



**BIRMINGHAM TRIANGLE DISTRICT
CORRIDOR IMPROVEMENT AUTHORITY**

Tuesday, April 20, 2010
Birmingham City Hall - Commission Room (#205)
151 Martin St.
7:30 a.m.

MEETING AGENDA

1. Call to Order by Commissioner Sherman
 2. Roll Call by City Clerk
 3. Approval of minutes from September 22, 2009 Meeting
 4. Draft Development & Tax Increment Financing Plan
 - a. Presentation by LSL Planning
 - b. Discussion Regarding Timing of Adoption of Development & Tax Increment Financing Plan
 - i. September 25, 2009 e-mail re: Taxable Values
 - ii. October 1, 2009 letter from J. Cunningham re: Oakland County TIF Guidelines
 5. Adjourn
-



Birmingham Triangle District
Corridor Improvement authority
Tuesday, September 22, 2009
Department of Public Services-Conference Room
851 South Eton Rd.
7:30 a.m.

Minutes

Mayor Sherman called the meeting to order at 7:35 a.m.

Present: Mayor Sherman
Mr. Cataldo
Mr. Fuller
Mr. Hays
Mr. Ziegelman
Absent: Mr. Saroki
Mr. Stutz (arrived at 7:45 a.m.)

Others Present: Management Analyst Wuerth, Planners Ecker and Robinson,
Engineer O'Meara, Attorney Currier, Jeff Purdy, LSL Planning

MOTION: Motion by Ziegelman, seconded by Hays:
To approve the minutes of June 25, 2009

VOTE: Yeas, 5
Nays, 0
Absent, 2 (Saroki, Stutz)

A. Review draft development & tax increment financing (TIF) plan.

Jeff Purdy, LSL Planning, explained the draft assumes a conservative 2.5% growth and doesn't account for new development. LSL Planning will work with staff and have the city attorney review the TIF plan. Ideally, the plan should be adopted before the market increases.

Mr. Purdy verified that the taxing agencies have the authority of opting out of the TIF plan. Ms. Ecker stated she has had preliminary discussions with the county.

Mr. Cataldo stated he would like to see a chart showing just the City of Birmingham operating, refuse and library taxing agencies.

Mayor Sherman and Mr. Wuerth explained the difference between general obligation and revenue bonds.

Ms. Ecker questioned the accuracy of the numbers on the chart on page 20 regarding the corridor improvement authority bonds.

Mr. Purdy will make revisions to the charts, work with staff and have the city attorney review the plan. He will rerun the figures as requested by Mr. Cataldo.

The Mayor adjourned the meeting at 8:25 a.m.

Doreen Martin

DRAFT

Triangle District Corridor Improvement Authority Parking Structure Development Plan



Outline

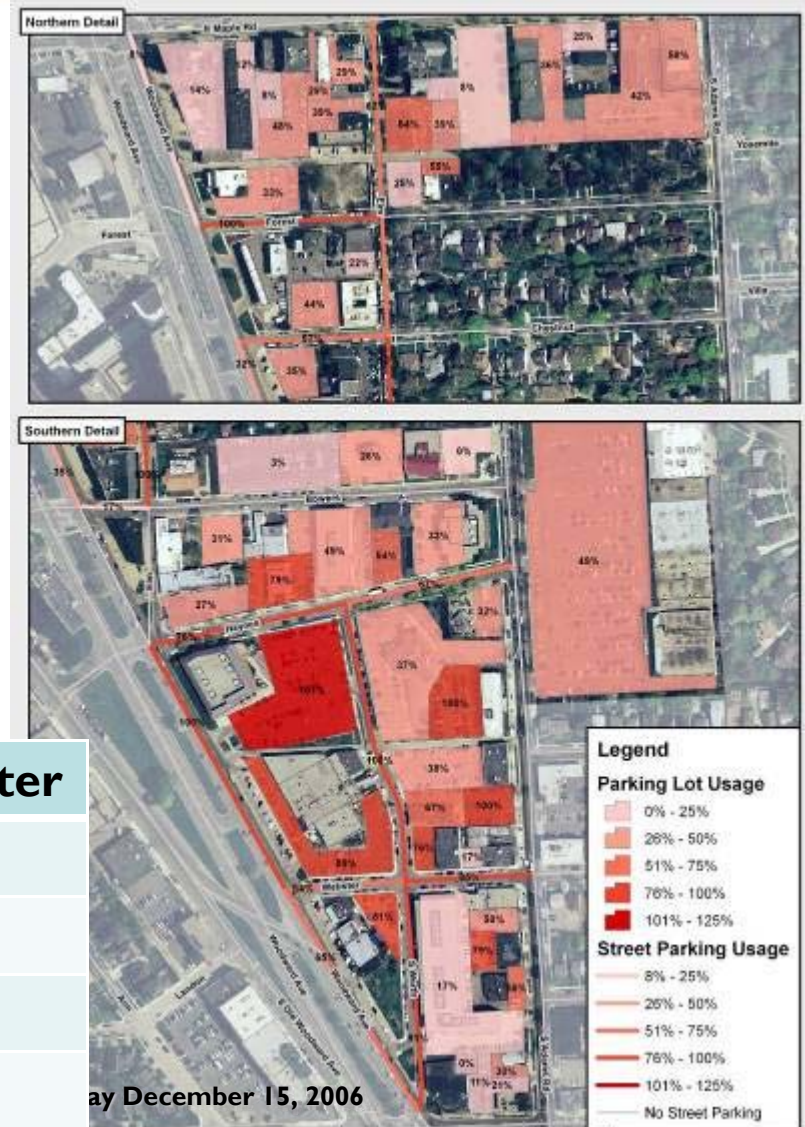
- **Parking Study**
- **CIA Development Plan**
- **Tax increment capture**
- **Next steps**



Parking

Parking capacity in the Triangle District is appropriate for peak use

- Parking use evaluated 2 days:
 - Friday, December 15, 2006
 - Saturday, December 23, 2006
- Several lots and streets had no available parking during peak Christmas shopping times.
- Many parking lots underutilized.
- Shared parking program or public parking would better manage parking supply.



	Overall district	Retail center
Spaces/1,000 sq. ft.	2.99	4.03
Cars/1,000 sq. ft.	1.27	3.31
% occupied	42%	82%
% off-street	44%	95%
% on-street	30%	49%

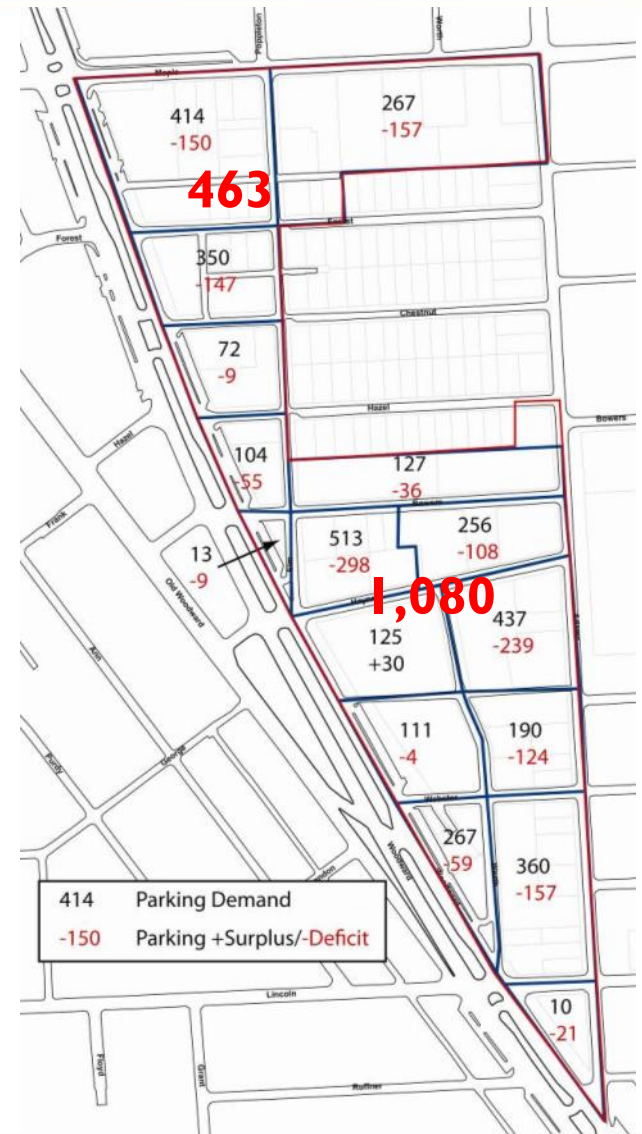
Projected Future Demand

Partial build-out based upon Urban Design Plan and new Overlay Zoning

Available On-street Parking Spaces	303
Private Parking Spaces	1,770
Projected Parking Demand	3,616
Future Parking Deficit	1,543

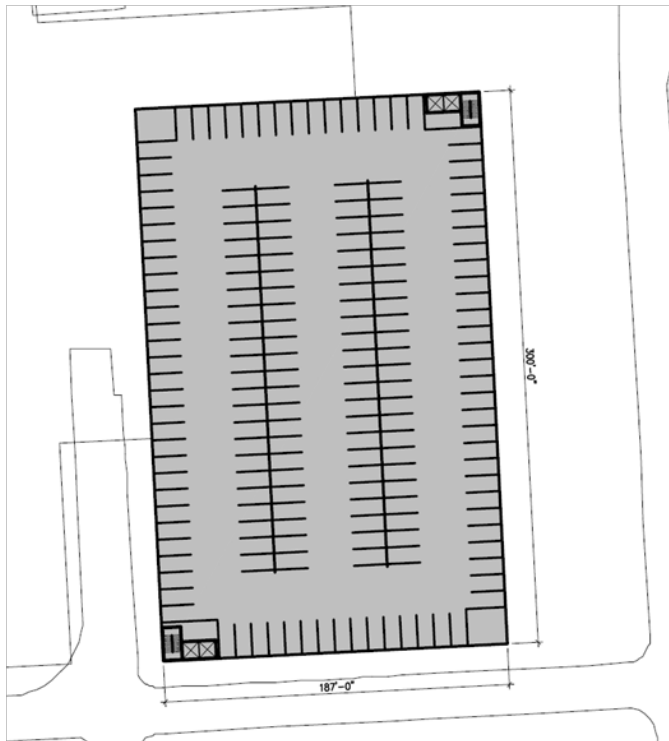
463 spaces in north area

1,080 spaces in south area



Site Requirements

- **Width 120 ft. min.**
- **Length 240 ft. min. 300 ft. optimum**
- **Structure height limitations**



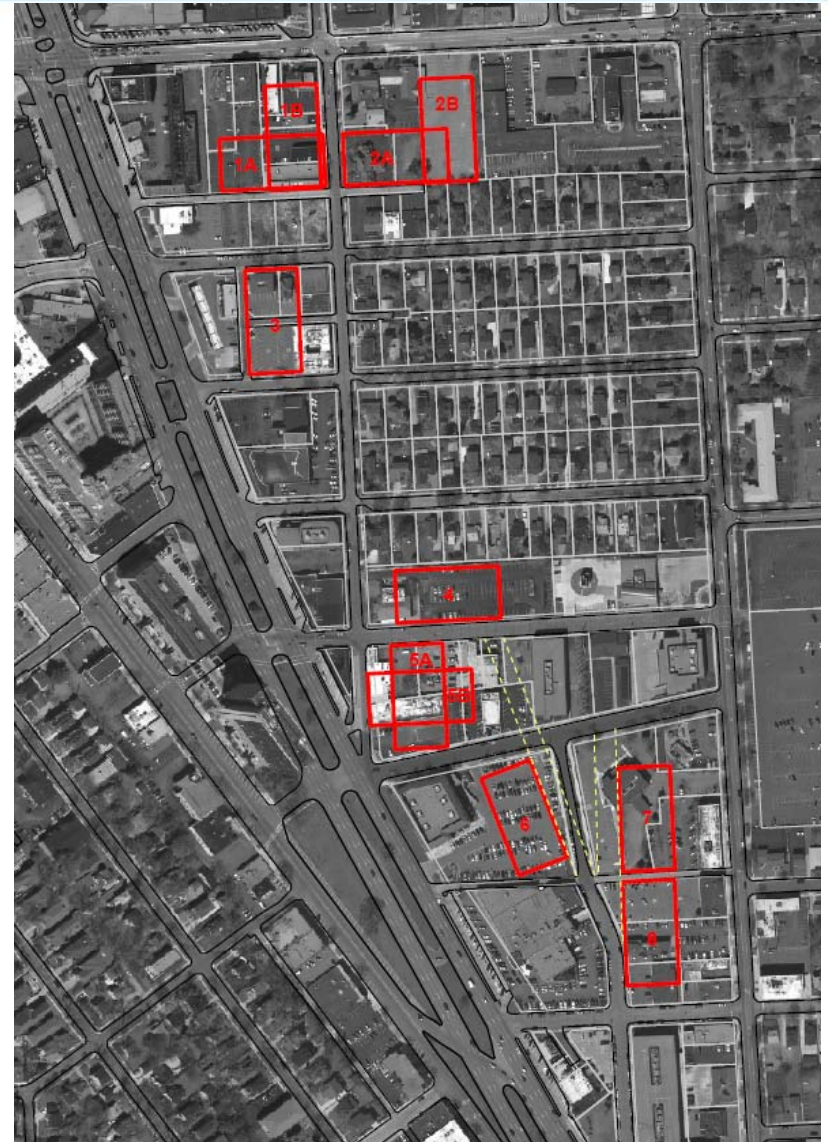
Parking Structure Location

Alternative locations

- 120 x 240 footprint

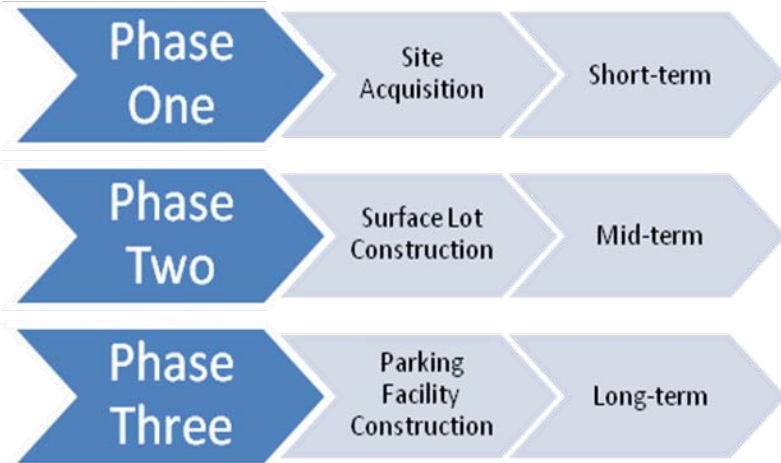
Alternatives evaluated based upon:

- Site Requirements
- Site Considerations
- Pedestrian Concerns
- Access Design
- Roadway & Traffic



CIA Development Plan

- **Estimated Cost of Improvements**
- **TIF 40%**
- **SAD 60%**
- **Construction Timeline**



Preliminary Parking Cost Estimates

Land Cost	\$ 5,000,000
Interim Surface Parking Lot Cost	\$ 180,000
Parking Structure Cost	\$ 7,200,000

	Land acquisition and surface parking
2010 Estimated costs	\$ 5,180,000
2015 Estimated costs	\$ 5,203,153
TIF portion (40%)	\$ 2,081,261
SAD portion (60%)	\$ 3,121,892

	Parking structure
2010 Estimated costs	\$ 5,180,000
2028 Estimated costs	\$ 12,257,518
TIF portion (40%)	\$ 4,903,007
SAD portion (60%)	\$ 7,354,511

Tax Increment Finance

- **TIF Financing will be used for 40%**
- **CIA can “capture” increase in assessed values**
 - **9% decline in 2010**
 - **2.5% per year increase after base year**
- **To maximize the amount of captured value, the TIF Plan will be created when market bottoms-out**
- **Capture would be higher when redevelopment occurs**
- **City can bond for parking structure using reliable income from the TIF**

Estimated TIF Capture ⁽¹⁾

2009 - 2038

Fiscal Year	Base Value	% Value Increase	Taxable Value ⁽²⁾	Capture Amount
2009			\$44,754,240	
Base Year: 2010	\$40,726,358	-9.0%	\$40,726,358	
2011	\$40,726,358	0.0%	\$40,726,358	\$0
2012	\$40,726,358	2.5%	\$41,744,517	\$1,018,159
2013	\$40,726,358	2.5%	\$42,788,130	\$2,061,772
2014	\$40,726,358	2.5%	\$43,857,834	\$3,131,475
2015	\$40,726,358	2.5%	\$44,954,279	\$4,227,921
2016	\$40,726,358	2.5%	\$46,078,136	\$5,351,778
2017	\$40,726,358	2.5%	\$47,230,090	\$6,503,731
2018	\$40,726,358	2.5%	\$48,410,842	\$7,684,484
2019	\$40,726,358	2.5%	\$49,621,113	\$8,894,755
2020	\$40,726,358	2.5%	\$50,861,641	\$10,135,283
2021	\$40,726,358	2.5%	\$52,133,182	\$11,406,824
2022	\$40,726,358	2.5%	\$53,436,511	\$12,710,153
2023	\$40,726,358	2.5%	\$54,772,424	\$14,046,066
2024	\$40,726,358	2.5%	\$56,141,735	\$15,415,376
2025	\$40,726,358	2.5%	\$57,545,278	\$16,818,920
2026	\$40,726,358	2.5%	\$58,983,910	\$18,257,552
2027	\$40,726,358	2.5%	\$60,458,508	\$19,732,150
2028	\$40,726,358	2.5%	\$61,969,971	\$21,243,612
2029	\$40,726,358	2.5%	\$63,519,220	\$22,792,862
2030	\$40,726,358	2.5%	\$65,107,200	\$24,380,842
2031	\$40,726,358	2.5%	\$66,734,880	\$26,008,522
2032	\$40,726,358	2.5%	\$68,403,252	\$27,676,894
2033	\$40,726,358	2.5%	\$70,113,334	\$29,386,975
2034	\$40,726,358	2.5%	\$71,866,167	\$31,139,809
2035	\$40,726,358	2.5%	\$73,662,821	\$32,936,463
2036	\$40,726,358	2.5%	\$75,504,392	\$34,778,033
2037	\$40,726,358	2.5%	\$77,392,002	\$36,665,643
2038	\$40,726,358	2.5%	\$79,326,802	\$38,600,443

Tax Increment Finance – Capture by Jurisdiction

<i>Millage Rates</i>		11.0689	0.7226	1	4.19	0.4561	0.1	0.59	1.5844	19.712
	Capture Amount (a)	City of Birmingham Operating	City of Birmingham Refuse	City of Birmingham Library	Oakland County	HCMA/County Parks and Rec	Zoological Authority	SMART	Community College	Total of Non-School Taxing Jurisdiction
Fiscal Year										
2009	0	0	0	0	0	\$0	0	0	0	0
2010	0	0	0	0	0	\$0	0	0	0	0
2011	0	0	0	0	0	\$0	0	0	0	0
2012	\$1,018,159	\$11,270	\$736	\$1,018	\$4,266	\$464	\$102	\$601	\$1,613	\$20,070
2013	\$2,061,772	\$22,822	\$1,490	\$2,062	\$8,639	\$940	\$206	\$1,216	\$3,267	\$40,642
2014	\$3,131,475	\$34,662	\$2,263	\$3,131	\$13,121	\$1,428	\$313	\$1,848	\$4,962	\$61,728
2015	\$4,227,921	\$46,798	\$3,055	\$4,228	\$17,715	\$1,928	\$423	\$2,494	\$6,699	\$83,341
2016	\$5,351,778	\$59,238	\$3,867	\$5,352	\$22,424	\$2,441	\$535	\$3,158	\$8,479	\$105,494
2017	\$6,503,731	\$71,989	\$4,700	\$6,504	\$27,251	\$2,966	\$650	\$3,837	\$10,305	\$128,202
2018	\$7,684,484	\$85,059	\$5,553	\$7,684	\$32,198	\$3,505	\$768	\$4,534	\$12,175	\$151,477
2019	\$8,894,755	\$98,455	\$6,427	\$8,895	\$37,269	\$4,057	\$889	\$5,248	\$14,093	\$175,333
2020	\$10,135,283	\$112,186	\$7,324	\$10,135	\$42,467	\$4,623	\$1,014	\$5,980	\$16,058	\$199,787
2021	\$11,406,824	\$126,261	\$8,243	\$11,407	\$47,795	\$5,203	\$1,141	\$6,730	\$18,073	\$224,851
2022	\$12,710,153	\$140,687	\$9,184	\$12,710	\$53,256	\$5,797	\$1,271	\$7,499	\$20,138	\$250,543
2023	\$14,046,066	\$155,474	\$10,150	\$14,046	\$58,853	\$6,406	\$1,405	\$8,287	\$22,255	\$276,876
2024	\$15,415,376	\$170,631	\$11,139	\$15,415	\$64,590	\$7,031	\$1,542	\$9,095	\$24,424	\$303,868
2025	\$16,818,920	\$186,167	\$12,153	\$16,819	\$70,471	\$7,671	\$1,682	\$9,923	\$26,648	\$331,535
2026	\$18,257,552	\$202,091	\$13,193	\$18,258	\$76,499	\$8,327	\$1,826	\$10,772	\$28,927	\$359,893
2027	\$19,732,150	\$218,413	\$14,258	\$19,732	\$82,678	\$9,000	\$1,973	\$11,642	\$31,264	\$388,960
2028	\$21,243,612	\$235,143	\$15,351	\$21,244	\$89,011	\$9,689	\$2,124	\$12,534	\$33,658	\$418,754
2029	\$22,792,862	\$252,292	\$16,470	\$22,793	\$95,502	\$10,396	\$2,279	\$13,448	\$36,113	\$449,293
2030	\$24,380,842	\$269,869	\$17,618	\$24,381	\$102,156	\$11,120	\$2,438	\$14,385	\$38,629	\$480,595
2031	\$26,008,522	\$287,886	\$18,794	\$26,009	\$108,976	\$11,862	\$2,601	\$15,345	\$41,208	\$512,680
2032	\$27,676,894	\$306,353	\$19,999	\$27,677	\$115,966	\$12,623	\$2,768	\$16,329	\$43,851	\$545,567
2033	\$29,386,975	\$325,281	\$21,235	\$29,387	\$123,131	\$13,403	\$2,939	\$17,338	\$46,561	\$579,276
2034	\$31,139,809	\$344,683	\$22,502	\$31,140	\$130,476	\$14,203	\$3,114	\$18,372	\$49,338	\$613,828
2035	\$32,936,463	\$364,570	\$23,800	\$32,936	\$138,004	\$15,022	\$3,294	\$19,433	\$52,185	\$649,244
2036	\$34,778,033	\$384,955	\$25,131	\$34,778	\$145,720	\$15,862	\$3,478	\$20,519	\$55,102	\$685,545
2037	\$36,665,643	\$405,848	\$26,495	\$36,666	\$153,629	\$16,723	\$3,667	\$21,633	\$58,093	\$722,753
2038	\$38,600,443	\$427,264	\$27,893	\$38,600	\$161,736	\$17,606	\$3,860	\$22,774	\$61,159	\$760,892
		\$5,346,351	\$349,020	\$483,006	\$2,023,797	\$220,299	\$48,301	\$284,974	\$765,275	\$9,521,024

Tax Increment Finance – Bond Estimates

- Bond table in 2 phases:**

- Land acquisition
- Parking structure construction
- 4% interest rate
- Surface parking
 - Constructed 2015
 - Financed to 2027
 - \$2,081,261 principal
 - \$709,812 interest
 - \$2,791,073 total
- Structure
 - Constructed 2028
 - Financed to 2038
 - \$4,903,007 principal
 - \$1,224,507 interest
 - \$6,127,514 total

Fiscal Year Ending June 30	Tax Increment Revenues ⁽¹⁾	Land Bond ⁽²⁾			Structure Bond ⁽³⁾			Total Debt Service	Excess Tax Increment Revenues
		Debt Principal	Interest	Debt Service	Debt Principal	Interest	Debt Service		
			4%			4%			
2009	\$0							\$0	\$0
2010	\$0							\$0	\$0
2011	\$0							\$0	\$0
2012	\$20,070							\$0	\$20,070
2013	\$40,642							\$0	\$60,712
2014	\$61,728							\$0	\$122,439
2015	\$83,341	(\$2,081,261)	(\$83,250)	\$205,780				(\$205,780)	\$0
2016	\$105,494	(\$1,958,732)	(\$78,349)	\$105,494				(\$105,494)	\$0
2017	\$128,202	(\$1,931,587)	(\$77,263)	\$128,202				(\$128,202)	\$0
2018	\$151,477	(\$1,880,649)	(\$75,226)	\$151,477				(\$151,477)	\$0
2019	\$175,333	(\$1,804,398)	(\$72,176)	\$175,333				(\$175,333)	\$0
2020	\$199,787	(\$1,701,241)	(\$68,050)	\$199,787				(\$199,787)	\$0
2021	\$224,851	(\$1,569,504)	(\$62,780)	\$224,851				(\$224,851)	\$0
2022	\$250,543	(\$1,407,432)	(\$56,297)	\$250,543				(\$250,543)	\$0
2023	\$276,876	(\$1,213,187)	(\$48,527)	\$276,876				(\$276,876)	\$0
2024	\$303,868	(\$984,839)	(\$39,394)	\$303,868				(\$303,868)	\$0
2025	\$331,535	(\$720,364)	(\$28,815)	\$331,535				(\$331,535)	\$0
2026	\$359,893	(\$417,644)	(\$16,706)	\$359,893				(\$359,893)	\$0
2027	\$388,960	(\$74,457)	(\$2,978)	\$77,436				(\$77,436)	\$311,525
2028	\$418,754	\$0			(\$4,903,007)	(\$196,120)	\$730,279	(\$730,279)	\$0
2029	\$449,293				(\$4,368,849)	(\$174,754)	\$449,293	(\$449,293)	\$0
2030	\$480,595				(\$4,094,310)	(\$163,772)	\$480,595	(\$480,595)	\$0
2031	\$512,680				(\$3,777,487)	(\$151,099)	\$512,680	(\$512,680)	\$0
2032	\$545,567				(\$3,415,907)	(\$136,636)	\$545,567	(\$545,567)	\$0
2033	\$579,276				(\$3,006,976)	(\$120,279)	\$579,276	(\$579,276)	\$0
2034	\$613,828				(\$2,547,979)	(\$101,919)	\$613,828	(\$613,828)	\$0
2035	\$649,244				(\$2,036,070)	(\$81,443)	\$649,244	(\$649,244)	\$0
2036	\$685,545				(\$1,468,269)	(\$58,731)	\$685,545	(\$685,545)	\$0
2037	\$722,753				(\$841,456)	(\$33,658)	\$722,753	(\$722,753)	\$0
2038	\$760,892				(\$152,361)	(\$6,094)	\$158,456	(\$158,456)	\$602,436
2039					\$0			\$0	\$602,436
	\$9,521,024		(\$709,812)	\$2,791,073		(\$1,224,507)	\$6,127,514	(\$8,918,588)	

Tax Increment Finance – Only City Capture

- County, HCMA, Zoo, SMART and OCC all opt-out
- No new development
- Finance extended from 2038 to 2046
- Interest increased \$1,204,155
- Parking structure construction cost increased \$615,371

Fiscal Year Ending June 30	Tax Increment Revenues ⁽¹⁾	Land Bond ⁽²⁾			Structure Bond ⁽²⁾			Total Debt Service	Excess Tax Increment Revenues
		Debt Principal	Interest 4%	Debt Service	Debt Principal	Interest 4%	Debt Service		
2009	\$0							\$0	\$0
2010	\$0							\$0	\$0
2011	\$0							\$0	\$0
2012	\$13,024							\$0	\$13,024
2013	\$26,373							\$0	\$39,397
2014	\$40,056							\$0	\$79,453
2015	\$54,081	(\$2,081,261)	(\$83,250)	\$133,535				(\$133,535)	\$0
2016	\$68,457	(\$2,030,977)	(\$81,239)	\$68,457				(\$68,457)	\$0
2017	\$83,192	(\$2,043,759)	(\$81,750)	\$83,192				(\$83,192)	\$0
2018	\$98,296	(\$2,042,317)	(\$81,693)	\$98,296				(\$98,296)	\$0
2019	\$113,777	(\$2,025,713)	(\$81,029)	\$113,777				(\$113,777)	\$0
2020	\$129,645	(\$1,992,965)	(\$79,719)	\$129,645				(\$129,645)	\$0
2021	\$145,910	(\$1,943,038)	(\$77,722)	\$145,910				(\$145,910)	\$0
2022	\$162,582	(\$1,874,849)	(\$74,994)	\$162,582				(\$162,582)	\$0
2023	\$179,670	(\$1,787,261)	(\$71,490)	\$179,670				(\$179,670)	\$0
2024	\$197,186	(\$1,679,081)	(\$67,163)	\$197,186				(\$197,186)	\$0
2025	\$215,139	(\$1,549,059)	(\$61,962)	\$215,139				(\$215,139)	\$0
2026	\$233,541	(\$1,395,882)	(\$55,835)	\$233,541				(\$233,541)	\$0
2027	\$252,404	(\$1,218,175)	(\$48,727)	\$252,404				(\$252,404)	\$0
2028	\$271,738	(\$1,014,499)	(\$40,580)	\$271,738				(\$271,738)	\$0
2029	\$291,555	(\$783,341)	(\$31,334)	\$291,555				(\$291,555)	\$0
2030	\$311,868	(\$523,120)	(\$20,925)	\$311,868				(\$311,868)	\$0
2031	\$332,688	(\$232,177)	(\$9,287)	\$241,465				(\$241,465)	\$91,224
2032	\$354,029	\$0			(\$5,518,378)	(\$220,735)	\$445,252	(\$445,252)	\$0
2033	\$375,903				(\$5,293,860)	(\$211,754)	\$375,903	(\$375,903)	\$0
2034	\$398,325				(\$5,129,711)	(\$205,188)	\$398,325	(\$398,325)	\$0
2035	\$421,307				(\$4,936,575)	(\$197,463)	\$421,307	(\$421,307)	\$0
2036	\$444,863				(\$4,712,731)	(\$188,509)	\$444,863	(\$444,863)	\$0
2037	\$469,009				(\$4,456,377)	(\$178,255)	\$469,009	(\$469,009)	\$0
2038	\$493,758				(\$4,165,624)	(\$166,625)	\$493,758	(\$493,758)	\$0
2039	\$519,125				(\$3,838,491)	(\$153,540)	\$519,125	(\$519,125)	\$0
2040	\$545,127				(\$3,472,905)	(\$138,916)	\$545,127	(\$545,127)	\$0
2041	\$571,779				(\$3,066,694)	(\$122,668)	\$571,779	(\$571,779)	\$0
2042	\$599,097				(\$2,617,583)	(\$104,703)	\$599,097	(\$599,097)	\$0
2043	\$627,099				(\$2,123,189)	(\$84,928)	\$627,099	(\$627,099)	\$0
2044	\$655,800				(\$1,581,018)	(\$63,241)	\$655,800	(\$655,800)	\$0
2045	\$685,219				(\$988,459)	(\$39,538)	\$685,219	(\$685,219)	\$0
2046	\$715,373				(\$342,778)	(\$13,711)	\$356,490	(\$356,490)	\$358,883
2047					\$0			\$0	\$358,883
	\$11,096,997		(\$1,048,699)	\$3,129,961		(\$2,089,775)	\$7,608,153	(\$10,738,114)	

Tax Increment Finance – Only City Capture

Surface parking

- **Constructed 2015**
- **Financed to 2031 instead of 2027**

Surface Parking	Full Capture	City only
Principal	\$2,081,261	\$2,081,261
Interest	\$709,812	\$1,048,699
Total	\$2,791,073	\$3,129,960

Structure

- **Constructed 2032 instead of 2028**
- **Financed to 2046 instead of 2038**

Parking Structure	Full Capture	City only
Principal	\$4,903,007	\$5,518,378
Interest	\$1,224,507	\$2,089,775
Total	\$6,127,514	\$7,608,153

**New development
would accelerate
process**



TRIANGLE DISTRICT **Corridor Improvement Authority** **DEVELOPMENT &** **TAX INCREMENT FINANCING PLAN**

April 5, 2010 Draft





Acknowledgements

City Commission

Rackeline Hoff, Mayor
Gordon Rinschler, Mayor Pro Tem
George Dilgard
Tom McDaniel
Scott Moore
Mark Nickita
Stuart Sherman

Corridor Improvement Authority

Stuart Sherman
J. C. Cataldo
Edward Fuller
Curtis Hays
Victor Saroki
Jonah Stutz
Robert Ziegelman

City Staff

Thomas Markus, City Manager
Jana Ecker, Planning Director
Christian Wuerth, Management Analyst
Jill Robinson, City Planner
Tara Maguire, GIS Coordinator
Paul O'Meara, Engineering Director

City Attorney

Tim Currier, Beier Howlett
Patrick McGow, Miller Canfield

Consulting Team

LSL Planning
Carl Walker Parking

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Section 21(2) (f) Open Spaces

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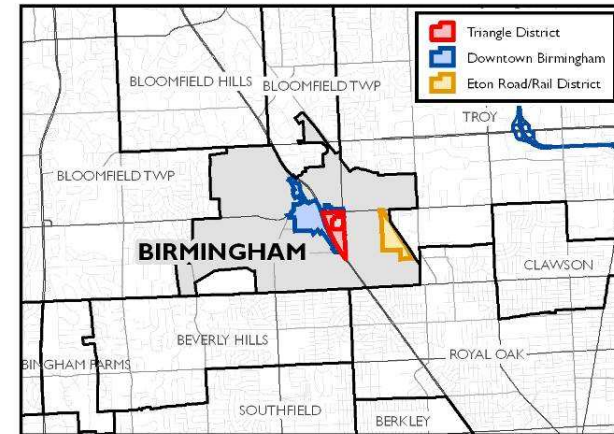
Chapter One: Introduction

Introduction

The City of Birmingham is one of the premier suburban communities in metropolitan Detroit. Birmingham's Triangle District is physically located in the center of the city, between Adams Road and Woodward Avenue, south of Maple Road. Although the district has great potential for redevelopment, it is currently not well connected to the synergy that surrounds it (see Regional Map). To the west lies the city's vibrant Downtown, filled with shops, restaurants, movie theaters, offices and homes – in proximity to, but disconnected from the Triangle District by Woodward Avenue. Maple Road, which bounds the north end of the District, is lined with both successful businesses and underutilized properties and provides the primary pedestrian and vehicular connection to Downtown Birmingham. East of the Triangle District is a quality single family residential neighborhood that is well-established and planned to remain. The redeveloping Eton Road/Railroad District hosts landmark restaurants, new live-work condominiums, indoor recreation facilities and a wide variety of unique, clustered uses such as home furnishing shops, dance and art studios, and industrial uses.

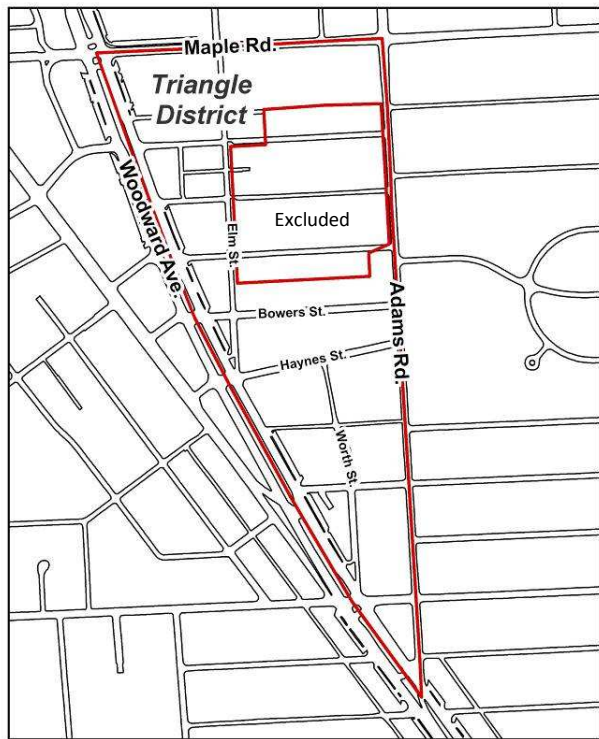
Development of the Triangle District Urban Design Plan in 2007 marked the beginning of a long-term effort to revitalize the district. Recognizing the potential growth in the district, the city identified the key elements necessary for the successful redevelopment of the district. The primary goal of the Triangle District Urban Design Plan project was to create a unified framework for development that improves the economic, social and pedestrian environments while protecting the central neighborhood that exists within the district. The resulting strategy included a set of development guidelines intended to create an urban, pedestrian-friendly environment similar to those that are so successful in other areas of the city.

The Triangle District is also envisioned as a transit-oriented district that will draw on regional transit plans that include Birmingham as a destination. Doing so requires a more compact, urban building form, which is best achieved through a form-based code, which the city adopted in 2007.



Regional Map





CIA District Map

The Triangle District's unique needs lay in the demand for improved circulation and parking. Parking is scattered and unorganized and building placements are, in many places, not conducive to the pedestrian scale and comfort envisioned. A form-based code was developed to encourage building placement and design in the form required to create attractive and inviting public streets and spaces. Over time, buildings developed under the form-based code will line the roadways to create a more urban street scale that is comfortable to pedestrians and suitable for mixed-use development. However, a key element to the successful revitalization of the Triangle District is the need for better organized and more efficient parking facilities.

As evidenced by the success of the city's Downtown parking program, public parking structures that are designed and located appropriately can significantly impact the economic success of local businesses. Since the need for improved parking was identified as a primary concern, the city began to assess the feasibility of such a structure in the Triangle District. New legislation in 2005 enabled the city to use a new tool that allows tax increment financing to revitalize road corridors through the creation of a Corridor Improvement Authority (CIA).

Pursuant to Act 280, Public Acts of Michigan, 2005 the Corridor Improvement Authority Act, the Birmingham Triangle District's CIA was incorporated on November 10, 2008 with the objective of stimulating and encouraging economic development activities within the established District. It was on this date that the Authority District boundaries were established. The CIA is overseen by a board comprised of six members appointed by the Mayor and confirmed by the City Commission.

The City of Birmingham developed this Development and Tax Increment Finance Plan for the Triangle District to outline the improvements necessary to realize the vision established in the Triangle District Urban Design Plan. It describes proposed improvements needed to achieve the goals for the district and the method of financing proposed to fund them.

Triangle District Background

The city developed an Urban Design Plan for the Triangle District in 2007, which included the following goals:

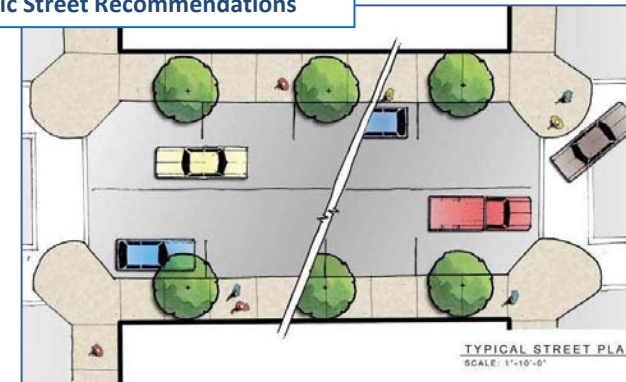
- Improve the visual appearance of the area, its streets, alleys, public spaces, and buildings by establishing guidelines for design and implementation of public and private projects.
- Improve the economic and social vitality by encouraging diversity of use and opportunities for a variety of experiences.
- Better utilize property through more compact, mixed-use development.
- Provide links to Downtown across Woodward's high traffic barrier.
- Improve the comfort, convenience, safety, and enjoyment of the pedestrian environment by create an inviting, walkable, pedestrian neighborhood and setting aside public plazas.
- Encourage sustainable development.
- Protect the integrity of established residential neighborhoods.
- Organize the parking and street system to facilitate efficient access, circulation, and parking to balance vehicular and pedestrian needs.

Since development of the Triangle District Urban Design Plan, the city has established a CIA to carry out the parking recommendations. While the Urban Design Plan recommends a number of changes to the Triangle District that are being implemented by the City, the CIA's focus is to implement the parking aspects of the Urban Design Plan. The Birmingham Triangle District CIA held their first meeting on January 20, 2009, where they began their work by recommending the City Commission begin developing this Development and Tax Increment Financing Plan for the district. Their specific purpose is to facilitate the planning and financing of a public parking facility.

Open Space Design Recommendations



Public Street Recommendations



Building Design Recommendations



The Triangle District Development and TIF Plans were created according to the Corridor Improvement Authority Act, P.A. 280 of 2005, as amended.

Purpose of the Development and TIF Plans

The purpose of a CIA is to plan for, correct and prevent deterioration in business districts, to encourage historic preservation and to promote economic growth within the district.

The City of Birmingham has determined that the development plan and tax increment financing plan constitutes a public purpose, based on the following considerations:

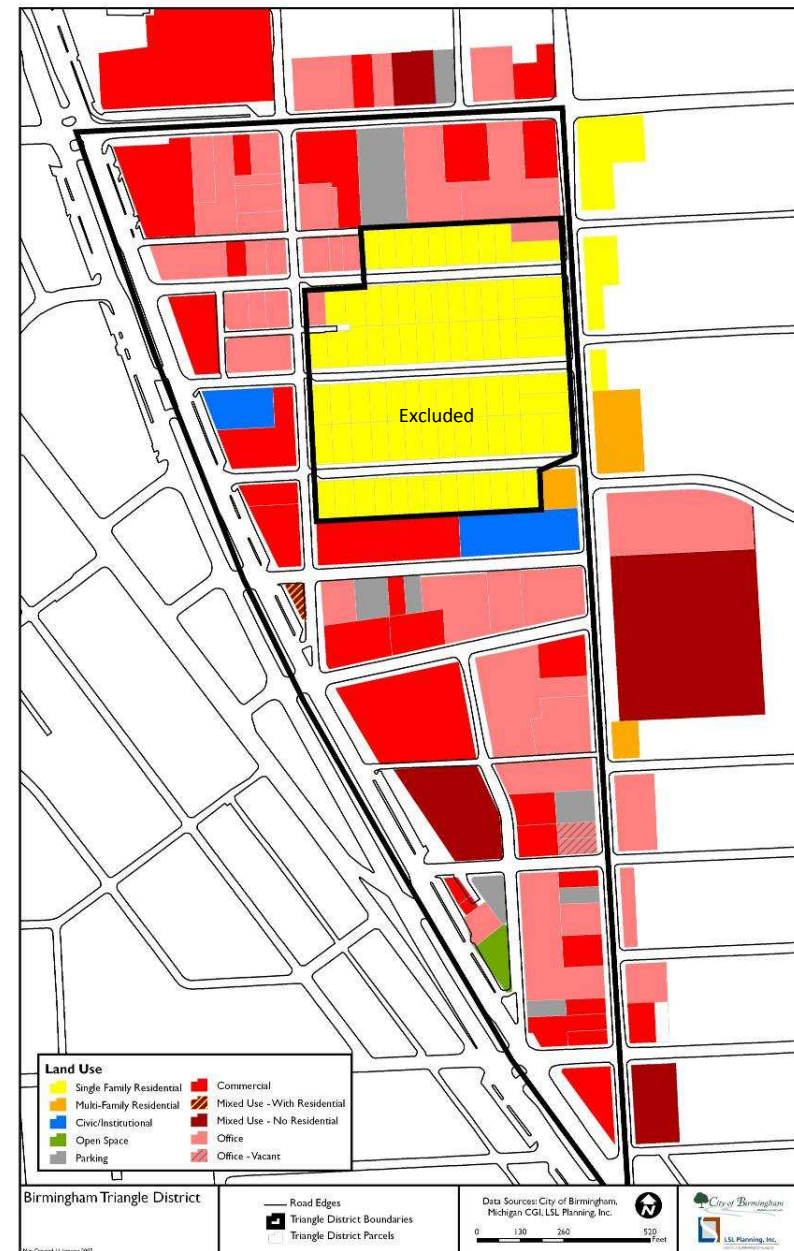
- The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.
- The development is reasonable and necessary to carry out the purposes of the CIA Act.
- The land within the district that is to be acquired is reasonably necessary to carry out the purposes of the plan and of the CIA Act in an efficient and economically satisfactory manner.
- The development plan is in reasonable accord with the City of Birmingham's Master Plan, which includes the Triangle District Subarea Plan.
- Public services, such as fire and police protection and utilities, are adequate to service the project area.
- Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary to facilitate the planned redevelopment of the District.

Chapter Two of this Plan discusses the recommendations for stimulating redevelopment within the Triangle District. A key concern in the Triangle District Design Plan was the need for more organized and efficient parking. The Birmingham Triangle District Corridor Improvement Authority was established to facilitate the construction of new parking facilities that will serve the district. Chapter Three contains the Tax Increment Financing Plan that will be required to finance the development of parking facilities. Both plans have been prepared in consideration of the required legal parameters, economic factors, and realistic projections.

According to the Corridor Improvement Authority Act, P.A. 280 of 2005, as amended, Development and Tax Increment Financing Plans must be adopted by the City Commission by resolution after holding a public hearing. The City of Birmingham held a public hearing on _____ and adopted this Development and Tax Increment Finance Plan on _____.

Existing Land Use

Land uses were inventoried in and adjacent to the Triangle District (see map). Sites along Woodward Avenue, the district's western boundary, contain more general commercial uses which transition to less intense commercial, office and residential land uses located farther east. Sites along Maple Road and Adams Road and land to the west, across Woodward Avenue, are also commercial in use. Land to the east and north are generally developed as single-family neighborhoods. The districts wraps around an established single-family neighborhood, which has been excluded from the District boundary. The area within the CIA District does not contain any single family residential uses. There is an apartment building located within the district.



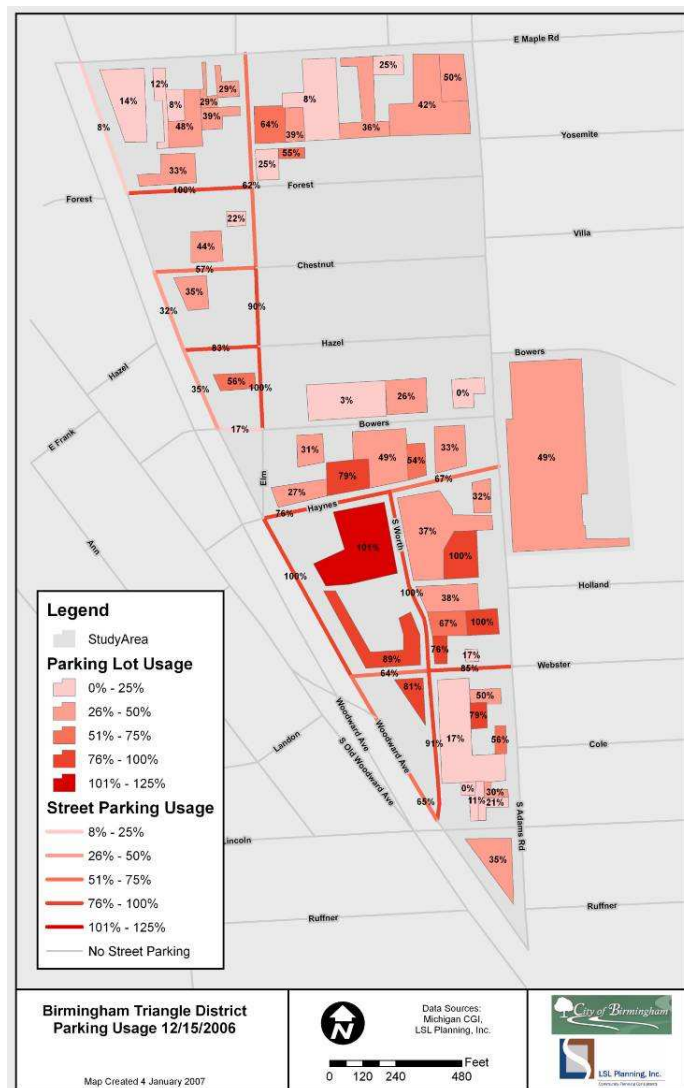
Existing Parking Conditions

A detailed parking inventory was completed December, 2006. The inventory of parking was updated in 2009 for this plan. There are 1,711 private parking spaces and 303 on-street public parking spaces, for a total of 2,014 spaces in the Triangle District. While parking supply was adequate when considering the overall parking supply and demand in the district, the distribution of parking was not ideal relative to demand. The following table shows the supply of parking spaces versus the demand for parking relative to the square footage of buildings in the district:

	Overall District	Retail Center
Parking supply (spaces/1,000 sq. ft. of buildings)	2.99	4.03
Parking demand (cars/1,000 sq. ft. of buildings)	1.27	3.31
% of parking spaces occupied	42%	82%
% off-street parking spaces occupied	44%	95%
% on-street parking spaces occupied	30%	49%

As can be seen in the table, in areas of clustered retail use, there was little available parking during peak periods with 82% of the parking used near the major retail uses. While at the same time, parking for other uses was significantly underutilized with only 42% of the parking being used for the overall district. This shows a clear need for an improved shared parking program or coordinated public parking to better manage parking supply and demand.

While the city has established an extensive public parking program for the Downtown, it does not extend into the Triangle District. This leaves private property owners to provide for their own parking needs, which has led to inefficiencies in use and wasted land that could otherwise be developed to contribute to the desired vibrancy of the district.



Projected Parking Demand

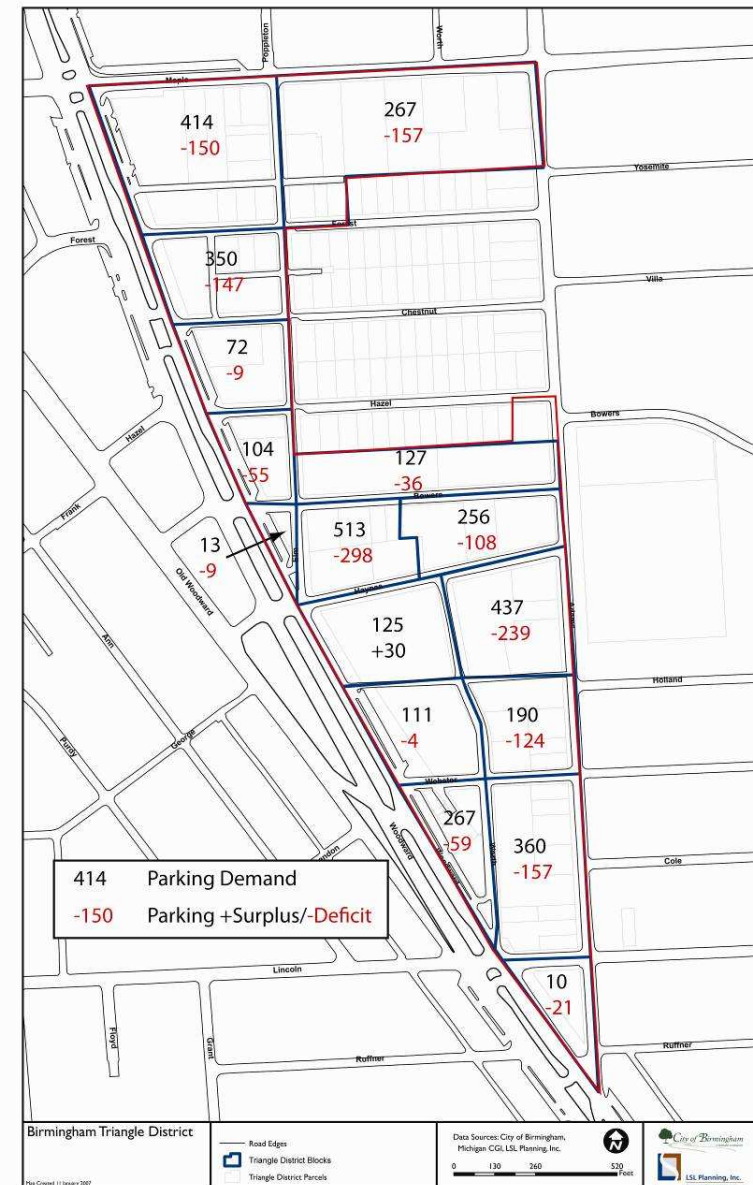
In order to estimate the amount of parking demand in the future that could support a public parking facility, the district was analyzed for future build-out. A full build-out shows the amount of development that could occur based upon the Urban Design Plan and new Overlay Zoning District. However, because it is unlikely that all of the current uses in the district will be removed and redeveloped, assumptions were made on which buildings would likely remain and which areas would likely redevelop. This “partial build-out” included development that is anticipated or likely to occur in the future and gives a more realistic estimate of future parking demands.

Future parking demand was estimated based upon the Institute of Transportation Engineer’s Parking Generation Manual and observed parking demands in the city. The projections assume that new development will be providing some on-site parking, either via private parking structures, underground lots or small surface lots. A summary of the parking analysis is provided below:

Available On-street Parking Spaces	Private Parking Spaces	Projected Parking Demand Based Upon Partial Build-out	Future Parking Deficit
303	1,770	3,616	1,543

The above projected deficit showed the future need for an additional 463 parking spaces in the north end of the Triangle District near Maple Road and an additional 1,080 spaces in the south portion of the District.

The development of a public parking structures, in strategic locations that will best serve the maximum number of businesses is recommended. Because the demand for parking will occur incrementally over time as the Triangle District redevelops, it is recommended that the City first acquire land for one or more surface parking lots to be developed with structures as the area redevelops and parking demand increases.





Chapter Two: Development Plan

Introduction

According to the Corridor Improvement Authority Act, P.A. 280 of 2005, as amended, the city of Birmingham's Corridor Improvement Authority must develop a Development Plan for any improvements that are proposed to be funded through Tax Increment Financing. The law prescribes the various elements required in the Development Plan, which are discussed in this Chapter.

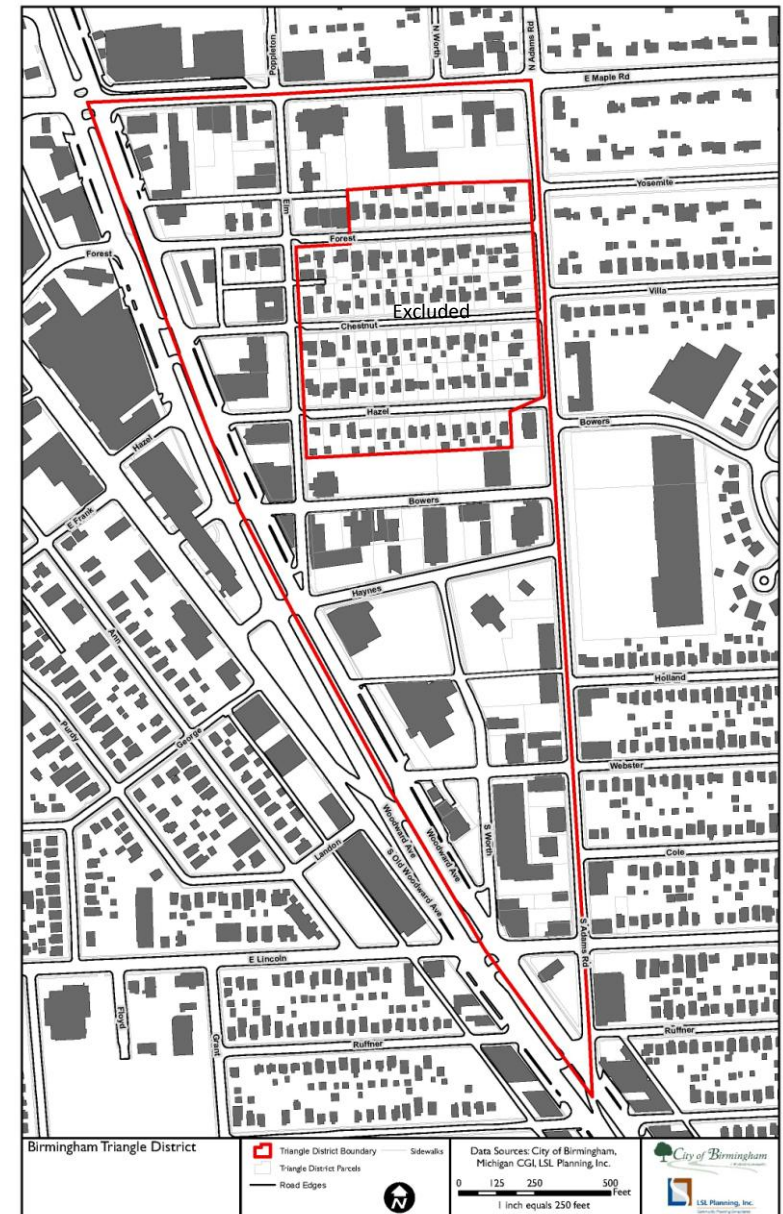
Development Plan

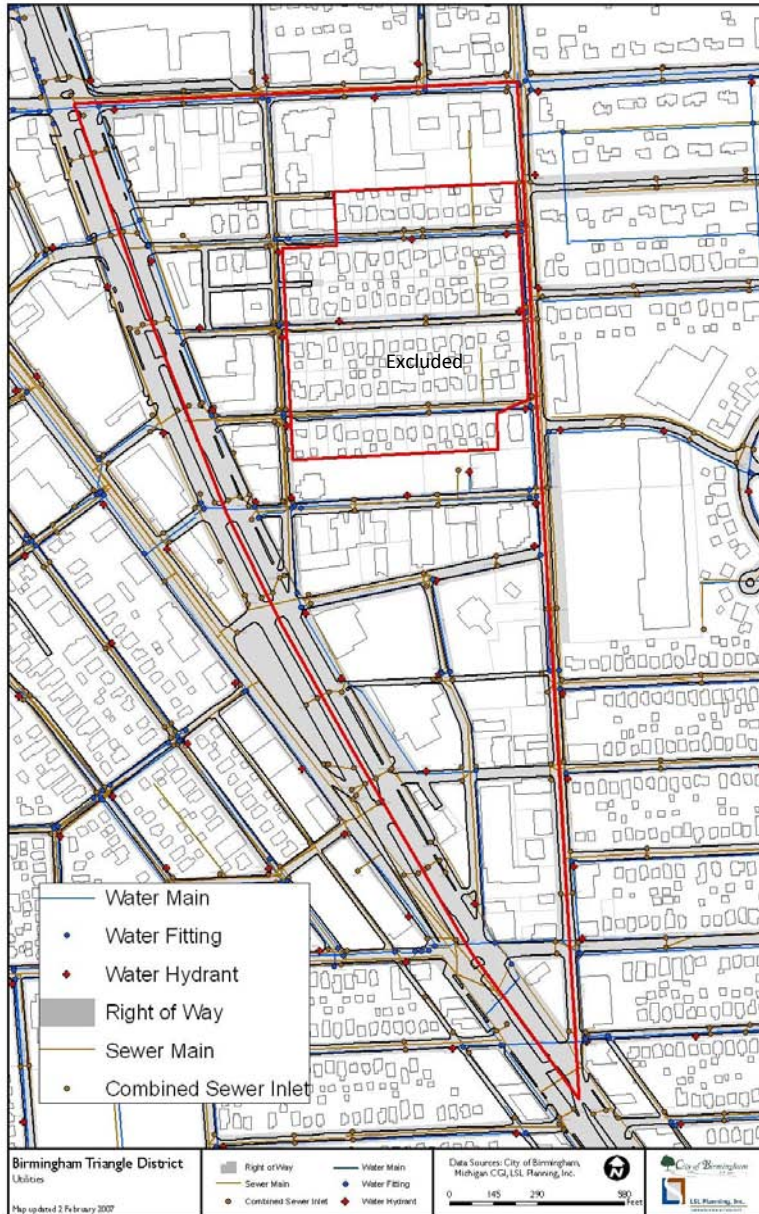
According to Section 21 of the Corridor Improvement Authority Act, the Development Plan must address the following:

- **Section 21(2) (a) Development Area Boundary:** *The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.*

The Development Area is generally enclosed by Woodward Avenue on the west, Maple Road on the north and Adams Road on the east, excluding the existing single-family neighborhood along Forest, Chestnut and Hazel Streets east of Elm Street. The Triangle District serves as a transitional growth area between Birmingham's central business district west of Woodward and the residential neighborhoods to the east (See District Map, right).

- **Section 21(2) (b) Existing Streets and Public Facilities:** *The location and extent of existing streets and other public facilities within the development area, designating the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and including a legal description of the development area.*





Utility Map

The boundaries of the Development Area in relation to highways, streets, and other rights-of-way are shown on the District Map, as previously presented under item 21(2) (a). The district is also well served by public water and sewer services (See Utility Map, left).

The city maintains a Fire Station at the northwest corner of Adams and Bowers. This is their main station, containing administrative offices and training facilities.

Land uses in the district include a mix of commercial and office uses. The district is adjacent to a single-family neighborhood that is not proposed to be included in the TIF Plan. Most of the higher intensity uses are located along Woodward, with other fine stores and offices found throughout the district.

Woodward Avenue is an eight-lane state trunkline with a center median that runs along the western edge of the district. Maple Road is a four-lane county arterial road that runs along the northern edge of the district. Streets within the district are generally two-lane local city streets with sidewalks and on-street parking. Street circulation in the south end of the district could be improved through road realignments, and some of the parking lots and loading areas are unorganized throughout the district, as are several building arrangements. The disjointed arrangement of buildings and parking does not create the physical context for a strong synergy between the various uses in the area. It is a goal of this Development Plan to provide more organized parking that will help improve business vitality in the district.

Section 21(2) (c) Existing Improvements: *A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.*

The Birmingham Corridor Improvement Authority plans to redevelop one or two sites within the district into a public parking facility. Immediate plans are to acquire a site(s) for the future parking facilities and construct a surface parking lot until the area redevelops and need for a parking structure increases. Because the site for the parking facilities has yet to be determined, the specific details regarding site demolition or repairs are

unknown. If existing surface lots on the future site can be re-used to provide temporary parking, they will be repaired or retained if in good condition. Otherwise, purchase and demolition of existing commercial buildings is likely needed, as most lots in the district are developed to some extent.

The timing of construction will depend on the redevelopment of the district creating additional parking demand and generating additional tax increment rate of capture to fund construction. The CIA plans to bond for the land acquisition costs as well as the parking facility construction costs; therefore, the timing of bond issues will be determined when adequate capture exists to make the expected payments.

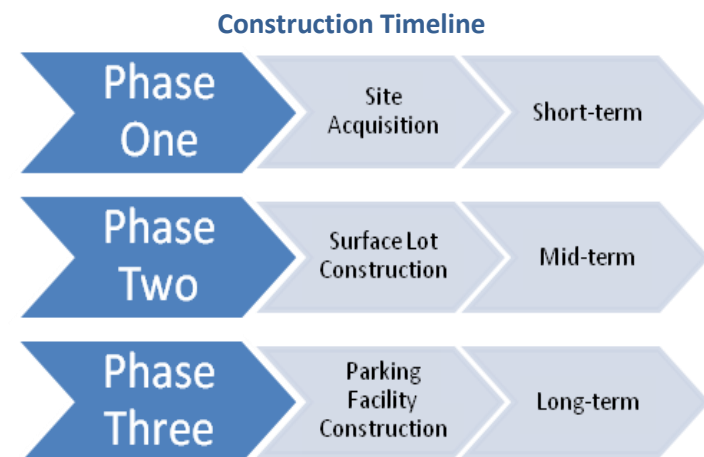
- **Section 21(2) (d) Estimated Cost of Improvements:** *The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.*

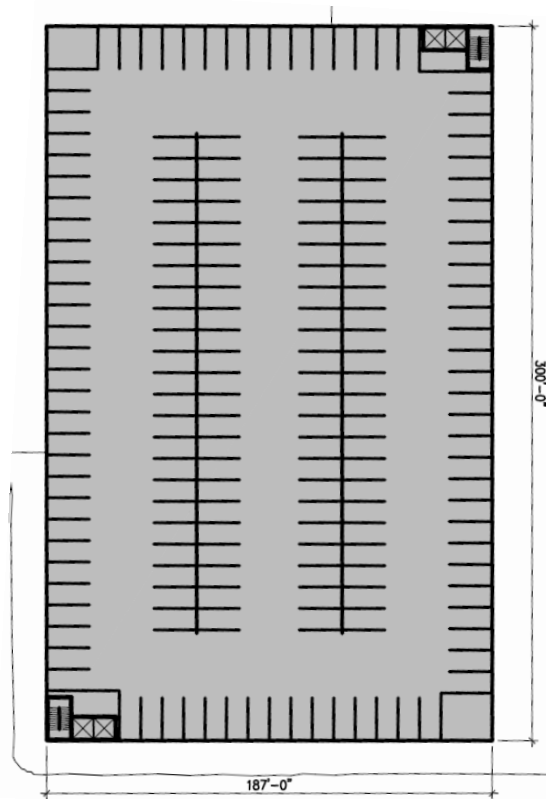
For each parking structure, preliminary estimates assume a land cost of approximately \$5,000,000. When purchased, the land will be redeveloped immediately into a 90-space surface parking lot that is estimated to cost approximately \$180,000. It is anticipated a 450-space parking structure cost will be approximately \$7,200,000. Demolition costs will be determined once a site is identified. The actual number and configuration of parking facilities will be determined based upon development in the District and growth in parking demand.

- **Section 21(2) (e) Construction Timeline:** *A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.*

Due to limited resources, the CIA will take a phased approach to developing the parking facilities. The CIA estimates that, through tax increment financing, it will take approximately 5 years to accrue enough funds to purchase the property needed for the facilities. If TIF revenues exceed those projected, the city may bond for the site acquisition sooner. Once acquired, the site will be prepared for construction of the facilities.

Preliminary Parking Cost Estimates ⁽¹⁾	
Land Cost	\$5,000,000
Interim Surface Parking Lot Cost	\$180,000
Parking Structure Cost	\$7,200,000
Total	\$12,380,000
(1) Amounts are expressed in 2009 dollar values. Actual costs will need to be adjusted, depending on the actual build year.	





Due to the large construction costs related to a parking structure, the CIA will need to wait for additional tax increment financing to accrue before it can finance construction of the structure. Instead, the site(s) will first be developed into a surface parking lot containing approximately 90 parking spaces, to help offset immediate parking needs in the district. Later phases will include the construction of one or more parking structures. The specific construction date will be determined as redevelopment in the surrounding area demands additional parking. Additional parking facilities may be constructed based upon development in the District and growth in parking demand.

- **Section 21(2) (f) Open Spaces:** *A description of any parts of the development area to be left as open space and the use contemplated for the space.*

No new open spaces are proposed as part of this Development Plan, except for ancillary sidewalks and pedestrian areas associated with development of the parking facility. The Triangle District Master Plan included recommendations for public open space; however these will be implemented by other means and will not be funded through the CIA development plan.

- **Section 21(2) (g) Conveyances Between CIA and City:** *A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.*

The CIA does not currently own or control any land in the Triangle District. Once the parking facility is complete, the CIA anticipates it will be conveyed to the City of Birmingham in its entirety.

- **Section 21(2) (h) Desired Zoning Changes:** *A description of desired zoning changes and changes in streets, street levels, intersections, traffic flow modifications, or utilities.*

No changes in zoning are required to implement the Corridor Improvement Authority's Development Plan. However, the city previously adopted a new Overlay District for the area. The overlay was adopted to implement the development contemplated in the Triangle Plan using form-based code requirements (see Triangle District Regulating Plan, left). The code

encourages mixed-use development rather than creating use-specific districts. It encourages additional building height and high density residential uses that will complement the city's goals to become more transit-oriented.

The Triangle District Urban Design Plan includes other recommendations for the district; however, the CIA has committed only to development of parking facilities at this time.

- **Section 21(2) (i) Financing:** *An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.*

Incremental taxes on real property included in the CIA district boundary will be captured under the Tax Increment Financing Plan to reimburse eligible activity expenses. It is anticipated that the TIF will be used to cover 40% of the acquisition and construction costs, with the other 60% coming from a parking special assessment district.

The total taxable value of all real property was \$44,754,240 for the 2009 tax year. Due to the recession, a 9% decline in property values is shown for 2010 and no growth in property value for the 2011 tax year, establishing a 2010 or 2011 base year value of \$40,726,358. The TIFA Plan assumes an annual increase in taxable value of 2.5% for the years 2012 and beyond.

It is anticipated that the term of the TIFA Plan will depend on the actual cost estimates received after final plans are prepared. The estimated captured taxable value and tax increment revenues for the eligible property for each year of the Plan are presented in Chapter 3.

The tax increment and capture year data presented in Chapter 3 are estimates based on currently available information. It is the intent of this plan to provide for capture of all eligible tax increments in whatever amounts and in whatever years they become available until all project costs described in this plan are paid. Cash flow estimates for eligible activities are also presented in Chapter 3.

- **Section 21(2) (j) Designated Beneficiaries:** *Designation of the person or persons, natural or corporate, to whom all or a portion of the development is*





to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

The projects undertaken by the CIA are intended to benefit all property owners within the district. They are not intended to benefit any one or set of property owners; rather to remedy a district-wide shortage in parking that will hopefully help to attract additional commerce and residential development to the district. The parking facilities will be conveyed to the city once completed.

- **Section 21(2) (k) Conveyance Procedures:** *The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.*

The projects included in this Development Plan are intended to be publicly owned in perpetuity; no conveyances are anticipated. The city may enter into a public-private partnership with a developer to partially fund the structure. This can be achieved through a condominium development that allows partial ownership of the structure by the city. Additional construction cost savings may be realized if other private structures are proposed that could be built simultaneously. Should the city choose in the future to sell the parking facility proposed in this Plan, the procedures in the Birmingham City Charter will be followed. Chapter Two of the Charter requires that sales of city property valued over \$2 per capita, as established in the most recent U.S. Census, be approved by a majority vote of its citizens. In 2000, Birmingham's population was 19,291; therefore, any sale of land valued at over \$38,582 must be approved by voters. Current city policy is to request qualifications and proposals before agreeing on any sale price and seeking voter approval.

- **Section 21(2) (l) Population Estimates and Displacement:** *Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall*

include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

There is a single apartment building located in the Corridor Improvement Authority boundary. This building is not proposed to be impacted and no families or individuals will be displaced as result of development of a parking facility. Therefore, a demographic survey and information regarding housing in the community are not applicable and are not needed for this plan.

- **Section 21(2) (m) Relocation Priorities:** *A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.*

No residents will be displaced as a result of this development. Therefore, a plan for relocation of displaced persons is not applicable and is not needed for this plan.

- **Section 21(2) (n) Relocation Costs:** *Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the uniform relocation assistance and real property acquisition policies act of 1970, Public Law 91-646, 84 Stat. 1894.*

No residents will be displaced as result of this development and no relocation costs will be incurred. Therefore, provision for relocation costs is not applicable and is not needed for this plan.

- **Section 21(2) (o) Relocation Assistance Act:** *A plan for compliance with 1972 PA 227, MCL 213.321 to 213.332.*

No residents will be displaced as result of this development. Therefore, no relocation assistance strategy is needed for this plan.

- **Section 21(2) (p) Governing Body Approval of Amendments:** *The requirement that amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection.*

The Tax Increment Finance and Development Plans for the Triangle District Corridor Improvement Authority was approved by the CIA on _____, and endorsed by the Birmingham City Commission on _____.

- **Section 21(2) (q) Development Plan Evaluation:** *A schedule to periodically evaluate the effectiveness of the development plan.*

The Birmingham Triangle District Corridor Improvement Authority will review the Tax Increment and Development Plan as needed. It is anticipated that they will meet approximately 4 times a year, and will review the plan at least once per year to update key figures and ensure projects and recommendations are still relevant.

Chapter Three: Tax Increment Financing Plan

Introduction

This Tax Increment Finance (TIF) Plan is prepared in connection with the Development Plan described in Chapter Two. It was reviewed and adopted alongside the Development Plan; therefore, the city satisfied its notification and publication requirements when preparing notices for the Development Plan.

TIF Plan

According to Section 18 to 20 of Act 280, Public Acts of Michigan, 2005, after establishing a TIF Plan, the city must report annually to the State Tax Commission regarding the status of the financing account. The report must include:

- The amount and source of revenue in the account.
- The amount in any bond reserve account.
- The amount and purpose of expenditures from the account.
- The amount of principal and interest on any outstanding bonded indebtedness.
- The initial assessed value of the project area.
- The captured assessed value retained by the authority.
- The tax increment revenues received.
- The increase in the state equalized valuation as a result of the implementation of the tax increment financing plan.
- The type and cost of capital improvements made in the development area.
- Any additional information the governing body considers necessary.

Base Property Values for All CIA Parcels

Parcel Number	2009 MBOR SEV	2009 Taxable	Property Class
08-19-36-226-002	\$3,899,800	\$2,773,010	201
08-19-36-226-003	\$917,880	\$461,760	201
08-19-36-226-007	\$478,270	\$478,270	201
08-19-36-226-009	\$470,940	\$470,940	201
08-19-36-226-012	\$742,050	\$309,540	201
08-19-36-226-013	\$540,820	\$276,350	201
08-19-36-226-020	\$1,765,490	\$636,510	201
08-19-36-226-021	\$208,630	\$208,630	201
08-19-36-226-022	\$1,646,730	\$874,370	201
08-19-36-226-023	\$0	\$0	415
08-19-36-227-002	\$1,995,330	\$755,700	201
08-19-36-227-003	\$1,001,730	\$941,620	201
08-19-36-227-005	\$696,580	\$227,040	201
08-19-36-227-006	\$615,360	\$256,980	201
08-19-36-227-007	\$297,710	\$151,480	201
08-19-36-227-008	\$489,530	\$219,170	201
08-19-36-227-023	\$1,264,590	\$300,010	201
08-19-36-227-024	\$2,765,630	\$989,860	201
08-19-36-227-027	\$2,057,930	\$742,510	201
08-19-36-227-028	\$1,107,800	\$521,010	201
08-19-36-228-001	\$1,586,660	\$756,170	201
08-19-36-228-002	\$587,240	\$549,900	201
08-19-36-228-003	\$360,130	\$213,560	201
08-19-36-228-004	\$547,600	\$547,600	201
08-19-36-228-005	\$1,321,230	\$812,580	201
08-19-36-230-003	\$1,952,920	\$812,040	201
08-19-36-230-004	\$0	\$0	402
08-19-36-232-001	\$1,452,070	\$1,062,120	201
08-19-36-232-005	\$1,418,090	\$735,700	201
08-19-36-233-014	\$377,870	\$256,050	203
08-19-36-233-021	\$0	\$0	402
08-19-36-233-022	\$2,012,910	\$2,012,910	201
08-19-36-280-002	\$386,380	\$238,200	201

Parcel Number	2009 MBOR SEV	2009 Taxable	Property Class
08-19-36-281-003	\$513,830	\$513,830	202
08-19-36-281-004	\$375,380	\$375,380	201
08-19-36-281-005	\$425,930	\$425,930	201
08-19-36-281-017	\$1,291,340	\$509,410	201
08-19-36-281-022	\$1,376,230	\$161,730	201
08-19-36-281-028	\$671,430	\$272,200	201
08-19-36-281-029	\$2,912,280	\$989,010	201
08-19-36-281-030	\$944,600	\$419,500	201
08-19-36-281-031	\$2,925,580	\$1,963,570	201
08-19-36-282-002	\$5,893,660	\$3,741,510	201
08-19-36-282-005	\$3,999,560	\$2,481,920	201
08-19-36-283-009	\$1,156,030	\$1,156,030	201
08-19-36-283-014	\$667,430	\$667,430	201
08-19-36-283-016	\$2,028,350	\$689,610	201
08-19-36-283-019	\$361,750	\$143,970	201
08-19-36-283-020	\$369,720	\$219,680	201
08-19-36-283-021	\$484,040	\$267,730	201
08-19-36-283-022	\$546,830	\$284,090	201
08-19-36-283-024	\$3,217,870	\$1,214,430	201
08-19-36-283-025	\$409,080	\$0	201
08-19-36-284-001	\$168,340	\$97,290	201
08-19-36-284-002	\$147,750	\$136,750	201
08-19-36-284-009	\$739,620	\$739,620	201
08-19-36-284-010	\$586,300	\$404,760	202
08-19-36-285-001	\$6,668,000	\$4,943,670	201
08-19-36-285-002	\$323,760	\$148,240	201
08-19-36-285-006	\$419,870	\$294,040	201
08-19-36-285-007	\$262,150	\$0	201
08-19-36-285-008	\$579,880	\$266,820	201
08-19-36-285-009	\$519,740	\$216,720	201
08-19-36-285-010	\$299,630	\$95,360	201
08-19-36-285-012	\$385,520	\$241,910	201
08-19-36-285-013	\$898,770	\$519,830	201
08-19-36-427-001	\$926,320	\$560,680	201

Totals \$78,462,470 \$44,754,240

When developing the TIF Plan, the city must include the following:

- **A Development Plan:** The Development Plan for this project is described in Chapter Two: Development Plan.
- **A detailed explanation of the tax increment procedure:** Tax Increment Financing is a method of funding public investments in an area slated for (re)development by capturing, for a time, all or a portion of the increased tax revenue that may result from increases in property values, either as a result of (re)development or general market inflation. The concept of tax increment financing is applied only to the Development Area for which a development plan has been prepared by the Authority and adopted by the community's legislative body.

"Captured Assessed Value" can be described as the amount in any year of the Plan in which the current assessed value exceeds the initial assessed value. Current assessed value for this purpose includes the amount of local taxes paid in lieu of property taxes. "Initial Assessed Value" represents the assessed value as equalized for all properties in the Development Area at the time of resolution adoption. It is relevant to mention that the value of tax-exempt property is represented as a zero value, since no tax increment will be collected for that site, regardless of increases in actual property value. The taxable difference between the initial assessed value (base year total) and any incremental increase in the SEV can be captured and (re)invested by the CIA. The estimated TIF capture for the Birmingham CIA is shown in the *Estimated TIF Capture Table* (right).

For this plan, very conservative projections have been used to depict a "worst-case" scenario for tax increment. Due to the current economic recession, a 9% decline in property values is shown for 2010 and no growth in property value for the 2011 tax year. The TIFA projections assume a future increase in taxable value of 2.5% for the years 2012 and beyond. This increase is less than has historically occurred in Birmingham and assumes no new development in the Development Area.

Estimated TIF Capture ⁽¹⁾
2009 - 2038

	Fiscal Year	Base Value	% Value Increase	Taxable Value ⁽²⁾	Capture Amount
	2009			\$44,754,240	
Base Year:	2010	\$40,726,358	-9.0%	\$40,726,358	
	2011	\$40,726,358	0.0%	\$40,726,358	\$0
	2012	\$40,726,358	2.5%	\$41,744,517	\$1,018,159
	2013	\$40,726,358	2.5%	\$42,788,130	\$2,061,772
	2014	\$40,726,358	2.5%	\$43,857,834	\$3,131,475
	2015	\$40,726,358	2.5%	\$44,954,279	\$4,227,921
	2016	\$40,726,358	2.5%	\$46,078,136	\$5,351,778
	2017	\$40,726,358	2.5%	\$47,230,090	\$6,503,731
	2018	\$40,726,358	2.5%	\$48,410,842	\$7,684,484
	2019	\$40,726,358	2.5%	\$49,621,113	\$8,894,755
	2020	\$40,726,358	2.5%	\$50,861,641	\$10,135,283
	2021	\$40,726,358	2.5%	\$52,133,182	\$11,406,824
	2022	\$40,726,358	2.5%	\$53,436,511	\$12,710,153
	2023	\$40,726,358	2.5%	\$54,772,424	\$14,046,066
	2024	\$40,726,358	2.5%	\$56,141,735	\$15,415,376
	2025	\$40,726,358	2.5%	\$57,545,278	\$16,818,920
	2026	\$40,726,358	2.5%	\$58,983,910	\$18,257,552
	2027	\$40,726,358	2.5%	\$60,458,508	\$19,732,150
	2028	\$40,726,358	2.5%	\$61,969,971	\$21,243,612
	2029	\$40,726,358	2.5%	\$63,519,220	\$22,792,862
	2030	\$40,726,358	2.5%	\$65,107,200	\$24,380,842
	2031	\$40,726,358	2.5%	\$66,734,880	\$26,008,522
	2032	\$40,726,358	2.5%	\$68,403,252	\$27,676,894
	2033	\$40,726,358	2.5%	\$70,113,334	\$29,386,975
	2034	\$40,726,358	2.5%	\$71,866,167	\$31,139,809
	2035	\$40,726,358	2.5%	\$73,662,821	\$32,936,463
	2036	\$40,726,358	2.5%	\$75,504,392	\$34,778,033
	2037	\$40,726,358	2.5%	\$77,392,002	\$36,665,643
	2038	\$40,726,358	2.5%	\$79,326,802	\$38,600,443

- (1) This table assumes capture based on inflation only - no new development or increase in value due to improvements. New development would increase capture.
- (2) 2010 reflects a projected 9% decline and 2011 no growth. 2012 - 2038 assume 2.5% growth/year.

In order to make use of tax increment financing the CIA must submit to the City governing body a Tax Increment Financing and Development Plan which the city must approve by resolution. Following approval of resolution, municipal and county treasurers must transfer to the CIA the amount of taxes paid to them as a result of increased value. The transmitted funds are denominated "tax increment revenues". Tax increment revenues are additionally limited as explained below:

"Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the Development Area. Tax increment revenues do not include any of the following:

- a. Taxes under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.*
- b. Taxes levied by local or intermediate school districts.*
- c. Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to the ad valorem property taxes.*
- d. Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to the ad valorem property taxes.*
- e. Ad valorem property taxes exempted from capture under section 18(5) or specific local taxes attributable to the ad valorem property taxes.*
- f. Ad valorem property taxes specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit or specific taxes attributable to those ad valorem property taxes.*

- **The maximum amount of bonded indebtedness to be incurred:** The maximum amount of bonded indebtedness to be incurred by, or on behalf of, the City of Birmingham CIA is shown on the *Corridor Improvement Authority Bonds Table* (next page). These amounts were established using estimates of the land cost (\$5,000,000), surface parking development cost (\$180,000) and structure cost (\$7,200,000) and inflating the costs with the assumption that the land acquisition and parking lot construction will occur in 2015 at an adjusted cost of \$5,203,000 and the parking structure would be constructed in 2028 at an adjusted cost of just under \$12,258,000, adjusted for inflation.

It is anticipated that the TIF will be used to cover 40% of the acquisition and construction costs, with the other 60% coming from a parking special assessment district. The TIF portion of the funding, which would be approximately \$2,081,000 for the land and surface parking and approximately \$4,903,000 for the parking structure, was used to estimate the bond payments, with interest at 4%, which is reasonable to assume given the city's AAA bond rating.

As noted previously, the projections for revenue are very conservative, assuming only a 2.5% increase in taxable value after 2012 and no new development. New development can substantially increase tax increment. Therefore the land purchase for a surface parking lot may occur sooner, particularly if there is new development. The increase tax increment from new development will likely accelerate repayment of any bonds for land acquisition and parking lot construction.

The construction of parking structure(s) will likely be timed to coincide with major new development. New development may necessitate construction of more than one parking structure. Parking structure(s) may also be partially funded through a public/private partnership with new development. The increase tax increment from major new development will likely accelerate repayment of any bonds for a parking structure from what is shown in the table on the next page.

	Land acquisition and surface parking
2010 Estimated costs	\$ 5,180,000
2015 Estimated costs	\$ 5,203,153
TIF portion (40%)	\$ 2,081,261
SAD portion (60%)	\$ 3,121,892

	Parking structure
2010 Estimated costs	\$ 5,180,000
2028 Estimated costs	\$ 12,257,518
TIF portion (40%)	\$ 4,903,007
SAD portion (60%)	\$ 7,354,511

Corridor Improvement Authority Bonds									
Fiscal Year	Tax Increment Ending June 30	Tax Increment Revenues ⁽¹⁾	Land Bond ⁽²⁾			Structure Bond ⁽³⁾			Excess Tax
			Debt Principal	Interest	Debt Service	Debt Principal	Interest	Debt Service	Total Debt Service
				4%			4%		Increment Revenues
2009		\$0							\$0
2010		\$0							\$0
2011		\$0							\$0
2012		\$20,070							\$0
2013		\$40,642							\$20,070
2014		\$61,728							\$60,712
2015		\$83,341	(\$2,081,261)	(\$83,250)	\$205,780				\$122,439
2016		\$105,494	(\$1,958,732)	(\$78,349)	\$105,494				\$0
2017		\$128,202	(\$1,931,587)	(\$77,263)	\$128,202				\$0
2018		\$151,477	(\$1,880,649)	(\$75,226)	\$151,477				\$0
2019		\$175,333	(\$1,804,398)	(\$72,176)	\$175,333				\$0
2020		\$199,787	(\$1,701,241)	(\$68,050)	\$199,787				\$0
2021		\$224,851	(\$1,569,504)	(\$62,780)	\$224,851				\$0
2022		\$250,543	(\$1,407,432)	(\$56,297)	\$250,543				\$0
2023		\$276,876	(\$1,213,187)	(\$48,527)	\$276,876				\$0
2024		\$303,868	(\$984,839)	(\$39,394)	\$303,868				\$0
2025		\$331,535	(\$720,364)	(\$28,815)	\$331,535				\$0
2026		\$359,893	(\$417,644)	(\$16,706)	\$359,893				\$0
2027		\$388,960	(\$74,457)	(\$2,978)	\$77,436				\$0
2028		\$418,754	\$0			(\$4,903,007)	(\$196,120)	\$730,279	\$311,525
2029		\$449,293				(\$4,368,849)	(\$174,754)	\$449,293	\$0
2030		\$480,595				(\$4,094,310)	(\$163,772)	\$480,595	\$0
2031		\$512,680				(\$3,777,487)	(\$151,099)	\$512,680	\$0
2032		\$545,567				(\$3,415,907)	(\$136,636)	\$545,567	\$0
2033		\$579,276				(\$3,006,976)	(\$120,279)	\$579,276	\$0
2034		\$613,828				(\$2,547,979)	(\$101,919)	\$613,828	\$0
2035		\$649,244				(\$2,036,070)	(\$81,443)	\$649,244	\$0
2036		\$685,545				(\$1,468,269)	(\$58,731)	\$685,545	\$0
2037		\$722,753				(\$841,456)	(\$33,658)	\$722,753	\$0
2038		\$760,892				(\$152,361)	(\$6,094)	\$158,456	\$602,436
2039						\$0			\$0
		\$9,521,024	(\$709,812)		\$2,791,073	(\$1,224,507)		\$6,127,514	(\$8,918,588)

- ✓ (1) Taxes captured do not include School Taxing Jurisdictions (Birmingham School Debt & Operating, Oakland Intermediate Schools and State Education Tax) and City Debt millages
- ✓ (2) Land cost are inflated 2.5% per year between 2011 and 2015 (the date property is aquired) after an initial 9% decline in 2010.
- ✓ (3) Construction cost are inflated 3% per year after 2010 to the date the structure is constructed.

- **The duration of the program:** This Tax Increment Financing Plan is shown to be effective until 2038, based upon a “worst-case” scenario. Depending on actual market activity and rate of increment capture, this duration may be extended or shortened. With major new development in the district, repayment of bonds for parking facilities could be accelerated. Major new development may also make it feasible to implement land acquisition, parking lot construction and construction of parking structure(s) sooner than shown in the *Corridor Improvement Authority Bonds Table* on the previous page. Principal and interest on all bonded debt will need to be paid, or sufficient funds to repay the full balance set aside in order to terminate this plan.

- **A statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located:** The impact of tax increment financing on the revenues of all taxing jurisdictions is shown on the *Estimated TIF Increment Capture by Taxing Jurisdiction Table* (next page). The TIFA is eligible to capture tax increment revenues from the city, Oakland County and regional authorities, such as the Huron-Clinton Metropark Authority, the Zoological Authority, SMART and Oakland County Community College to the extent necessary to pay the debt service on the outstanding bonds that represent “eligible obligations.” The TIFA will pay the debt service on the bonds for development of parking facilities from the tax increment revenues captured in the Development Area.

- The Authority may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan: The TIFA anticipates using all of the captured tax increment revenues to pay the costs of the development of parking facilities.

Estimated TIF Increment Capture by Taxing Jurisdiction										
Fiscal Year Ending June 30										
Millage Rates		11.0689	0.7226	1	4.19	0.4561	0.1	0.59	1.5844	19.712
	Capture	City of	City of	City of	Oakland	HCMA/County	Zoological		Community	Total of Non-
Fiscal Year	Amount ⁽¹⁾	Birmingham	Birmingham	Birmingham	County	Parks and Rec	Authority	SMART	College	School Taxing
		Operating	Refuse	Library						Jurisdiction
2009	0	0	0	0	0	\$0	0	0	0	0
2010	0	0	0	0	0	\$0	0	0	0	0
2011	0	0	0	0	0	\$0	0	0	0	0
2012	\$1,018,159	\$11,270	\$736	\$1,018	\$4,266	\$464	\$102	\$601	\$1,613	\$20,070
2013	\$2,061,772	\$22,822	\$1,490	\$2,062	\$8,639	\$940	\$206	\$1,216	\$3,267	\$40,642
2014	\$3,131,475	\$34,662	\$2,263	\$3,131	\$13,121	\$1,428	\$313	\$1,848	\$4,962	\$61,728
2015	\$4,227,921	\$46,798	\$3,055	\$4,228	\$17,715	\$1,928	\$423	\$2,494	\$6,699	\$83,341
2016	\$5,351,778	\$59,238	\$3,867	\$5,352	\$22,424	\$2,441	\$535	\$3,158	\$8,479	\$105,494
2017	\$6,503,731	\$71,989	\$4,700	\$6,504	\$27,251	\$2,966	\$650	\$3,837	\$10,305	\$128,202
2018	\$7,684,484	\$85,059	\$5,553	\$7,684	\$32,198	\$3,505	\$768	\$4,534	\$12,175	\$151,477
2019	\$8,894,755	\$98,455	\$6,427	\$8,895	\$37,269	\$4,057	\$889	\$5,248	\$14,093	\$175,333
2020	\$10,135,283	\$112,186	\$7,324	\$10,135	\$42,467	\$4,623	\$1,014	\$5,980	\$16,058	\$199,787
2021	\$11,406,824	\$126,261	\$8,243	\$11,407	\$47,795	\$5,203	\$1,141	\$6,730	\$18,073	\$224,851
2022	\$12,710,153	\$140,687	\$9,184	\$12,710	\$53,256	\$5,797	\$1,271	\$7,499	\$20,138	\$250,543
2023	\$14,046,066	\$155,474	\$10,150	\$14,046	\$58,853	\$6,406	\$1,405	\$8,287	\$22,255	\$276,876
2024	\$15,415,376	\$170,631	\$11,139	\$15,415	\$64,590	\$7,031	\$1,542	\$9,095	\$24,424	\$303,868
2025	\$16,818,920	\$186,167	\$12,153	\$16,819	\$70,471	\$7,671	\$1,682	\$9,923	\$26,648	\$331,535
2026	\$18,257,552	\$202,091	\$13,193	\$18,258	\$76,499	\$8,327	\$1,826	\$10,772	\$28,927	\$359,893
2027	\$19,732,150	\$218,413	\$14,258	\$19,732	\$82,678	\$9,000	\$1,973	\$11,642	\$31,264	\$388,960
2028	\$21,243,612	\$235,143	\$15,351	\$21,244	\$89,011	\$9,689	\$2,124	\$12,534	\$33,658	\$418,754
2029	\$22,792,862	\$252,292	\$16,470	\$22,793	\$95,502	\$10,396	\$2,279	\$13,448	\$36,113	\$449,293
2030	\$24,380,842	\$269,869	\$17,618	\$24,381	\$102,156	\$11,120	\$2,438	\$14,385	\$38,629	\$480,595
2031	\$26,008,522	\$287,886	\$18,794	\$26,009	\$108,976	\$11,862	\$2,601	\$15,345	\$41,208	\$512,680
2032	\$27,676,894	\$306,353	\$19,999	\$27,677	\$115,966	\$12,623	\$2,768	\$16,329	\$43,851	\$545,567
2033	\$29,386,975	\$325,281	\$21,235	\$29,387	\$123,131	\$13,403	\$2,939	\$17,338	\$46,561	\$579,276
2034	\$31,139,809	\$344,683	\$22,502	\$31,140	\$130,476	\$14,203	\$3,114	\$18,372	\$49,338	\$613,828
2035	\$32,936,463	\$364,570	\$23,800	\$32,936	\$138,004	\$15,022	\$3,294	\$19,433	\$52,185	\$649,244
2036	\$34,778,033	\$384,955	\$25,131	\$34,778	\$145,720	\$15,862	\$3,478	\$20,519	\$55,102	\$685,545
2037	\$36,665,643	\$405,848	\$26,495	\$36,666	\$153,629	\$16,723	\$3,667	\$21,633	\$58,093	\$722,753
2038	\$38,600,443	\$427,264	\$27,893	\$38,600	\$161,736	\$17,606	\$3,860	\$22,774	\$61,159	\$760,892
		\$5,346,351	\$349,020	\$483,006	\$2,023,797	\$220,299	\$48,301	\$284,974	\$765,275	\$9,521,024

✓ (1) 2010 & 2011 reflect no growth. 2012 - 2038 assume 2.5% growth/year.

Methodology for this Table: Total capture amount for each year was taken from the Captured Amount column in the Estimated TIF Capture Table. Those amounts were then divided by 1000 and multiplied by the millage rates above to establish the tax capture for each taxing agency.



From: Christian Wuerth
To: Jana Ecker; Jeff Purdy
CC: Tom Markus
Date: 9/25/2009 9:30 AM
Subject: Taxable Values
Attachments: RE: Taxable Values; 8.17.09 Oakland Press - Property values to fall sharply.pdf; 8.17.09 Oakland Press - Property values to fall sharply.pdf

Jana & Jeff,

To follow-up on a couple of items from this week's Corridor Improvement Authority Meeting: Oakland County is currently projecting declines in Taxable Value for 2010 (see attached Oakland Press article for an estimate) and likely 2011 for Birmingham - it is highly likely this trend will be mirrored within the TIF District, barring several significant developments that more than offset these declines. The Taxable Values for 2010 will go into effect on the fourth Monday in May (Equalization Day), meaning a plan approved by the City Commission before that date would use 2009 Taxable Values as the base year - see the attached e-mail from Pat McGow for specifics. This holds true for future years as well. I will also include this information with the next CIA agenda.

Thank you,
Christian

(<http://www.bhamgov.org/>)

Christian Wuerth | Management Analyst | 248.530.1807 (Direct Line) | 248.530.1107 (Fax)
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From: "McGow, Patrick F." <mcgow@millercanfield.com>
To: 'Christian Wuerth' <Cwuerth@ci.birmingham.mi.us>
CC: "McGow, Patrick F." <mcgow@millercanfield.com>
Date: 9/24/2009 12:06 PM
Subject: RE: Taxable Values
Attachments: mcslogo.gif

The key date is the 4th Monday in May. That is Equalization Day according to the statutes dealing with property tax values. If a Development Plan is approved by the City Commission before that date, it would use the prior year TV. On or after that date uses that year's TV.

You can therefore figure out the timing and direction. So using 2010, if the Plan is approved between now and May 23rd, it would use 2009 Taxable Value as the base. If May 23rd or after, it would use 2010. This does give you an opportunity to play with the timing, as your assessor will know expected 2010 TVs by early December and have a really good idea after the Board of Review hearings in March.

I was discussing this timing issue with Tom Markus last night at the MML conference. The problem with this may be that there isn't expected to be an increase in 2010, since there will be no new construction between now and December when that 2010 TV is set. So you probably wouldn't be able to see this kind of growth until the 2011 dates.

One suggestion I had made was that if we expect 2010 to be lower than 2009, you could wait to have the Plan approved in June 2010 using 2010 TV as the base. That allows the CIA to get operational and involved in things. If it turns out that 2011 is going to be lower than 2010, the CIA and City could terminate the Plan and reapprove it in June 2011 and thereby reset the base year for 2011. If 2011 is greater than 2010, you already have the 2010 as the base year.

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From: Christian Wuerth [mailto:Cwuerth@ci.birmingham.mi.us]

Sent: Tuesday, September 22, 2009 3:12 PM
To: McGow, Patrick F.
Subject: Taxable Values

Pat,

At the Corridor Improvement Authority Meeting this morning, the question about when new taxable values take effect was raised. Specifically, I seem to recall you pointing out previously that there is a date in April/May at which the new taxable values are set - is this true? The question was raised in the context of being able to time the implementation of the TIF plan to maximize the capture - i.e. if the rates are projected to increase, the plan could be passed to ensure the increase is captured.

Thank you,
Christian

[cid:392285215@24092009-30B1]<<http://www.bhamgov.org/>>

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News > Local News

VIDEO: Property values to fall sharply

Monday, August 17, 2009

By CHARLES CRUMM
Of The Oakland Press

When Waterford Township Supervisor Carl Solden sits down with his staff in a couple of weeks to begin work on the township's 2010 budget, one of the issues to grapple with will be an estimated 22 percent drop in property values.

Oakland County assessors, who have completed nine months worth of home sales studies, are warning most of the county's 61 communities to expect double-digit drops in values — a fall that can affect the tax revenues local government rely on to operate.

"We expect the news isn't going to be good," Solden said. "Twenty-two percent is a killer."

Sharply falling values is a scenario that will play out throughout the county.

County assessors expect declines of 20.73 percent in Pontiac, 22.82 percent in Groveland Township, 22.31 percent in Brandon Township and 21.06 percent in Rose Township.

On the plus side, Realtors have reported generally higher number of sales each month this year than last as buyers take advantage of bargain prices.

But no areas of the county are immune from the effects of job losses and foreclosures on property values.

Expected declines in values are 25.89 percent in Southfield, 16.10 percent in Royal Oak, 21.59 percent in Madison Heights, and 22.24 percent in Lathrup Village.

Only five communities are forecast to see property values drop less than 10 percent. They are Sylvan Lake, 8.06 percent, Northville, 5.09 percent, Clawson, 9.12 percent, Bloomfield Hills, 6.68 percent, and Birmingham, 8.97 percent.

"These are the best estimates we have for right now and historically we've been pretty accurate," said Dave Hieber, manager Oakland County Equalization, the county's tax assessing office.

Estimates for smaller communities may come in higher or lower once the full-year sales study is completed but unlikely to change for larger communities or countywide.

The changes in individual property values also varies but in general is heading downward.

"Taxable values for 2010 are going to be down significantly," Hieber said. "Communities expecting less than a double digit decrease should really talk to their local assessor."

For Oakland County government, residential property taxes make up 76 percent of the county's general fund.

But assessors are also forecasting a drop in commercial and industrial values of between 15 and 20 percent, continuing a downward trend.

"That's 50 percent in two years, that's devastating," says Oakland County Executive L. Brooks Patterson. "The bottom is falling out of industrial and commercial property."

Most county departments are cutting back because of falling revenues.

Patterson has proposed 2.5 percent pay cuts for employees and suspending the \$2.5 million annual contribution to the Road Commission for Oakland County for local road projects. Oakland County Sheriff Mike Bouchard has proposed grounding one of the two helicopters his office has.

Commerce Township Supervisor Tom Zoner said the township has been adjusting to declining economic conditions for several years, including reviewing insurance policies, negotiating wages and pensions.

“There have been things we’ve already done, but we never expected 15 percent,” Zoner said.

Zoner said much of the township’s property taxes pay for police and fire services

Falling values and tax collections affect those services.

“When that happens, you have a real concern about public safety,” Zoner said. “When this kind of atmosphere happens in the economy, that’s when you need the police the most.

“There is a demand for township services but because of the drops, there’ll be a lack of money to fund them,” he said. “When you lose \$450,000 in operating money, it’s hard to keep stations open, employees working and fix equipment.”

Contact staff writer Charles Crumm at (248) 745-4649 or charlie.crumm@oakpress.com.

A nine-month sales study by the Oakland County Equalization Division is predicting falling property values across all Oakland County communities this year:

Addison Township -15.46%

Bloomfield Township -11.45%

Brandon Township -22.31%

Commerce Township -15.52%

Groveland Township -22.82%

Highland Township -13.66%

Holly Township -13.57%

Independence Township -14.27%

Lyon Township -16.85%

Milford Township -16.27%

Novi Township N/A

Oakland Township -15.23%

Orion Township -13.22%

Oxford Township -13.49%

Rose Township -21.06%

Royal Oak Township N/A

Southfield Township -14.75%

Springfield Township -18.89%

Waterford Township -22.18%

West Bloomfield Township -16.53%

White Lake Township -17.92%

Auburn Hills -10.44%

Berkley -10.20%

Birmingham -8.97%

Bloomfield Hills -6.68%

Clarkston N/A

Clawson -9.12%

Farmington -12.99%

Farmington Hills -15.69%

Fenton N/A

Ferndale -14.65%

Hazel Park -16.43%

Huntington Woods -14.78%

Keego Harbor -14.87%

Lake Angelus N/A

Lathrup Village -22.24%

Madison Heights -21.59%

Northville -5.09%

Novi City -11.65%

Oak Park -15.32%

Orchard Lake N/A

Pleasant Ridge -12.27%

Pontiac -20.73%

Rochester -11.43%

Rochester Hills -13.04%

Royal Oak City -16.10%

Southfield City -25.89%

South Lyon -10.97%

Sylvan Lake -8.06%

Troy -16.27%

Walled Lake -15.58%

Wixom -14.00%

Source: Oakland County Equalization Division

URL: http://www.theoaklandpress.com/articles/2009/08/17/news/local_news/doc4a85d1d2d8be6183879711.prt

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October 1, 2009

Dear Clerk:

This communication is being sent to all Oakland County city, village, and township clerks to advise you of Oakland County's policy and notice requirements relating to Downtown Development Authorities (DDA's), Local Development Financing Authorities (LDFA's), and Corridor Improvement Authorities (CIA's), as authorized by 1975 PA 197, 1986 PA 281, and 2005 PA 280, respectively. If you are not the appropriate person in your community to receive this information, please forward this letter and accompanying documents to the responsible person.

As you are aware, one of the purposes for creating a DDA, LDFA, or CIA is to permit a municipality to finance public improvements or programs in a designated area by capturing the property taxes levied on any increase in property values within the area; this is commonly referred to as tax increment financing. The DDA, LDFA, and CIA Acts include provisions to allow the governing body of a taxing jurisdiction whose taxes would otherwise be subject to capture to exempt its taxes from capture by adopting a resolution to that effect. These acts also provide that DDA's, LDFA's, and CIA's may enter into agreements with taxing jurisdictions and the municipality establishing the authority to share a portion of the captured assessed value of the district. Oakland County has agreements with several of our cities, villages, and townships pursuant to these statutory provisions.

To facilitate informed decisions as to whether Oakland County will exempt its taxes from capture (i.e., opt out of a district), or negotiate agreements to share a portion of captured tax increment revenue, our Board of Commissioners established an Ad Hoc Review Committee in 1999 comprised of several County officials and elected officers. Since its 1999 formation, our Ad Hoc Review Committee has developed policies and performance standards to help determine the County's participation in DDA's, LDFA's, and CIA's. Copies of these policies and guidelines are attached for your information.

Upon receipt of a municipality's notice of a proposed creation of a new or expanded authority, our Ad Hoc Review Committee is required to convene and carry out its responsibilities as set forth by our Board of Commissioners.

(Municipality Clerks)
October 1, 2009
Page 2

In addition to providing you with copies of our policies, we also want you to be aware of our notice requirements. You are hereby advised to send two copies of the notice of a proposed or expanded authority district by certified mail, return receipt requested, to the following persons and addresses within Oakland County:

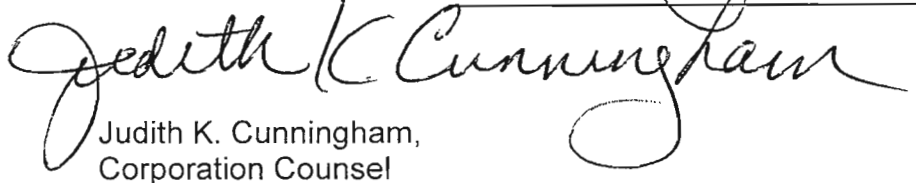
- (1) Oakland County Clerk – Election Division
County Service Center, Bldg. 12 East
1200 N. North Telegraph Road
Pontiac, MI 48341
- (2) Andrew Meisner, Treasurer
County Service Center, Bldg. 12 East
1200 North Telegraph Road
Pontiac, MI 48341

Notices directed to persons or officers other than listed above will be deemed a failure to provide proper notice to the County.

If you have questions concerning the information in this letter and the attached documents, please direct them to the office of the Oakland County Treasurer.

Very truly yours,

OAKLAND COUNTY CORPORATION COUNSEL



Judith K. Cunningham,
Corporation Counsel

JKC/egm

Enclosures

cc: Ad Hoc Review Committee
County Clerk – Election Division

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MR #03081 - POLICY FOR COUNTY PARTICIPATION IN DOWNTOWN DEVELOPMENT AUTHORITIES WITH TAX INCREMENT FINANCING

1. DECLINING PROPERTY VALUES

As part of the rationale for establishing a DDA or LDFA, the law requires a finding of a decline in property value of a significant number of parcels. The requesting community must demonstrate declining property values and present its case to the Ad Hoc Review Committee. The County Equalization Division will review the community's findings regarding declining property values and may conduct an independent analysis for the Ad Hoc Review Committee.

II. PERFORMANCE STANDARDS

The following performance standards are established as guidelines for evaluating (1) new DDA/LDFA with TIF requests, and/or (2) requests for expansion of area boundaries by an existing DDA/LDFA with TIF:

1. Adopt/Amend a Downtown Management Plan based upon the "Main Street 4 Point Approach" of Organization, Promotion, Design and Economic Restructuring.
2. Adopt/Amend Community Master Plan to accurately incorporate the Downtown (DDA) Plan.
3. Commit to actively work with County staff and resources to seek "Main Street Oakland County" status.
4. Utilize all (100%) of TIF Revenue for redevelopment efforts, i.e., those activities specifically authorized within the Act, including operating expenses of the DDA/LDFA.
5. Utilize the Oakland County Planning and Economic Development Division's Downtown Development Database Geographic Information System (GIS) to measure the annual and cumulative, since inception of the DDA, performance and effectiveness. The following economic development activities within and around the boundaries of the DDA district will be measured by the GIS System:
 - a. Building Rehabilitation, including number and square footage
 - b. Facade Rehabilitations, including number and cost
 - c. New Construction, including number and square footage of buildings
 - d. Adaptive Reuse of Existing Buildings
 - e. New Businesses Created
 - f. Average Cost Per Business Created
 - g. Business Retention
 - h. Business Expansion
 - i. Job Creation, including: 1) Management/Administrative, 2) Professional, 3) Retail, 4) Office, 5) Service
 - j. Private and Public Investment
 - k. Increase in tax base as measured by State Equalized Value (SEV) and State Taxable Value (STV)

- I. Ratio of Reinvestment into the Downtown District (The average number of dollars generated in the Downtown, District for every dollar - TIF, Millage, Special Assessment and/or Local Budget Contribution- used to implement the downtown development plan.
6. The plan shall include an expiration date for the proposed district, or, if an amendment, it shall incorporate an expiration date for the amended district or total district.
7. Acknowledgement and disclosure by the requesting community that it is aware of the impact on any voted millage.
8. Require disclosure of any agreements or proposed agreements that would alter the amount of lawfully captured revenue from other sources.
9. Supplement TIF Revenue with DDA Millage (up to 2 mills), Special Assessment and/or designate Municipal Budget Contributions to demonstrate local commitment and funding for the downtown development program.
10. A historic, traditional, commercial business district (including uses such as commercial, retail, office, public/civic, multi-family and mixed-use with upper floor housing) should comprise the majority of the land area within the proposed district.
11. The land area within the proposed district (planned or existing) devoted solely for single family residential use should be limited. In addition, any single family residential development (planned or existing) within the proposed district must support, contribute to and compliment the business district.
12. The applicant community must demonstrate, through financial projections, a positive return on the investment of county incremental taxes proposed for capture. The Ad Hoc Review Committee may request the County Equalization Division conduct a review of the applicant's projections.

These performance standards are guidelines to assist the County in its review of a municipality's plan. They are not determinative of the County's decision whether or not to participate in the Tax Increment Financing of a DDA/LDFA. The County may determine to "opt out" or may negotiate a contractual arrangement with the municipality to share a portion of the captured tax revenue of a district for specified project plans, for a specified period of years, or for whatever purpose the County deems appropriate.

**POLICY FOR COUNTY PARTICIPATION IN
LOCAL DEVELOPMENT FINANCE AUTHORITIES
WITH TAX INCREMENT FINANCING**
(Adopted per MR #04239)

Overview:

Public Act 281 of 1986 was promulgated to encourage local development to prevent conditions of unemployment and promote economic growth. Known as the Local Development Financing Act, its purpose is to help municipalities create jobs, address issues of unemployment, underemployment and joblessness, and to create jobs and promote economic growth in municipalities throughout the state.

LDFAs may be created in areas with “eligible properties” whose primary purpose or land use is or will be among the following: manufacturing, agricultural processing, high tech activity, and production of energy by small power production facility (primarily fueled by biomass or wood waste).

A recent amendment to the Local Development Financing Act includes provisions for certified business parks as defined by the Michigan Economic Development Corporation.

Performance Standards:

The following performance standards are established as guidelines for evaluating new LDFAs with Tax Increment Financing requests and requests for expanded LDFAs with Tax Increment Financing:

1. The applicant must demonstrate the number and type of jobs to be retained and/or created.
2. The applicant must demonstrate, through financial projections, a positive return on investment of County incremental taxes proposed for capture. If applicable, include real and personal property, and any non-TIF sources to be leveraged. The Ad Hoc Review Committee may request the County Equalization Division to conduct a review of the applicant’s projections.
3. The applicant must adopt/amend its Community Master Plan to accurately incorporate the LDFA plan.
4. The plan must include an expiration date for the proposed district, or if an amendment, it shall incorporate an expiration date for the amended district or total district.

5. The requesting community must acknowledge and disclose that it is aware of the impact on any voted millage.
6. The applicant shall establish a business retention effort to support businesses.
7. The applicant shall consider supporting use of the Michigan Economic Growth Authority program on projects in the district, if appropriate.
8. The applicant shall promote to investors in the district the Oakland County Economic Development Corporation and the Oakland County Business Finance Corporation.
9. The requesting community must provide annual reports to Oakland County Planning and Economic Development on the progress of the district.

These performance standards are guidelines to assist the County in its review of a municipality's LDFA plan. They are not determinative of the County's decision whether or not to participate in the Tax Increment Financing of an LDFA. The County may determine to "opt out" as permitted by law, or may negotiate a contractual arrangement with the municipality to share a portion of the captured tax revenue of a district for specified project plans, for a specified period of years, or for whatever purpose the County deems appropriate.

Corridor Improvement Authority Act No. 280 of 2005

Performance Standards for Ad Hoc TIF Committee consideration
(Adopted per MR #06134 and amended per MR #07289)

This document sets forth performance standards and guidelines to assist the County in its review of a municipality's Corridor Improvement Authority (CIA) Plan. These guidelines are not determinative of the County's decision whether or not to participate in the Tax Increment Financing (TIF) of a CIA. The County may determine to "opt out" or may negotiate a contractual arrangement with the municipality to share a portion of the captured tax revenue of a district for specified project plans, for a specified period of years, or for whatever purpose the County deems appropriate.

Listed below are twelve PERFORMANCE STANDARDS for the review of requests to establish Corridor Improvement Authorities utilizing TIF.

1. The CIA should be required to demonstrate compliance with the seven development area criteria described in the Act and further defined by the Oakland County Board of Commissioners. Communities must provide a written explanation of how they meet each criterion with supporting maps where available.

1. *Be adjacent to an arterial or collector road*—Parcels included in the CIA development area must be abutting the arterial or collector road as defined by the Federal Highway Administration. If additional parcels are to be included, the applicant must demonstrate their contribution and adherence to the remaining criteria.
2. *Contain at least 10 contiguous parcels or at least 5 contiguous acres.*
3. *More than 1/2 of existing ground floor square footage is commercial real property.*
4. *Residential, commercial, or industrial use has been allowed and conducted for the last 30 years.*
5. *Is presently served by municipal water and sewer*—All individual parcels included in the CIA development area must be currently served by municipal water and sanitary sewer. If additional parcels, not currently served, are to be included, the applicant must demonstrate their contribution and adherence to the remaining criteria.
6. *Is zoned to allow for mixed use that includes high-density residential use*—A zoning map of the CIA development area along with definitions of the zoning classifications must be included in the documentation submitted.
7. *The community agrees to a) expedite local permitting and inspection process in the development area and b) modify its master plan to provide for walkable, nonmotorized interconnections including sidewalks and streetscape in the development area.*—See standard 3 below for more information.

2. **The CIA should be required to prepare and adopt a management plan.** This plan would need to detail the responsibilities of the CIA Board, the Director, and any committees that may be established.

3. **The Community should be required to adopt/amend the Community Master Plan to accurately incorporate the Corridor Improvement Authority plan.** The Master Plan needs to show how the CIA development area will incorporate historic preservation and walkable, nonmotorized interconnections in the area, as well as other improvements listed in the plan.

4. **The community should commit that it will utilize all (100%) of TIF Revenue for those activities specifically authorized within the Act, including operating expenses of the CIA.** The CIA should be required to submit a project list with associated costs and only spend TIF dollars on items specifically authorized within the Act.

5. **Under Section 19 (3) of the CIA Act, the authority shall submit an annual report on the status of the tax increment financing account.** In addition to the municipality and the State Tax Commission, the CIA shall also submit the annual report to the Oakland County Treasurer and the Planning & Economic Development Services Division. The report must include statistics such as the dollar amount of private investment, development and redevelopment activities, employment, and business creation.

6. **The TIF plan shall include an expiration date for the proposed district, or, if an amendment, it shall incorporate an expiration date for the amended district or total district.**

7. **The community must acknowledge and disclose that it is aware of the impact on any voted millage.**

8. **The community must disclose of any agreements or proposed agreements that would alter the amount of lawfully captured revenue from other sources.**

9. **The CIA must demonstrate recent or future local commitment and local funding for the corridor improvement program in addition to funds provided through TIF capture.**

10. **The applicant community must demonstrate, through financial projections, a positive return on the investment of county incremental taxes proposed for capture.** The Ad Hoc Review Committee may request the County Equalization Division conduct a review of the applicant's projections. The applicant also must provide relevant projections and impacts such as those listed below.

a. Employment

- Projected number of new and retained jobs
- Type of projected new jobs (skilled, unskilled, professional)
- To the extent practicable, the impact on jobs in other communities within Oakland County.

b. Tax base growth projected from community and verified by Equalization

- Provide break even analysis for tax generated revenue
- 20 year projection
- Demonstrate a positive return on the County's investment.

c. Emerging Sectors: Does the project address any of the sectors?

11. The County may not support plans that include funding for certain items such as but not limited to:

- Burying utility lines
- Land acquisition
- Municipal facilities or buildings

12. Other policy issues may be considered by the County. Those include but are not limited to:

- Consideration of whether the CIA facilitates the redevelopment and/or revitalization of an existing developed area, rather than the development of a Greenfield or relatively undeveloped area.
- Single family residential portion – 10% max. of total district (both future land use as master planned and existing land use)
- High density residential portion – 20% max. of total district (both future land use as master planned and existing land use)
- Number of TIF's Per Community
 - If the community has a current TIF, other than a Brownfield or Smart Zone, the community must establish a sunset on all existing TIF's.
 - Only one CIA with TIF per community
- Identify other fund partners and their amount of committed dollars and uncommitted dollars to total project
- Preference will not be given to any particular industry
- Consideration of the municipality's tax rate and the requested county participation