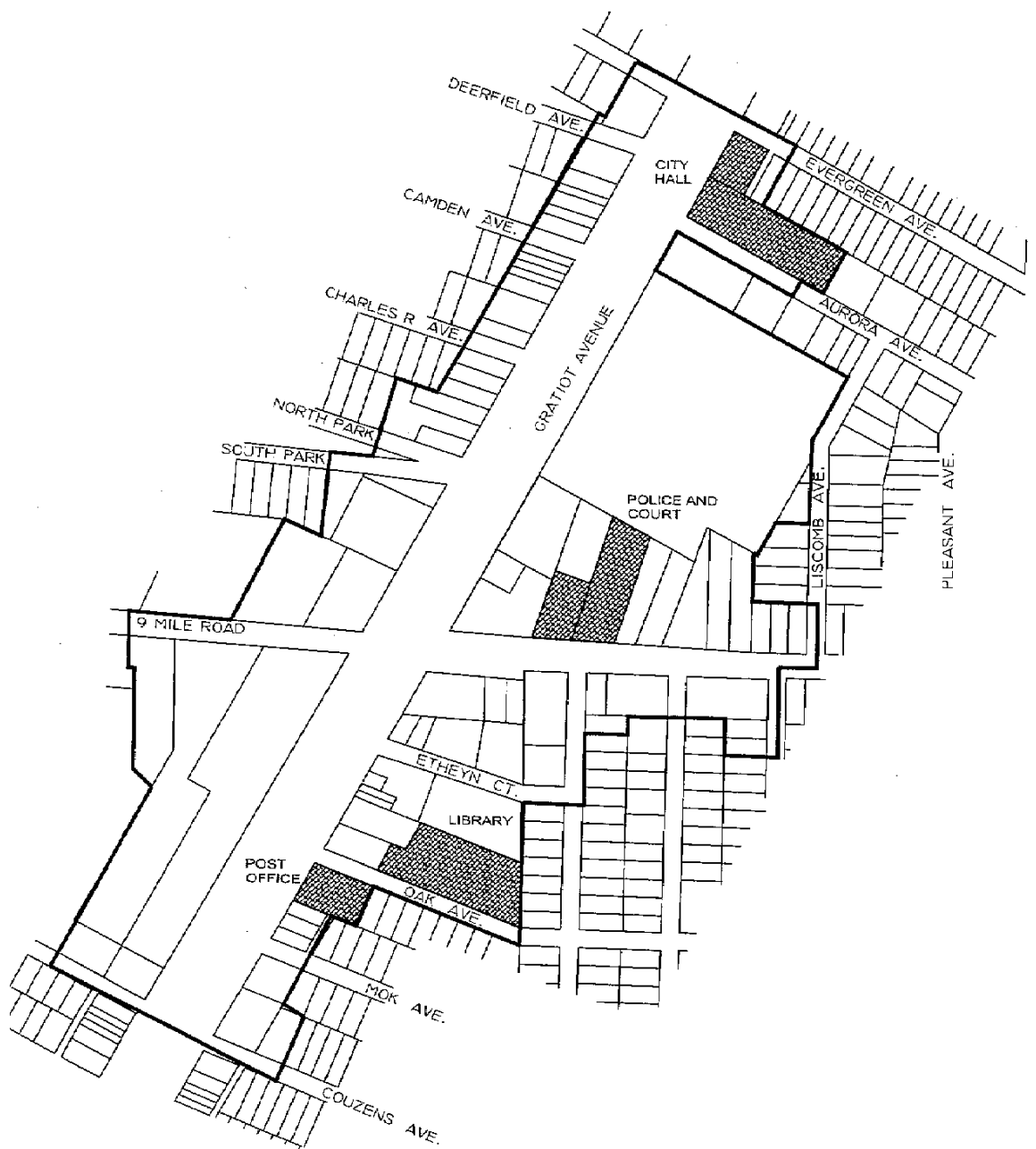
II. IMPLEMENTATION

The purpose of this document is to present a generalized plan of action for the DDA District. The finalization of individual projects and project schedules are not detailed within this document. Many projects will be presented through various plans at a later date, which will become addendums to this document. The goals established for the district can be met through the following program components:

- Preparation of an Urban Design Plan & associated studies (i.e. parking study based upon the Design Plan) for the development district specifying projects and activities related to the stated goals;
- The creation and implementation of programs and projects typical under the National Trust for Historic Preservation Main Street Program including but not limited to:
 - Program staffing
 - Joint marketing and advertising
 - Retail & other promotions
 - Annual & retail events
 - Recruitment & retention programs
 - Grant & loan programs
 - Design & merchandising assistance
 - Market research & analysis
 - Newsletters & websites
- Programming and Implementation of the projects and activities developed through the above mentioned Urban Design Plan such as, but not limited to:
 - Downtown Image Projects,
 - Promotional Activities,
 - Streetscape and Landscaping Improvements,
 - Building Design and Maintenance Standards,
 - Signage Theme,
 - Residential Linkages,
 - Road and Street Improvements/Modifications,
 - Parking Improvements,
 - Pedestrian & Non-motorized Improvements
 - Beautification Projects,
 - Building Demolitions,
 - Screening and Buffering,
 - Utility Upgrades,
 - Street Lighting Improvements,
 - New Building Construction,
 - Increased Private Re-Investment in Existing Structures.

A. Designation of boundaries of the development area.

The map below indicates the boundaries (dark line) of the DDA District and the Development Area. The Development Area includes all of the area designated within the DDA District. Appendix A includes the narrative legal description of the Authority District and the Development District.



B. Location and extent of existing public and private uses/proposed land use/description.

There are 42 parcels of land in the DDA north of Nine Mile Road and 25 parcels south of Nine Mile Road. The majority of the land is currently zoned B-2. Two parcels are zoned OS -1 (office). Four parcels are zoned B-3 and three parcels are zoned parking. However, how the land is zoned and how it is used can differ greatly. The following is a listing of the number of parcels by use followed by a further explanation.

Public/Civic Use = 9 parcels
 Residential = 2 parcels
 Commercial/Office = 37
 Industrial = 0
 Auto Related Commercial = 8
 Educational = 2 parcels - parking
 Parking = 7
 Vacant = 2

1. Public Facilities/Civic Use

Public facilities in the Development Area include a significant amount of street rights-of-way or easements, land used for public parking and the property occupied by the City offices, Post Office, Police Department, Courts, Public Library and the parking area of the High School.

2. Private Uses

(a) Residential: There are very few residential properties within the district. There is one home next to the church and cemetery on Gratiot and several residential structures on East Nine Mile. However some of the structures on East Nine Mile are in commercial use.

(b) Recreational/Quasi-Public Uses: The properties which fall into this category are the Children's Garden which is along the passage way from Gratiot to the parking area behind the buildings located between Etheyn Ct and Oak Street, the tip of Rein Park fronting Gratiot between North and South Park streets, 2 churches (one on the east side of Gratiot and one on the south side of East Nine Mile) and the Cemetery.

(c) Commercial and Office: Commercial and office uses are predominant throughout the district making up 37 of the existing parcels. The larger commercial uses include the East Brooke

Commons development (Petco, Starbucks, Kinko's, Salvador Scaloppini's) three banks, Rite Aide Drug Store, and Big Boy.

(d) Auto Related Commercial: There are a significant number of auto related commercial uses within the district. These uses include: BP Gas Station, Muffler shop, Transmission shop, Kim Auto, Auto Quest, American Wheel Cover, Quick Oil Change, and Eastpointe Auto. Uses of this sort are not typically located within a downtown area as they do not generate pedestrian traffic nor are they complementary use to retail.

(f) Industrial: There are no industrial uses within the district.

(g) Educational: There are no educational uses within the district, however there are two parcels which are part of the high school that are being used for parking and access.

(h) Parking: There are seven parcels that are solely being used for parking. The large parcel in front of East Brooke Commons, the Library Parking Lot, a parking lot located north of Flagstar Bank plus 2 parcels located next to the church on Nine Mile, the school parcels and parcel associated with city hall.

On-Street parking is currently allowed within the right-of-way on Gratiot. However, the street is not striped for parking.

(i) Vacant Land: There is only one vacant parcel within the district. It fronts Gratiot and is located north of North Park. There are however about a half dozen storefronts that are vacant within the district.

C. Existing improvements in the development area to be demolished, repaired, or altered and time required for completion.

The City Offices are scheduled for demolition and redevelopment on the same parcel in 2007/2008. The DDA has plans to assist in financing public space improvements associated with the City Offices. The DDA has a vision which includes median improvements, redevelopment of parcels on Gratiot frontage, pedestrian focused improvements and parking improvements. Detailed plans for these items are yet to be developed. As the DDA embarks on the development of these detailed plans schedules for each improvement will be included in the detailed plan documents.

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

The DDA has an adopted vision for the district which includes median improvements, redevelopment of parcels on Gratiot frontage, pedestrian focused improvements and parking improvements. Detailed plans for these items are yet to be developed. As the DDA embarks on the development of these detailed plans schedules for each improvement will be included in the detailed plan documents along with cost estimates.

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

The DDA has an adopted vision for the district which includes median improvements, redevelopment of parcels on Gratiot frontage, pedestrian focused improvements and parking improvements. Detailed plans for these items are yet to be developed. As the DDA embarks on the development of these detailed plans, schedules including stages of construction and completion time for each improvement will be included in the detailed plan documents.

F. Parts of the development area to be left as open space and contemplated use.

The DDA values the Children's Garden, Rein Park and the anticipated City Hall Plaza as open spaces in the downtown. Specific detailed plans for these facilities and others have yet to be developed. However as all improvements identified in the DDA vision are advanced into detailed plans, open space and the programming of those spaces will be described in the detailed plans.

G. Portions of the development area which the Authority desires to sell, donate, or lease to or from the municipality and the proposed terms.

There are no plans to sell, donate or lease property to or from the municipality, however if in the development of detailed plans such actions are deemed to be appropriate for the redevelopment process, the plans will identify the parcels to be considered and the terms.

H. Desired changes in zoning, streets, street levels, intersections and utilities.

There currently are no plans for changes of zoning, streets, street levels, intersection and utilities. However, it is recognized that the current zoning may not be adequately serving efforts for redevelopment and revitalization of the downtown. The 2007/2008 Work Program has identified tasks to evaluate the current zoning ordinance and master plan and to take the appropriate action based upon the recommendations of the analysis. It is assumed that the DDA will develop a Design Framework Plan for the district and work with the City to develop a new zoning ordinance for the district which supports the design framework plan. The Design Framework Plan will identify the properties which may need zoning changes along with streets, street levels, intersections and utilities which may need upgrading or redevelopment.

I. An estimate of the cost of the development, proposed method of financing and ability of the Authority to arrange the financing.

The implementation of construction related projects will be detailed annually in the Work Program and Budget of the DDA and the DDA 5 year Capital Improvement Program. The detailed costs of the various components of DDA approved projects will be developed as detailed plans and as engineering is developed.

The financing is addressed in the Tax Increment Financing plan.

Under P.A. 197 of 1975, as amended, the Authority is empowered to carry out a public improvement program utilizing the funding from the tax increment financing, a levy up to two (2) mills and such other funds that may be obtained from sources approved by the City Council.

J. Designation of person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold or conveyed in any manner and for whose benefit the project is being undertaken.

The Authority does not own any land at this time but does have physical assets such as the Children's Garden, Clock and Kiosks. It is not anticipated that the DDA will lease, own or otherwise control property in its name in the foreseeable future. Should the DDA come to own property in the future and, in turn, offer it for sale, lease or other manner of conveyance, an appropriate formal procedure will be developed and adopted at a regularly scheduled public meeting of the DDA.

K. Procedures for bidding for the leasing, purchasing or conveying in any manner of all or a portion of the development upon its completion.

The Authority owns no property at this time, and has no plans to directly lease, sell or otherwise directly convey any property or any portion of a development. Should the DDA purchase, receive a donation, acquire or otherwise come to own property in the development area, the adoption of appropriate procedures for the management and disposition of the property will occur at a regularly scheduled public meeting of the Authority. All DDA conveyance and disposition procedures shall be developed in compliance with Federal, State, and local regulations.

L. Estimates of the number of persons residing in the development area, the number of families and individuals to be displaced and related socio-economic information.

The DDA may use Tax Increment Financing funds or other funds to acquire properties within the Development District. Acquisition of a property and resulting relocation must be approved by a specific action of the appropriate

body. Until a specific action is formally authorized, there is no intent to acquire, either declared or implied by the adoption of these plans or any related conceptual plan.

Currently only a hand full of residents live within the DDA District, therefore a Citizen's Advisory Council to the DDA is not required by P.A. 197 of 1975, as amended. However, when envisioned and planned residential developments are implemented within the DDA District, the City will formally establish a Citizen's Advisory Council when the population within the District reaches 100.

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

Because of the possibility of acquisition activities, relocation of individuals or businesses is anticipated by the incorporation of a Relocation Plan. In the event of a relocation of persons or businesses occur, city officials and/or the DDA will institute a formal relocation program.

N. Provisions for costs of relocating displaced persons.

If acquisition of real property occurs during the life of this plan, the City and the DDA will implement the relocation plan. The relocation plan will require that certain relocation payments and other assistance be paid to families, individuals, businesses and non-profit organizations when they are displaced or their personal property is moved as a result of DDA activity.

The projected costs of the relocation of displaced persons will be calculated in studies which identify the need for public acquisition and relocation. However, until formal authorization for a particular acquisition is provided, no intent to acquire any specific property is either declared or implied.

Should acquisition of specific properties be authorized, the DDA and or the City will allocate within their budget appropriate relocation assistance in accordance with the Federal Uniform Act of 1970, State Law, and prepare an amended Development Plan as required under State law.

O. Plan for compliance with Act No. 227 of P.A. of 1972 of Michigan compiled laws.

If acquisition activities occur, those activities will comply in entirety with Act No. 227 of 1972. Any relocation plan proposed to be adopted will incorporate applicable portions of the Federal Uniform Relocation Assistance and Real Property Acquisition Act procedures as developed by the U.S. Department of Housing and Urban Development.

P. Other pertinent information

No other pertinent information to the development of the district is presented at this time.

THE TAX INCREMENT FINANCE PLAN

TAX INCREMENT FINANCING PLAN FOR CITY OF EASTPOINTE DOWNTOWN DEVELOPMENT AUTHORITY

I. EXPLANATION OF THE TAX INCREMENT PROCEDURE.

As provided in P.A. 197 of 1975, as amended, tax increment financing is an effective financing tool for the redevelopment of designated development areas within a Downtown Development Authority District. Tax increment financing is the process of expending new property tax dollars for improvements that generally benefit the source of the taxes. Tax dollars generated from new private property developments and from improvements and to existing private property within a designated development area are “captured” and utilized by the DDA to finance public improvements within the development area. This process supports and encourages continued private investment.

To utilize tax increment financing, the DDA must prepare a Development Plan and a Tax Increment Financing Plan. Both plans are submitted to the City Council. The Council must approve the plans. The plans specify the initial assessed value, estimate the captured assessed value, and provide for the expenditure of the funds. These plans may be amended to reflect changes desired by the DDA or the City. All amendments must follow the procedures of the Act.

“Captured assessed value” is defined in the Act, as the amount, in any one year, by which the current assessed value of the development area exceeds the initial assessed value. “Initial assessed value” is defined as the most recently assessed value, as finally equalized by the State board of equalization, of all the value, as finally equalized by the State board of equalization, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved. In the case of a change in the boundaries of a development area, the initial assessed value of those properties added is based upon the SEV in effect at the time of change. Unaffected properties maintain the same initial assessed valuation as originally determined. Properties deleted from a development area have the appropriate initial assessed valuation removed from the DDA base.

Beginning with the next tax collection following the approval of the plans and for each collection in years covered by the plans, municipal and county treasurers must transmit directly to the DDA, the applicable portion of the tax levy set by the taxing units on the real and personal property in the development area.

Such funds transmitted to a DDA are termed “tax increment revenues”. The tax increment revenue is computed as the levy on the captured assessed value, including that portion of any commercial facilities tax levied pursuant to P.A. 255 of 1978 and that portion on an industrial facilities tax levied pursuant to P.A. 198 of 1974 attributable to the captured assessed value.

Under this tax increment financing plan, the tax levy on the entire captured assessed valuation is to be collected by the DDA. The initial assessed value for this plan was the assessed value of all real and personal property in the development area as determined in FY 1987 which set the DDA SEV at \$3,473,077.

The district land area falls within one school district – the East Detroit School District. TIF has been collected on East Detroit School millage since 1988. This collection will discontinue in 2010 when the final bond obligation is collected to pay off in 2011.

The applicable tax levy for tax increment purposes in the DDA Development Area is on the total millage for the following:

	1987 Millage	SEV ¹	2007 Millage
City of Eastpointe			
General Operating			12.1754
Garbage and Refuse Collection			1.5580
Library			0.8865
Debt – Chapter 20 Drains			2,3331
Public Safety			6.9181
Total	17.65		23.8711
East Detroit School			
Operating			17.8921
Debt			3.4900
SET			6.0000
Total	42.23		27.3821
Macomb Intermediate School District			
Operating			0.2023
Special Education			2.7307
Total	2.23		2.9430
Macomb Community College			
Operating			1.4212
Debt			0.0000
Total	1.47		1.4212
Macomb County			
Summer			4.2000
Winter			0.8116
Total	4.48		5.0116

II. MAXIMUM AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED.

The DDA has bonded against future revenues to supply the funds required to accomplish larger public improvement projects. Consideration may be given to bonding of future projects upon completion of payment of the existing bond. The extent of the indebtedness and the timing of the debt retirement will be determined

¹ State Equalized Value (SEV) was used in 1987 to determine the base capture. Currently taxable value, not SEV is used for each new assessment year to determine the captured amount. To avoid reader confusion, the term SEV is used to compare 1987 and current year capture throughout this document.

by the extent of the tax increment revenues. The maximum indebtedness will not exceed the ability to service the debt from tax increments. Only 80% of projected DDA revenues are available as debt service funds as required by P.A. 197 of 1975.

III. DURATION OF THE DEVELOPMENT PROGRAM.

The duration of this tax increment financing plan is thirty (30) years, commencing upon approval by the City Council of this plan document. Tax collection will cease with tax collections due in December 2037, unless this plan is amended to extend or shorten its duration.

IV. STATEMENT OF THE ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON TAXING JURISDICTIONS IN WHICH THE DEVELOPMENT AREA IS LOCATED.

The most important impact of this plan on the effected taxing jurisdictions is that the SEV within the District will remain constant for the taxing jurisdictions over the life of this plan. No decrease in the aggregate SEV will occur from the 1988 SEV. Any increase in the SEV over the stated level will become the base upon which DDA revenues are computed.

The actual dollars collected by the taxing jurisdictions vary significantly from year to year. The funds will be based upon an annual levy approved by the governing body of each unit.

The estimates of taxes to be captured in this report are based upon the difference between the 1988 SEV base and the 2007/2008 SEV and the tax rates levied by the taxing units. The applicable millage rates are summarized on the proceeding page. The district SEV for 2007/2008 is \$4,866,930.00. Since the millage rate will vary each year according to the annual approved rates, these rates should be considered illustrative only and not considered firm rates.

TABLE 1

**CITY OF EASTPOINTE
DOWNTOWN DEVELOPMENT AUTHORITY
APPLICABLE TAX RATES
2007/2008**

<u>Jurisdiction</u>	<u>Tax Rate</u>	<u>DDA Capture</u>
City of Eastpointe	23.8711	\$114,443.19
East Detroit School District ²	27.3821	\$129,821.03
Macomb	5.0116	\$ 24,026.68
Intermediate School District	2.9430	\$ 13,139.51
Macomb Co. Comm. College	<u>1.4212</u>	<u>\$ 6,813.54</u>

² Collection of funds from this source will discontinue in 2010
City of Eastpointe DDA Tax Increment Finance Plan
Adopted by the DDA on October 9, 2007

The cost effectiveness of bonding is limited by the amount of debt service that would be available. A portion of the debt service can be capitalized over the first three years of an issue. Bonding consideration will not be advanced until the current bonds are paid off. Bonds could be issued with the proceeds used to fund major projects identified in the adopted vision and identified in the Urban Design Plan when it is completed.

Other financing arrangements are available to the DDA such as loans from other City Funds, or loans against assets or future revenues from financial institutions. In addition if funding is needed to purchase land there are conventional mortgages and land contract.

2. Expenditure of Tax Increment Revenues

The DDA projected DDA income for the next 10 years, not including committed bond payments is less than \$1.5 million dollars. Identified projects in the adopted Vision are well beyond this income amount. In order to prioritize needs, the DDA will annually prepare a Work Program and Budget to identifying priority expenditures for TIF revenues. In addition a Capital Improvement Program will also be prepared which will schedule and budget improvements for which funding are beyond any individual year's income. Should the tax increment revenues be less than projected, the DDA may choose to:

- 1) Collect and hold the captures revenues until a sufficient amount is available to implement specific public improvement
- 2) Consider implementing public improvement projects based upon the ability to match existing funds with expenditures while seeking out additional funding sources.
- 3) Amend the development plan and/or tax increment financing plan to allow for alternative projects and funding.

Budget and Project Schedule

Project Summary

A. Urban Design Plan Implementation

An Urban Design Plan is scheduled for commencement for the district in 2007/2008. This plan will detail project components for expenditure of funds collected by the DDA. It is anticipated that the components will include but are not limited to:

- Streetscape
- New Streets
- Parking Areas (including on-street parking, lots and garages)
- Street Furniture
- Street Decorations – Banners, Flowers, Etc.
- Lighting

- Administration
- Property Purchase
- Elements and programs within the Main Street Program

Projects will be funded by a number of different sources, including tax increment revenues, grants, private development, and various city sources. The budget required to implement the components of the Urban Design Plan will be approved by the DDA and the City on an annual basis upon the total available revenue for implementing projects.

Any funds collected by the DDA in excess of the annual funds needed for administration and planning activities of the DDA, will be placed into a capital improvement fund for the DDA District. The available funds will be budgeted annually for the direct payment of public improvements within the development area, for debt service on any financing arrangement, or will be allowed to accumulate until sufficient revenues are available for implementation of a program component.

B. Design Plan Implementation

The Urban Design Plan for the Development Area will include a final chapter which will outline an implementation strategy with specific tasks. When the Urban Design Plan is completed, it will be adopted by the DDA and City Council and by reference is part of this Development Plan and Tax Increment Financing Plan and is considered to be an integral part of the tax increment procedure.

The budget required implementing the components of the vision and design plan will be based upon the available revenues as projected in the tax increment financing plan, the capital improvement, and the annual Work Program and Budget.

Any funds in excess of the annual funds needed for administration, planning and program activities of the DDA will be placed into a capital improvement fund for the DDA District. The available funds will be budgeted annually for public improvements within the development area as scheduled within the design plan to be developed or, as an alternative, for debt service on long term financing.

C. Administrative Costs

The DDA will be responsible for administrative costs of their operation. All costs of the organization of the DDA and annual administrative costs will be carried forward on the books of account of the DDA.

D. Capital Improvement Fund

A Capital Improvement Fund will be established for the DDA. This fund will be to record all revenues and expenditures related to the DDA for capital

improvements. Any funds advanced to the DDA for Capital Improvement purposes will be deposited within this fund. The advancing funds shall, by joint resolution of the DDA and the source (for example City Council), be advanced only upon a contractual obligation to repay the funds by the DDA. The purposes of this fund will be:

- Receiving revenues.
- Holding invested tax increment funds.
- Accumulating a fund balance for bonding purposes.
- Transferring funds for administrative purposes.
- Transferring funds for debt service.
- Payment of current capital expenditures.

EXPENDITURE OF TAX INCREMENT CAPTURE

In each year, Tax Increment Captures will be placed into the DDA Capital Improvement Fund and used to pay capital expenditures or debt service on bonds or another long term financing arrangement. The budgeted expenditures of the Capital Improvement Fund will be based upon the Urban Design Plan that will be completed in 2007/2008 along with cost estimates which are obtained as elements within the plan are advanced in design and engineering. Annual administrative and program costs will be budgeted based upon available funds.

The City may initiate public improvement projects with the input and cooperation of the DDA. Projects supported financially by the City may or may not be included within the budget of the DDA. Only projects initiated under contractual obligations with the DDA to repay funds shall be included within the DDA budget.

APPENDIX A – Downtown Development District and Downtown Development Area

The legal description of both the Downtown Development District and the Downtown Development Area of the City of Eastpointe is identical. The boundaries are shown on the following map. The text description follows:

Downtown District and Development Area Description

Beginning at a point at the northeasterly corner of Lot 6 of Przybylski's Midway Subdivision (Gratiot Ave. & Couzens intersection) thence northwesterly along the northerly lot line of said lot across the alley and along the northerly lot line of Lots 11, 12, & 13 of said subdivision to the northwest corner of said Lot 13; thence in a northeasterly direction across Couzens Ave. to the southwesterly corner of Lot 216 of Assessors Plat ("A.P.") No. 13; thence in a northeasterly direction along the westerly lot lines of Lot 216, 214, 213 and a portion of Lot 209 of A.P. No. 14 to the point of intersection with the south corner of Lot 218 of A. P. No. 14; thence in a northerly direction along the westerly lot line of said Lot 218 (as amended to include a portion of Lot 219 of A. P. No. 14) to its northwesterly corner; thence in a northerly direction across the Nine Mile Road right-of-way to the southwest corner of Lot 201 of A.P. No. 14; thence easterly along the southern lot lines of Lots 201, 202 & 203 of A.P. No. 14 to the southeast corner of Lot 203; thence in a northeasterly direction along the eastern lot line of said Lot 203 to its northeast corner; thence in a southeasterly direction along a portion of the north lot line of Lot 204 of A.P. No. 14 to the southwesterly corner of Lot 68 of Rein's Subdivision; thence in a northerly direction along the west line of said Lot 68 to its northwest corner; thence in a northeasterly direction across South Park Street, Rein Park and North Park Street to a point on the southerly lot line of Lot 10 which is eight (8) feet west of the southwest corner of Lot 9 of Rein's Subdivision; thence northerly on a line eight (8) feet west and parallel to the westerly line of said Lot 9 to the northerly lot line of Lot 10; thence easterly along the south property line of Lots 360, 361 and 362 of Rein's Subdivision No. 1 to the southeasterly corner of Lot 362; thence northeasterly along the east lot line of said Lot 362 to its northeast corner; thence northeasterly across Charles R. Street to the southwesterly corner of Lot 72 of Rein's Subdivision No.1; thence northeasterly along the westerly lot lines of Lots 72, 73, 74, 75, 76, 77, across Camden Street and continuing northeasterly along the western lot lines of Lots 78, 79, 80, 81, 82 & 83 to the northwest corner of Lot 83, all lots in Rein's Subdivision No 1; thence in a northeasterly direction across Deerfield Street to the southwest corner of Lot 84 of Rein's Subdivision No. 1; thence northeasterly along the westerly lot line of said Lot 84 to its northwest corner; thence southeasterly along the northerly lot line of said Lot 84 a distance of thirty (30) feet; thence northeasterly on a line thirty (30) feet east and parallel to the westerly lot line of Lots 1 and 2 of Evergreen Park Subdivision; thence in a northerly direction, across Evergreen Avenue, to the southwesterly corner or Lot 49 of Evergreen Park Subdivision; thence southeasterly to the southeast corner of said Lot 49; thence southeasterly, across the Gratiot Avenue right-of-way to the southwesterly corner of Lot 7 of Assessors Rice and Lohmann State Subdivision; thence southeasterly along the south lot line of said Lot 7, across the alley and the south lot line of Lot 45 of Rice & Lohmann Subdivision to the southeasterly corner of Lot 45; thence southwesterly across the right-of-way of Evergreen Avenue to the northwesterly corner of Lot 10 of the Rice and Lohmann Subdivision; thence

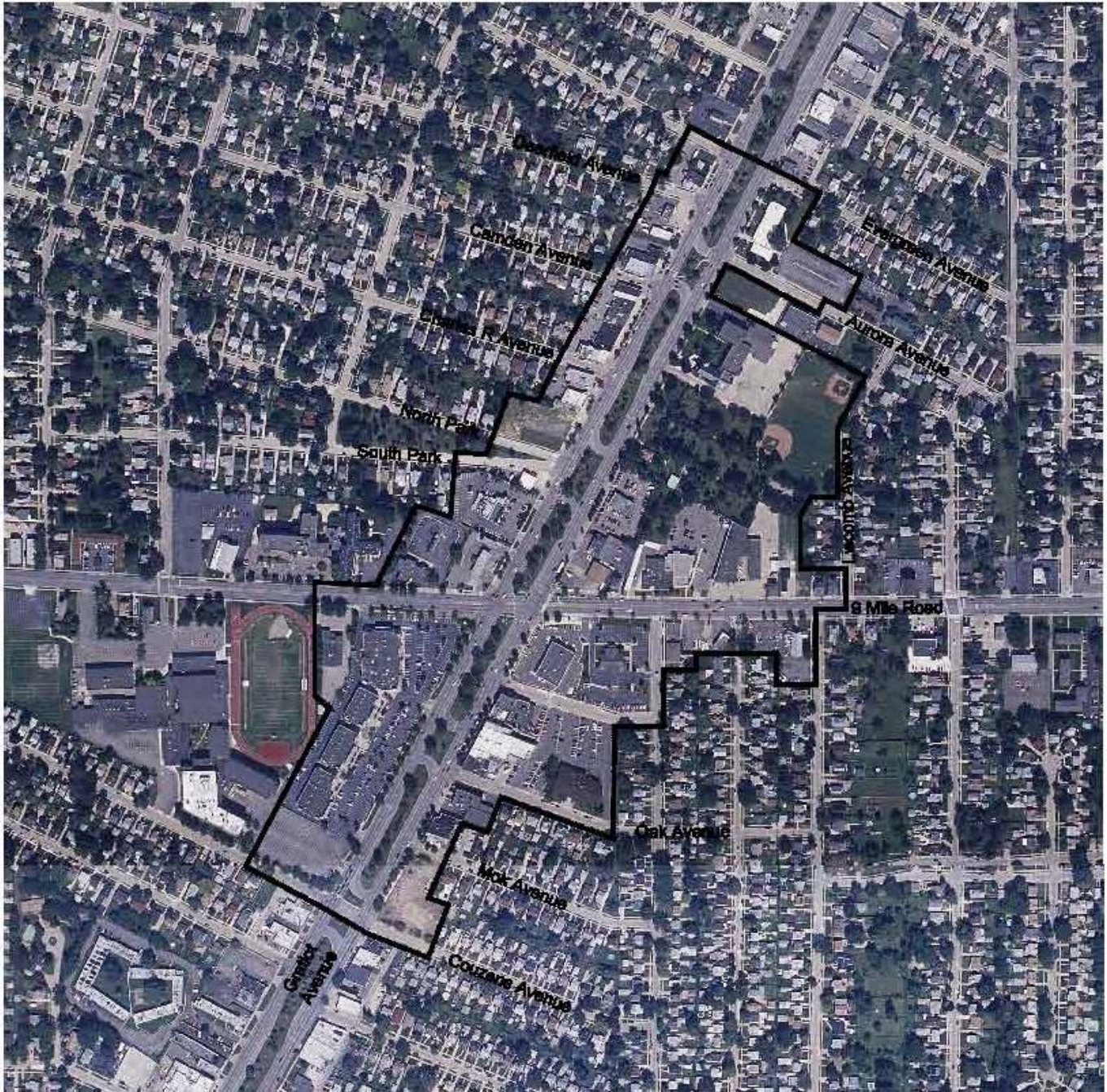
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southwesterly along the easterly lot line of Lot 10 to the southeast corner of said Lot 10; thence southeasterly along the northerly portion of Lot 4 and all of Lots 5, 6, 7, 8, and 9 (to the northeasterly corner of Lot 9) of Aurora Gardens Subdivision; thence southwesterly along the eastern lot line of said Lot 9 to its southeasterly corner; thence southwesterly across Aurora Street to the northwesterly corner of Lot 172 of A.P. No. 13; thence southwesterly along the westerly lot line of said Lot 172 to its southwesterly corner; thence southeasterly along the southerly lot lines of Lots 172, 171, 170, 169, 168 and 167 of A. P. No. 13; thence southeasterly from the southeasterly corner of said Lot 167, across Liscomb Street to the northwesterly corner of Lot 21 of Clark Subdivision; thence southwesterly and then southerly along the western lot lines of Lots 21, 22, 23, 24, 25 and 26 of Clark Subdivision; thence south along the westerly lot lines of Lots 12, 11, 10, 9, 8, 7 and 4 of Liscomb Subdivision to the southwest corner of said Lot 4; thence due south from the southwest corner of Lot 4 across Nine Mile Road to a point on the north lot line of Lot 2 of E. W. Eyster Subdivision; thence west along the northern lot line of Lot 2 to the northwest corner of said Lot 2; thence south along the westerly lot line of said Lot 2 to a point due east of the southeast corner of Lot 45 of Scheuren and Mok Subdivision; thence due west across Boulder Avenue to the southeast corner of said Lot 45; thence westerly along the southern lot line of said Lot 45 to its southwest corner; thence north along the west lot line of Lots 45 and 46 of Scheuren and Mok Subdivision, to the northwest corner of Lot 46; thence westerly along the south lot line of Lots 49 and 50 to the southwest corner of Lot 50 of said subdivision; thence westerly across Nevada Avenue to the southeast corner of Lot 143 of Scheuren and Mok Subdivision; thence westerly along the South lot lines of Lots 143, 144, 145 and 146 of said subdivision; thence southerly from the southwest corner of Lot 146 along the west lot lines of Lots 147, 148, 149, 150 and 151 of said subdivision; thence westerly from the southwest corner of Lot 151, across Virginia Avenue, to the northeast corner of Lot 231 of Scheuren and Mok Subdivision; thence westerly along the north lot line of said Lot 231 to its northwester corner; thence southerly along the west lot lines of Lots 231, 230, 229, 228, 227, 226 and 225 of Scheuren and Mok Subdivision; thence southerly from the southwest corner of Lot 225, across Oak Avenue, to the northeast corner of Lot 45 of Spens Subdivision; thence northwesterly along the northerly lot lines of Lots 45, 44, 43, 42, 41, 40, 39, 38 and 37 of Spens Subdivision to the northwesterly corner of Lot 37; thence southwesterly along the westerly lot line of said Lot 37 to its southwest corner; thence westerly along the northerly lot lines of Lot 35 and 36 of Spens Subdivision; thence southwesterly along the west lot line of said Lot 36 to its southwest corner; thence southwesterly across Mok Avenue to the northwest corner of Lot 12 of Spens Subdivision; thence southwesterly along the westerly lot line of said Lot 12 to its southwest corner; thence southeasterly along the north lot line of Lot 64 of Assessors Plat of Bells Subdivision No. 1 to its northeast corner; thence southwesterly along the easterly lot line of said Lot 64 to its southeasterly corner; thence southwesterly across Couzens Avenue to the northeast corner of Lot 8 of Assessors DeBeauclair State Subdivision; thence westerly along the north lot line of said Lot 8, across the alley and along the northerly lot line of Lot 1 of said subdivision to its northwesterly lot corner; thence northwesterly across Gratiot Avenue to the point of beginning.

Approved by City Council on May 22, 1986

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