

DRAFT DOWNTOWN DEVELOPMENT AND TAX INCREMENT FINANCING (TIF) PLANS

City of Eastpointe

Downtown Development Authority (DDA)

Development Plan & TIF Plan ADOPTED BY CITY COUNCIL

Date:

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

Date: April 9, 2024



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 (TIF) Plan for the Downtown Development Authority (DDA) for the City of Eastpointe, Michigan, dated May 21, 2024, which is hereby incorporated by reference in its entirety.

CERTIFICATION

We, Michael Klinefelt, Mayor, and Robin Underwood, 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 May 21, 2024.

Michael Klinefelt, Mayor

Robin Underwood, Deputy City Clerk

ACKNOWLEDGEMENTS

Eastpointe City Council

Honorable Michael Klinefelt, Mayor

Cardi DeMonaco, Mayor Pro-Tempore

Robert Baker, Councilor

Harvey Curley, Councilor and DDA Liaison

Margaret Podsiadlik, Councilor

Eastpointe Downtown Development Authority (DDA) Board

Board Chair William Transit, Owner of Detroit Furnace

Robert Davis, Owner of The Pointe Too Event Hall

Lisa Dye-Hightower, Owner of 22426 Gratiot

Theresa Hing, President of Eastpointe Community Credit Union

Lisa Peterson, Resident

Joseph Solomon, Owner of Eastpointe UPS Store and Solomon Dental

Andrea Troutman, Resident

Mariah Walton, City Manager

Eastpointe DDA Staff

Ian McCain, Economic Development Manager, DDA Director

Kim Homan, Assistant City Manager, DDA Secretary

Randall Blum, Finance Director, DDA Treasurer

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Consultants

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PURPOSE OF THE DEVELOPMENT AND TAX INCREMENT FINANCING PLANS

The Eastpointe Downtown Development Authority (DDA) was officially established May 22nd, 1986 by the Eastpointe (then East Detroit) City Council in accordance with the guidelines of Act 57 of the Public Acts of 2018, as amended.

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

The secondary intent and purpose of this endeavor was to prevent the continued physical deterioration and resulting loss in property values of existing land use within and adjacent to the downtown district due to aging building stock and loss of business establishments.

The authority consists of nine members, and includes representatives of city government, downtown business owners, and Eastpointe residents. There are few residents within the district, and the establishment of a Development Area Citizens Council is not warranted at this time. However, if implementation plans are successful, the need for one may exist in the future.

The DDA and city adopted the first Development Plan and Tax Increment Finance (TIF) Plan in December 1987. An update to the plan was created in February 1989, August 1991, and October 2007. The plans were strictly focused on physical streetscape improvements, and have since been realized. However, the DDA and city have concluded that physical streetscape improvements alone do not achieve the purpose of the DDA. The DDA undertook an effort to develop a *Vision* and *Process* for expanding their scope of projects and programs in 2006. The DDA chose to continue following 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 (TIF) Plan have been created to reflect this approach.

The Development Plan and the Tax Increment Financing (TIF) Plan are two separate plans as required by Act 57. They are presented here as one document. These plans recognize that the specifics of projects, including their costs and schedules, will not be determined until concept and engineering plans are determined, and advanced to final design. Therefore, as each plan is advanced and is adopted by the DDA and city council, it becomes part of these plans.

THE DEVELOPMENT PLAN



*Updated renderings from AEW will be added before the May 21st City Council Public Hearing

THE DEVELOPMENT PLAN

Vision Statement

Downtown Eastpointe is a vibrant, safe, pedestrian-friendly, and universally designed regional destination featuring mixed-use development and public spaces with versatile specialty stores, urban living spaces, and community entertainment that supports a variety of lifestyles and cultures in the Gateway to Macomb County.

Supporting Statements

- Downtown Eastpointe features well-defined entry points, and a distinct design character obvious to visitors and passersby from other Gratiot Avenue locations.
- Downtown Eastpointe is blooming with perennial color from ample planting beds.
- Downtown Eastpointe is pedestrian friendly with:
 - Distinct and decorative crosswalks and bulb outs at Couzens Avenue, Nine Mile Road, Camden and Aurora Avenues, and other locations as permitted by MDOT
 - Timed traffic lights with count down signals for adequate pedestrian crossing
 - Pedestrian-oriented signage denoting destinations and distance
 - Private and public improvements designed to cater to and respect pedestrians
 - On-going educational and promotional efforts that support pedestrian activity
 - SMART partnership to support transit access and comfortable bus shelters
 - Universal design elements that meet and exceed ADA requirements
- Downtown Eastpointe accommodates and supports all non-motorized transportation through maneuverable curbs, bike lanes, parking, and snow removal.
- Downtown Eastpointe has adequate parking, with striped on-street parking spaces on Gratiot Avenue in partnership with MDOT, and well-signed lots adjacent and behind storefronts through shared parking agreements with private owners.
- Downtown Eastpointe traffic is calmed through the aforementioned improvements, resulting in slower speeds and safe conditions for pedestrians.
- Downtown Eastpointe's Wayfinding system denotes destinations and distance.
- Downtown Eastpointe has storefronts built to zero lot line, complying with the city's Zoning Ordinance. They are well-lit and attractive with complimentary and compatible architecture, using quality building materials that have well-proportioned storefronts with adequate window glazing.
- Downtown Eastpointe has mixed-use, multi-story buildings complying with the Zoning Ordinance that supports a higher urban massing (minimum three stories) near the Nine Mile Road and Gratiot Avenue intersection.

- Downtown Eastpointe has mixed-use buildings with condominiums, lofts, and apartments on the 2nd floor and above. Ground floor uses have many destination businesses, including a variety of retail such as trendy boutiques, food-based businesses (grocery, restaurants, and bars), and art and cultural attractions.
- The Eastpointe downtown sponsors and hosts many annual events including:
 - Cruisin' Gratiot
 - Summer Concert Series
 - Christmas Tree Lighting
 - Retail Events, including Sidewalk Sales
 - Regular Smaller Events, including Cultural, Harvest, Art, & Ice Festivals
- Eastpointe's business support organizations (BSO's, including the chamber), residents, and city government value the downtown business community. Resources are available including grants, training, and technical assistance to ensure downtown businesses overcome economic challenges, and achieve commercial success.

DEVELOPMENT PLAN

This plan is created to implement projects that are designed to meet certain goals established for Eastpointe's Downtown District. 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, including Civic Pointe Community Gathering Space.
- Improve the downtown area through offering incentive programs to business and property owners, including the Small Business Grant Program.
- Support district activities aimed at improving the business retail climate.
- Retain existing businesses, and attract new businesses that provide goods and services to the primary retail trade area consistent with the vision.
- Assess market demand to improve downtown economic vitality, as well as provide a balanced mix of identified commercial uses.
- Assist the private sector in developing under-utilized parcels in a way 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 DDA-related Eastpointe plans and studies.

AESTHETIC

- Establish a defined, attractive, and distinctive downtown character.
- Support universal design compatibility and continuity between new and existing developments.
- Identify and eliminate downtown district blight.
- Revitalize the DDA's historic character by pursuing Certified Local Government (CLG) status through the Michigan Historic Preservation Office (SHPO).
- Strengthen dense urban development depicted in this development plan and vision, Eastpointe's Zoning Ordinance, and Eastpointe plans and studies.

CIRCULATION

- Encourage pedestrian and non-motorized activity, and provide pedestrian and non-motorized facilities, including attractive bike racks and bus stops.
- Provide appropriate amenities for safe, efficient, and convenient traffic movement, parking, and access for vehicles, goods, and people to minimize vehicular and pedestrian conflicts.
- Define on and off-street parking in new and existing areas.
- Accommodate and encourage public transportation use through partnerships with transit providers and advocates including SMART, SEMCOG, and MDOT.
- Incorporate universal design elements that exceed ADA requirements.

FACILITIES AND SERVICES

- Develop downtown so it complements and improves activities and functions.
- Support enforcement, ensuring a well-maintained, attractive district.
- Provide public improvements needed to attract new private investment.
- Promote public and private investment in existing infrastructure and buildings.

BUILDING/SITE IMPROVEMENTS

- Support high standards to maintain and upgrade the downtown district, ensuring long-term quality and viability for site improvements and new developments.
- Eliminate blight, including signs, clutter, maintenance, and inappropriate uses.
- Utilize strategic code enforcement to ensure private property maintenance.

LAND USE

- Eliminate incompatible land uses to conserve and revitalize private operations.
- Encourage efficient land use through appropriate vacant parcel development.
- Consolidate smaller land parcels to encourage high density development.
- Implement native plantings and green stormwater infrastructure (GSI) to reduce the impact on the city's combined sewer system.
- DDA is included in the site plan review process for district sites.

DDA/ORGANIZATION

- City administration creates an organization that unifies the owners and operators of businesses in Eastpointe to foster a cooperative spirit.
- Utilize successful revitalization programs (i.e. Michigan Economic Development Corporation's (MEDC) Redevelopment Ready Communities [RRC] Program).
- The DDA partners with businesses to develop mutually beneficial solutions.
- Improve quality of life in innovative ways that are beneficial to the community.
- Employ downtown volunteers committed to implementing sustainable programs.

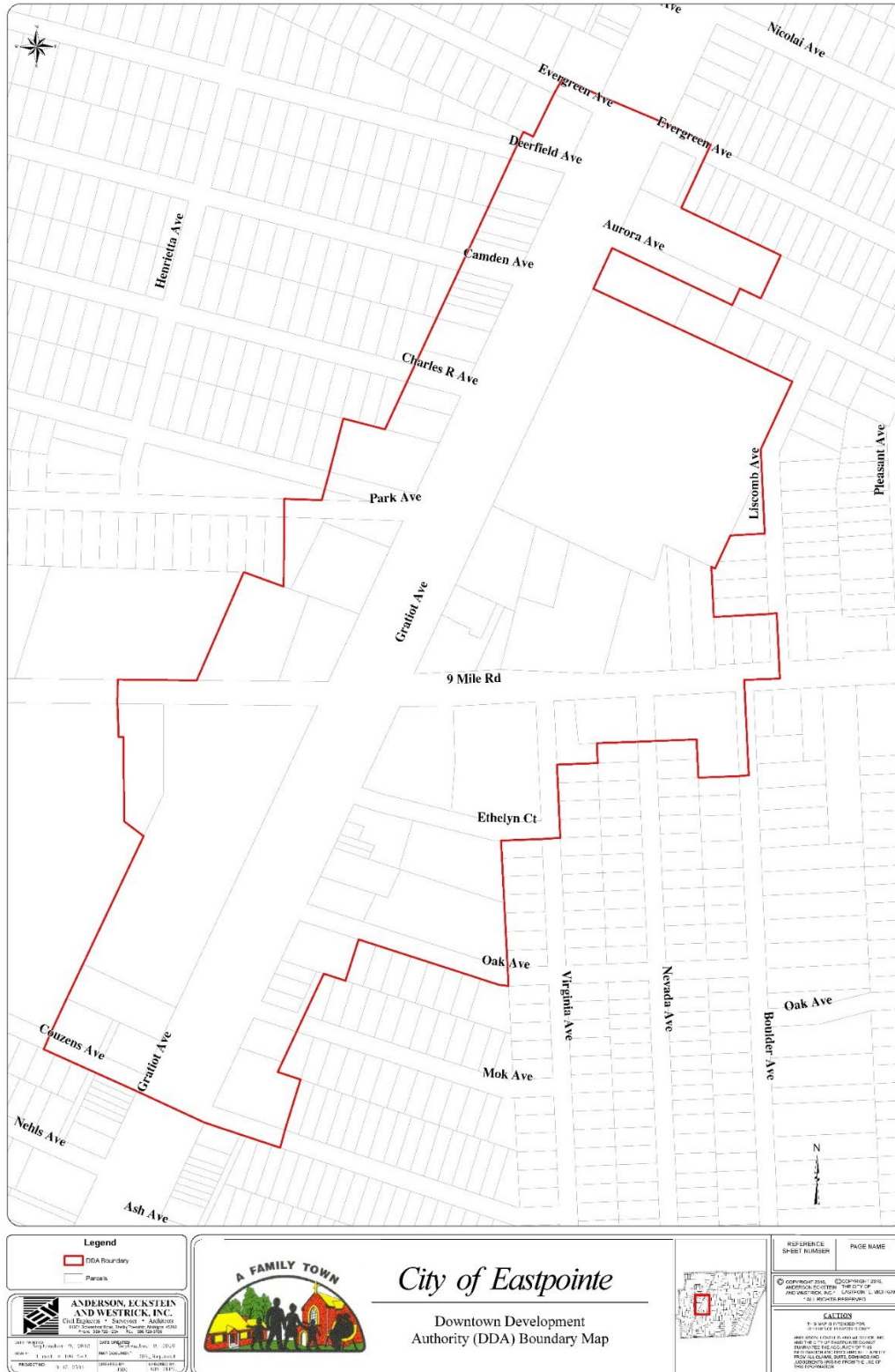
II. IMPLEMENTATION

This document presents 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 at a later date, which will become plan addendums. The goals established for the district can be met through the following program components:

- Preparation of an Urban and Streetscape Design Plan, and associated studies 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 projects and activities developed through the above mentioned Urban and Streetscape Design Plan including (but not limited to):
 - Beautification and Downtown Image Projects
 - Promotional Activities
 - Streetscape and Landscaping Improvements
 - Building Design and Maintenance Standards
 - Signage Theme
 - Residential Linkages
 - Parking Improvements
 - Pedestrian & Non-motorized Improvements
 - Screening and Buffering
 - 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.*

According to Eastpointe's Updated 2023 Zoning Ordinance, as well as AEW's 2016 DDA Boundary Map, there are forty (40) parcels of land in the DDA north of Nine Mile Road, and Twenty-Five (24) parcels south of Nine Mile Road, for a total of sixty-four (64) parcels in the DDA Boundary. The majority of the land (fifty-six [56] parcels) are currently zoned DT, Downtown. Two (2) parcels are zoned MU-1, Neighborhood Mixed-Use. Six (6) parcels are zoned MU-2, Main Street Mixed-Use. One (1) parcel is zoned R-1, Low Density Residential.

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 Eastpointe City Hall, Post Office, Police Department, Court, Public Library, and the parking area of Eastpointe High School.

1. Private Uses

(a) Residential: There are very few residential properties within the district. There is one second floor unit between Oak Avenue and Ethelyn Court, and four second floor units between Charles R and Camden Avenues. There is also the parsonage next to the church and cemetery on Gratiot Avenue, and several residential structures on Nine Mile Road. However, some of the structures on Nine Mile Road are utilized for commercial purposes. Finally, Eastpointe's updated Zoning Ordinance and Master Plan incorporate opportunities for mixed-use development and redevelopment that could include upper floor housing.

(b) Recreational/Quasi-Public Uses: The properties which fall into this category are: the Children's Garden, which is the passage way from Gratiot Avenue to the Eastpointe Memorial Library parking area behind the buildings between Ethelyn Court and Oak Avenue; the tip of Rein Park fronting Gratiot Avenue between North and South Park Avenues; two (2) churches (one on the east side of Gratiot Avenue, and one on the south side of Nine Mile Road), and Immanuel Lutheran Church's Cemetery.

(c) Commercial and Office: Commercial and office uses are predominant throughout the district, making up most of the existing parcels. The larger commercial uses include East Brooke Commons (Five Guys, Petco, Salvador Scaloppini's, GameStop, Bel Air Big and Tall Men's Wear), four financial institutions (Flagstar, Bank of America, First State Bank, and Eastpointe Community Credit Union), Rite Aid Drugstore, UPS Store, and beloved small businesses including Kem-Tec, Allied Cycle, Hair of the Dog, Mr. D's Corned Beef, and Proverbs 21 Stitch Lounge.

(d) Auto Related Commercial: There are many auto-related commercial businesses in the district. These include: BP Gas Station, Bestpointe Collision & Auto Care, Muffler Man, Suburban Auto Wholesale, Advance Auto Parts, Eastpointe Scooters, Express Quick Lube, George's South Park Services, and East Point Auto Center. ***Businesses of this sort are not typically located within a downtown area, as they do not generate pedestrian traffic, nor are they a complementary use to retail.***

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

(f) Educational: There are no educational uses within the district.

(g) Parking: There are seven parcels that are solely being used for parking: the large parcel in front of East Brooke Commons; the Memorial Library Parking Lot owned by the DDA; the parking lot north of Flagstar Bank; two (2) parcels next to the church on Nine Mile Road; and the high school and city hall parcels. On-Street parking is currently allowed within the Gratiot Avenue right-of-way. However, the street is not striped for parking. Additional safety features, such as bulb-outs, would make on-street parking safer and more user-friendly in the downtown district.

(h) Vacant Land: There is only one vacant property within the district: the former Big Boy Restaurant on Gratiot Avenue north of Nine Mile Road. There is only one vacant lot within the district: the southwest corner of Gratiot and Evergreen. The DDA plans to help finance public greenspace improvements. The DDA envisions median improvements, redevelopment of parcels on the Gratiot Avenue frontage, pedestrian focused improvements, and parking improvements. Detailed plans for these items are in development. As the DDA develops these detailed plans, schedules for each improvement will be included in the detailed plan documents.

C. *Location, extent, character, and estimated improvement time and costs required for developable area completion.*

The DDA has an adopted vision for the district which includes median improvements, redevelopment of parcels on the Gratiot Avenue frontage, and pedestrian-focused improvements. Detailed plans for these items are being developed. As the DDA develops these detailed plans, schedules and cost estimates for each improvement will be included in detailed plan documents.

D. *Developable area to be left as open space and contemplated use.*

The DDA values downtown open spaces including the Children's Garden, Rein Park, City Hall Amphitheater, Memorial Library Courtyard, and Civic Pointe Community Gathering Space. Specific detailed plans for some of 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 detailed plans.

E. *Desired changes in zoning, street and levels, intersections and utilities.*

Eastpointe's Master Plan, Nine Mile Strategic Corridor Plan, and Zoning Ordinance provide clear zoning districts and uses, as well as extensive recommendations for potential streetscape improvements. The DDA is developing an Urban and Streetscape Design Framework Plan for current and future district plans and ordinance updates.

F. *Estimate development cost, proposed methods of financing, and the Authority's ability to arrange the financing.*

The implementation of construction-related projects is detailed annually in the DDA Budget, and the city's Five-Year Capital Improvement Program. DDA-approved project component costs (including engineering) will be incorporated into the comprehensive DDA Urban and Streetscape Design Framework Plan.

The financing is addressed in the Tax Increment Financing (TIF) Plan. Under P.A. 57 of 2018, as amended, the Authority is empowered to carry out a public improvement program utilizing TIF funding, a levy up to two (2) mills, and such other funds that may be obtained from sources approved by the city council.

G. *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 owns the municipal parking lot north of the Eastpointe Memorial Library between Oak and Gratiot Avenues, Ethelyn Court, and Virginia Avenue, as well as physical assets like the Children's Garden, Clock Tower, and Information Kiosks. It is not anticipated that the DDA will lease, own, or otherwise control additional property or physical assets 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 DDA public meeting.

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

The Authority owns the municipal parking lot between Oak and Gratiot Avenues, Ethelyn Court, and Virginia Avenue, 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 DDA public meeting. All DDA conveyance and disposition procedures shall be developed in compliance with Federal, State, and local regulations.

I. *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 (TIF) 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 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.

Less than a dozen residents live within the DDA District. Therefore, a DDA Citizen's Advisory Council (CAC) is not required by P.A. 57 of 2018, 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 district population meets or exceeds 100 people.

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

Given the possibility of acquisition activities, relocation of individuals or businesses is anticipated by the incorporation of a relocation plan. The DDA Board will develop and institute a formal relocation program for persons or businesses that may be displaced by new DDA district developments.

K. *Displaced Person(s) Relocation Provision.*

If acquisition of real property occurs during the life of this plan, the city and the DDA will implement a predetermined 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, and/or their personal property is moved because of DDA activity.

The projected relocation costs 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, Michigan State Law, and prepare an amended Development Plan as required under Michigan State law.

L. 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 (HUD).

M. Other pertinent information

No other pertinent district development information is available 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.

P.A. 57 of 2018, as amended, outlines tax increment financing (TIF) as an effective financing tool for the redevelopment of designated development areas within a Downtown Development Authority (DDA) District. TIF is the process of expending new property tax dollars for improvements that generally benefit the tax source. Tax dollars generated from new private property developments and 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 encourages continued private investment.

To utilize TIF, the DDA must prepare a Development Plan and TIF Plan. Both plans are submitted to 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 a development area’s boundaries, the initial assessed value of those properties added is based upon the state equalized value (SEV) in effect at the time of change. Unaffected properties maintain the same initial assessed valuation. 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 directly transmit 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 collected by the DDA. The initial assessed value for this plan is the assessed value of all real and personal property in the development area as

determined upon Eastpointe City Council's approval of Ordinance 682, establishing the DDA, and Ordinances 836 and 902 amending the boundaries of the DDA. The revised initial assessed value is \$3,831,270.

The district land area falls within one school district, the Eastpointe Community Schools. Since the 2007 plan adoption, all pre-1992 debt has been paid. Therefore, the TIF does not collect any school millages. This includes the Eastpointe Community Schools and the Macomb Intermediate School District. After expiration of the Public Safety millage, the General Operating millage was increased to the city's maximum allowed in August 2014. Eastpointe Memorial Library has passed supplemental 1 mill levies every five years since 2012. The Garbage and Refuse Collection millage was changed to a fee for service, so there is no tax capture.

The DDA Board approved a resolution to not capture any millage for local specific purposes or debt repayment. Therefore, the DDA does not capture Chapter 20 Drain Debt, RARE, or SMORSA taxes. The library millage is the exception, since it resides in the DDA. State law prohibits Macomb County Zoo and DIA millage capture. The applicable tax levy for tax increment purposes in the DDA Development Area is on the total millage for the following:

	1987 Millage	2007 Millage	2023 Millage
General Operating		12.1754	17.5873
Garbage and Rubbish Collection		1.5580	0.0000
Library		0.8865	0.8127
Library 2022		0.0000	0.9686
Chapter 20 Drain Debt		2.3331	0.0000
Public Safety		6.9181	0.0000
Total City	17.6500	23.8711	19.3686
Eastpointe Community Schools	42.2300	27.3821	0.0000
Macomb Intermediate School District	2.2300	2.9430	0.0000
Macomb Community College	1.4700	1.4212	1.4077
Macomb County			
Summer		4.2000	4.3200
Winter		0.8116	1.2260
Total County	4.4800	5.0116	5.5460

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 will be given to bonding of future projects since there are no active bonded projects at this time. The extent of the indebtedness and the timing of the debt retirement will be determined 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. 57 of 2018.

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 2054, 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 2024/2025 SEV, and the tax rates levied by the taxing units. The applicable millage rates are summarized on the proceeding page. The district SEV for 2023/2024 is \$8,627,704. 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
2023/2024

<u>Jurisdiction</u>	<u>Tax Rate</u>	<u>DDA Capture</u>
City of Eastpointe	19.3686	\$ 91,491.82
Macomb County	5.0116	\$ 26,197.75
Macomb Co. Comm. College	<u>1.4077</u>	<u>\$ 6,649.58</u>
Total Levy	25.7879	\$124,339.15

V. PLAN FOR THE EXPENDITURE OF CAPTURED ASSESSED VALUE BY THE AUTHORITY.

1. Estimate of Tax Increment Revenues

Previous TIF plans have projected revenue based upon SEV for up to 20 years. In each instance the projection of TIF revenue has been higher than what was actually realized. Projecting income is useful for planning a goal which the initial plans performed to determine what funds were available toward specific capital improvements. The following table shows projected income with a 2% increase annually in SEV:

FY	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Income	\$124,339	\$126,825	\$129,362	\$131,950	\$134,589	\$137,280	\$140,026	\$142,827	\$145,683	\$148,597

Additional increases in the assessed valuation for the development area will result from new construction, expansion, rehabilitation, or further property value appreciation.

The DDA anticipates completing projects on a “pay-as-you-go” basis, committing funds only as dollars become available through the development of an annual budget which advances projects and programs in the 4 program areas of Organization, Design, Promotion, and Economic Restructuring.

The DDA is empowered, with permission of the city council, to issue bonds against proposed revenues. The state act allows for no more than 80% of the anticipated tax increment revenues to be used for debt service. In practice a Limited Tax General Obligation (LTGO) Bond Issue would be required. The city would pledge anticipated tax increment revenues to repay the bonds. The General Fund of the city must pledge to pay any shortfall of funds required to meet the debt service of the bond issue. For this reason, a conservative approach is taken to estimate available funds.

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. If funding is needed to purchase land, there are conventional mortgages and land contracts.

2. Expenditure of Tax Increment Revenues

The DDA projected income for the next 10 years is slightly more than \$1.2 million dollars. Identified projects in the adopted Vision beyond this income amount. In order to prioritize needs, the DDA will annually prepare a Budget to identify priority expenditures for TIF revenues. DDA Projects will be included in the city's Capital Improvement Program, 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 captured 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 and Streetscape Design Plan is scheduled for commencement in the district in 2024. 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
- Street Furniture
- Street Decorations – Banners, Flowers, etc.
- Lighting
- Administration
- Property Purchase
- Elements and programs within the Main Street Program

Projects will be funded by many sources, including tax increment revenues, grants, private development, and various city sources. The budget required to implement the components of the Urban and Streetscape Design Plan will be approved by the DDA and 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 program implementation.

B. Design Plan Implementation

The Urban and Streetscape Design Plan for the development area will include a final chapter which will outline an implementation strategy with specific tasks. When the Urban and Streetscape Design Plan is completed, it will be adopted by the DDA and city council, and by reference is part of this Development and TIF Plan, and is an integral part of the tax increment procedure.

The budget required implementing the components of the vision and design plan, which will be based upon the available revenues as projected in the TIF plan, and the capital improvement plan. 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 in the DDA account books.

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.

VI. 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 and Streetscape Design Plan that will be completed in 2024, 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 on 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 DDA budget. Only projects initiated under contractual obligations with the DDA to repay funds shall be included in 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

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 northwestern 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 22nd, 1986.



Legend

DDA boundary

Parcels

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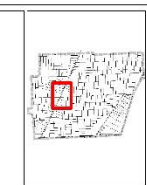
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City of Eastpointe

Downtown Development
Authority (DDA) Boundary Map



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