MEMORANDUM

Community Development

DATE: **January 30, 2015**

TO: **Joseph Valentine, City Manager**

FROM: **Jana Ecker, Planning Director**

SUBJECT: **Set Public Hearing - Development Plan & Tax Increment Financing Plan for the Birmingham Triangle District**

Based on the stabilization of property values in the Triangle District and a large development project currently under construction in the Triangle District, at the Corridor Improvement Authority (hereinafter "CIA") meetings on May 9, 2014 and November 26, 2014, the CIA discussed setting 2014 as the year to establish the base property values for all parcels of land within the CIA.

Accordingly, on January 22, 2015, the CIA conducted a public hearing on the Development Plan and Tax Increment Financing Plan for the Birmingham Triangle District (hereinafter "the Plan"). CIA members voted unanimously to recommend approval of the Plan by the City Commission, on or before May 11, 2015.

The City Commission is required to conduct a formal public hearing and will make the final decision regarding the adoption of the Plan. In order to use the 2014 values as the base year in the TIF district, the Plan must be approved by the City Commission no later than its first meeting in May 2015, prior to the December 31, 2014 values going into effect on the 4th Monday in May (May 25, 2015).

Suggested Action:

To set a public hearing on the Development Plan and Tax Increment Financing Plan for the Birmingham Triangle District on March 16, 2015.

City of Birmingham

Corridor Improvement Authority

FOR THE TRIANGLE DISTRICT

DEVELOPMENT & TAX INCREMENT FINANCING PLAN

January 2015 Draft

City of Birmingham
A Walkable Community

Acknowledgements

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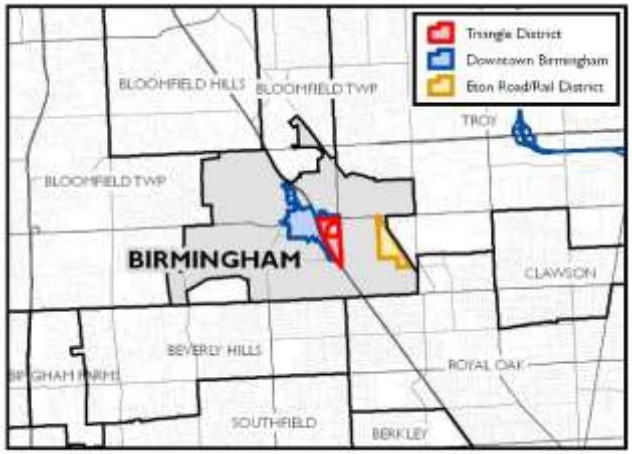
Chapter One: Introduction

Introduction

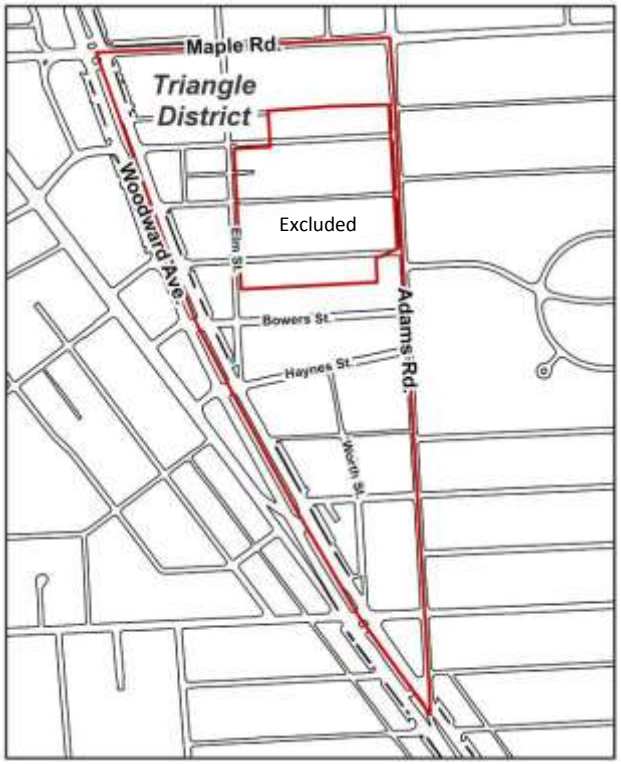
The City of Birmingham is one of the premier suburban communities in metropolitan Detroit. Birmingham's Triangle District is physically located in the center of the city, between Adams Road and Woodward Avenue, south of Maple Road. Although the district has great potential for redevelopment, it is currently 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.



Regional Map

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.



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

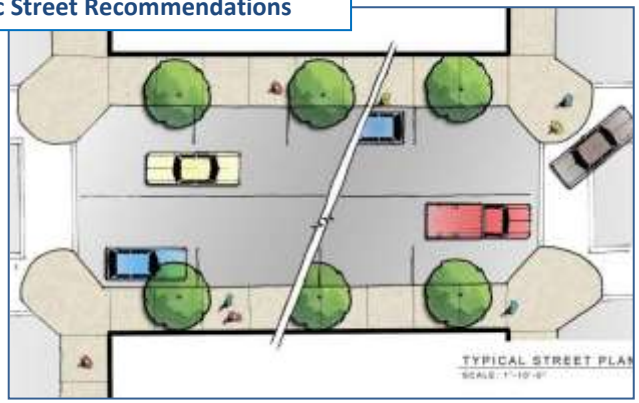
The city developed an Urban Design Plan for the Triangle District in 2007, which included the following goals:

- 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:

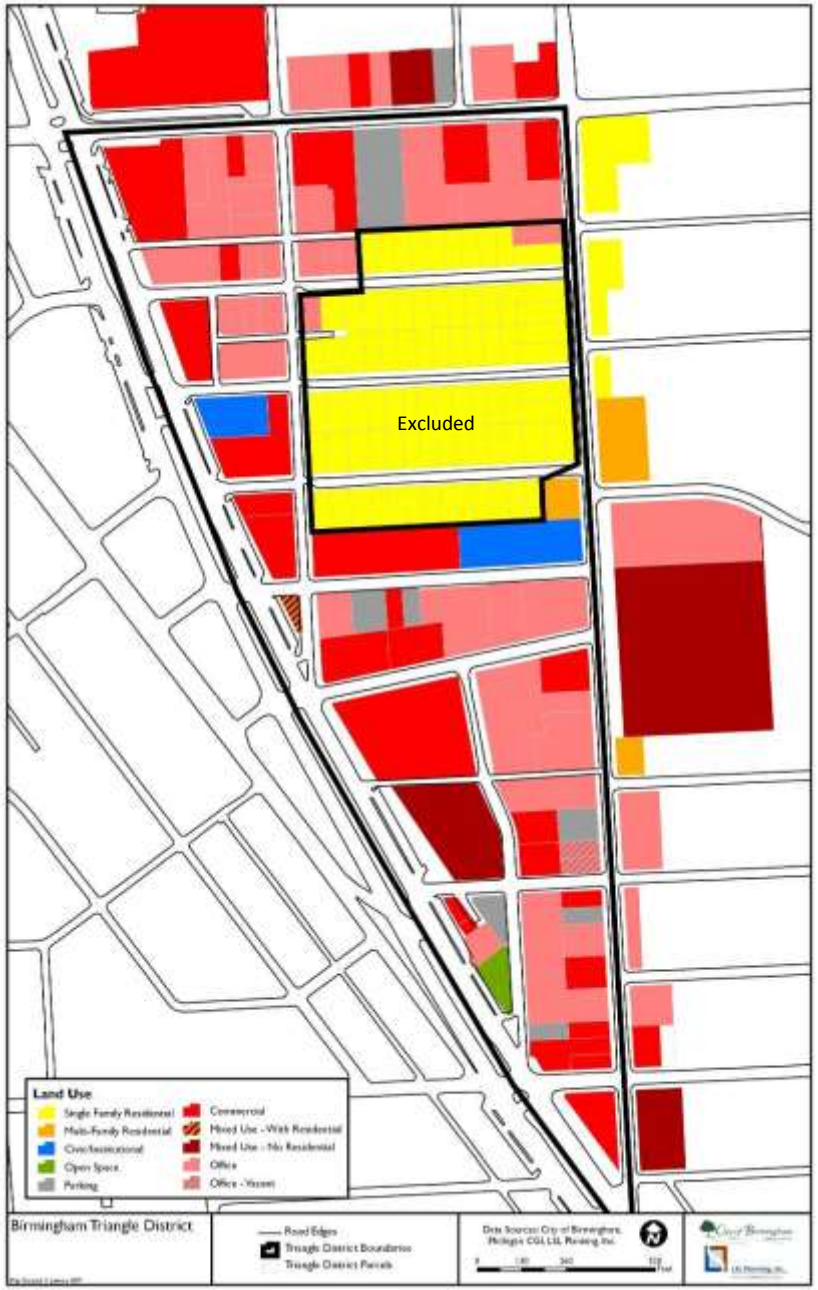
- The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.
- The development is reasonable and necessary to carry out the purposes of the CIA Act.
- The land within the district that is to be acquired is reasonably necessary to carry out 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.

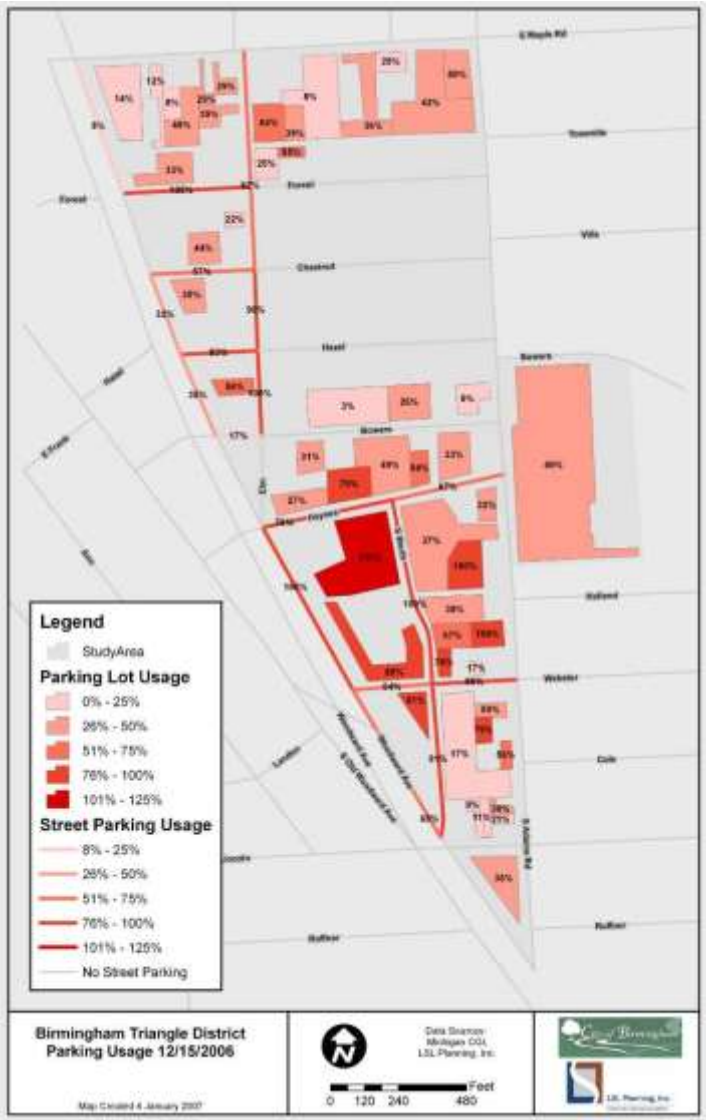
According to the Corridor Improvement Authority Act, P.A. 280 of 2005, as amended, Development and Tax Increment Financing Plans must be adopted by the City Commission by resolution after holding a public hearing. The City of Birmingham held a public hearing on _____ and adopted this Development and 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 verses 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 lead to inefficiencies in use and wasted land that could otherwise be developed to contribute to the desired vibrancy of the district.

Projected Parking Demand

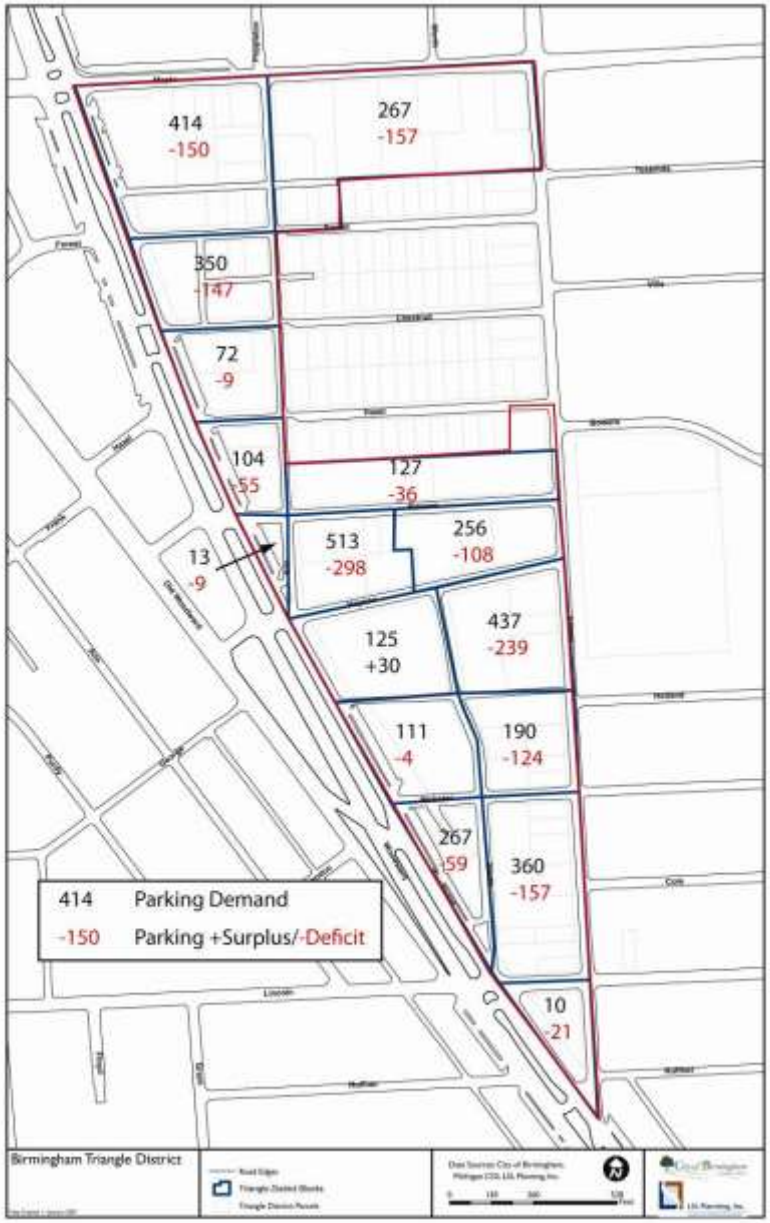
In order to estimate the amount of parking demand in the future that could support a public parking facility, the district was analyzed for future build-out. A full build-out shows the amount of development that could occur based upon the Urban Design Plan and new Overlay Zoning District. However, because 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.

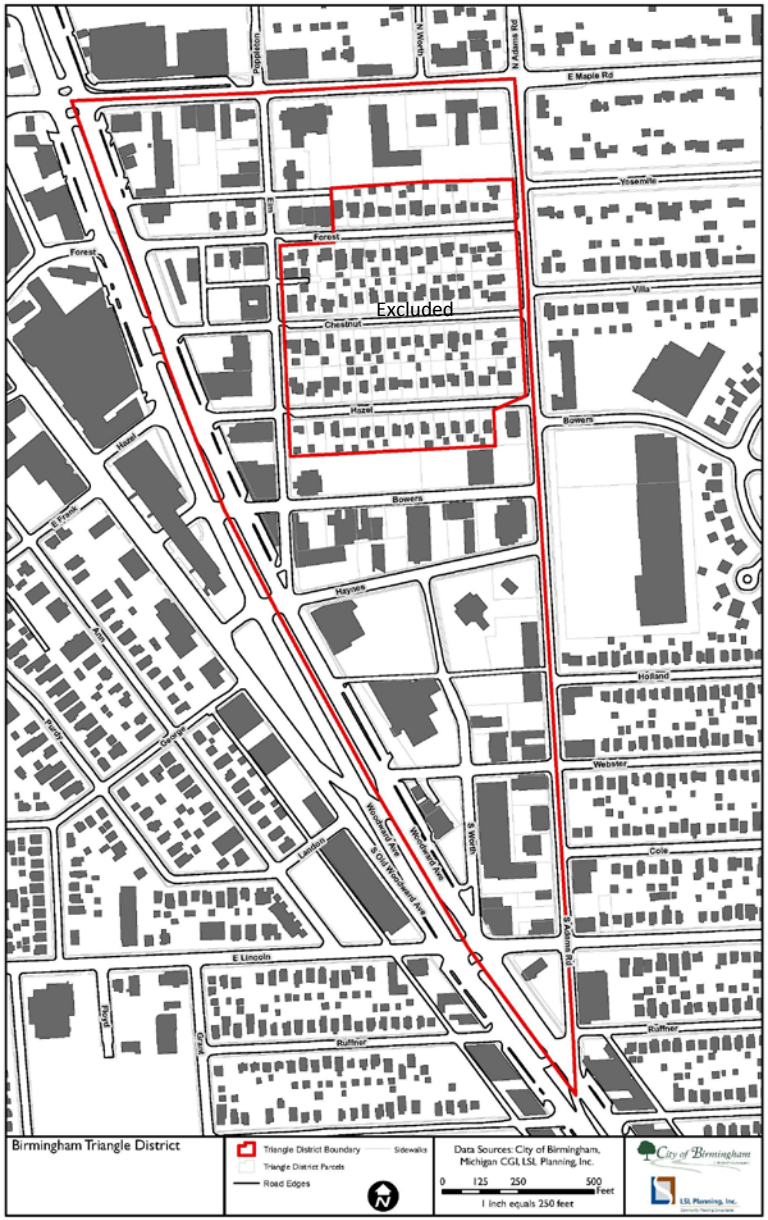
Development Plan

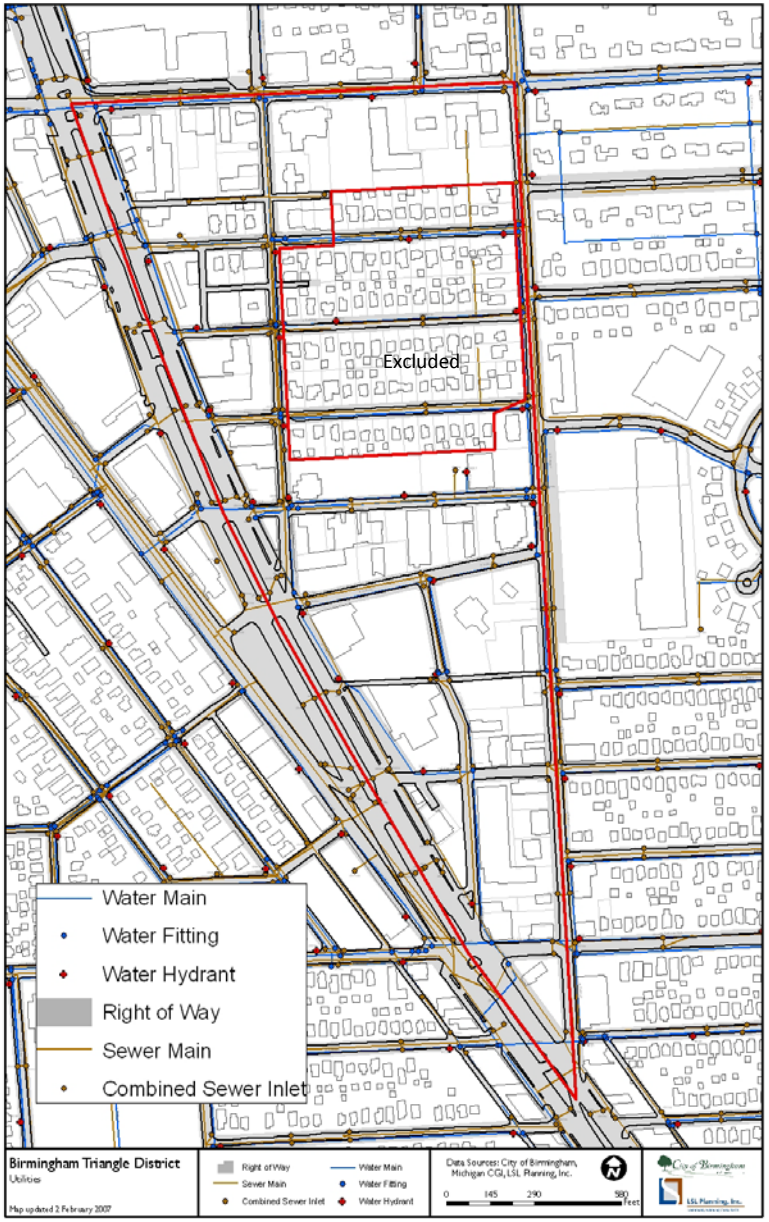
According to Section 21 of the Corridor Improvement Authority Act, the Development Plan must address the following:

- ***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 city plans to issue bonds for the land acquisition costs as well as the parking facility construction costs; therefore, the timing of bond issues will be determined when adequate revenues 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.*

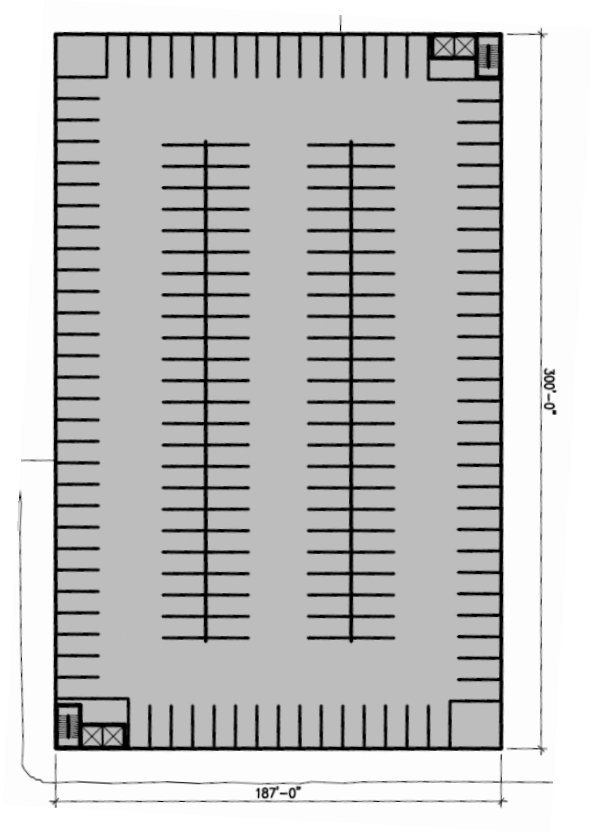
  For each parking structure, preliminary estimates assume a land cost of approximately $5,000,000. When purchased, the land may be redeveloped immediately into a 90-space surface parking lot that is estimated to cost approximately $180,000. It is anticipated a 450-space parking structure cost will be approximately $9,900,000. It is anticipated that a portion of the cost of each structure will be funded through the CIA, and the remainder will be funded through other mechanisms, including a Special Assessment District. 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.

Preliminary Parking Cost Estimates [1]	
Land Cost	$5,000,000
Interim Surface Parking Lot Cost	$180,000
Parking Structure Cost	$9,900,000
Total	**$15,080,000**

(1) Amounts are expressed in 2015 dollar values. Actual costs will need to be adjusted, depending on the actual build year.

- ***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. If TIF revenues and other available funds exceed those projected, the city may proceed with the site acquisition sooner. Once acquired, the site will be prepared for construction of the facilities.



Due to the large construction costs related to a parking structure, the CIA may need to wait for additional tax increment revenues to accrue before it can finance construction of the structure. Instead, the site(s) may first be developed into a surface parking lot containing approximately 90 parking spaces, to help offset immediate parking needs in the district. 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 a 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 a portion of the acquisition and construction costs, with the other portion coming from a parking special assessment district.

  The total taxable value of all real property was $43,898,300 for the 2014 tax year. The TIFA Plan assumes an annual increase in taxable value of 2.5% for the years 2015 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 City of Birmingham Corridor Improvement Authority for the Triangle District was approved by the CIA Board on _____, and approved 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 City of Birmingham 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.

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.

2014 Base Property Values for All CIA Parcels

Parcel Number	Property Class	2014 Taxable	Parcel Number	Property Class	2014 Taxable	Parcel Number	Property Class	2014 Taxable
08-19-36-226-002	202	$1,423,210	08-19-36-232-005	201	$797,020	08-19-36-281-031	201	$2,127,270
08-19-36-226-003	201	$500,230	08-19-36-233-014	203	$237,310	08-19-36-282-005	201	$2,916,760
08-19-36-226-007	201	$326,710	08-19-36-233-021	402	$0	08-19-36-282-006	201	$3,301,410
08-19-36-226-009	201	$323,270	08-19-36-233-022	201	$988,360	08-19-36-282-007	202	$0
08-19-36-226-012	201	$335,330	08-19-36-234-002	405	$760,250	08-19-36-283-009	201	$782,120
08-19-36-226-013	201	$299,370	08-19-36-234-004	405	$235,950	08-19-36-283-014	201	$416,150
08-19-36-226-020	201	$689,550	08-19-36-234-007	405	$111,200	08-19-36-283-016	201	$747,080
08-19-36-226-021	201	$55,550	08-19-36-235-003	405	$114,300	08-19-36-283-019	201	$198,420
08-19-36-226-022	201	$947,240	08-19-36-235-004	405	$114,300	08-19-36-283-020	201	$237,980
08-19-36-227-002	201	$818,680	08-19-36-235-005	405	$114,300	08-19-36-283-021	201	$290,020
08-19-36-227-003	201	$653,180	08-19-36-235-006	405	$109,220	08-19-36-283-022	201	$307,740
08-19-36-227-005	201	$203,200	08-19-36-235-007	405	$104,140	08-19-36-283-024	201	$1,315,660
08-19-36-227-006	201	$278,380	08-19-36-235-008	405	$104,140	08-19-36-283-025	202	$268,480
08-19-36-227-007	201	$164,080	08-19-36-235-009	405	$104,140	08-19-36-284-001	201	$105,370
08-19-36-227-008	201	$237,410	08-19-36-235-010	405	$104,140	08-19-36-284-002	201	$107,350
08-19-36-227-023	201	$407,510	08-19-36-235-011	405	$81,280	08-19-36-284-009	201	$415,130
08-19-36-227-024	201	$2,078,880	08-19-36-235-012	405	$0	08-19-36-284-010	202	$191,400
08-19-36-227-027	202	$183,900	08-19-36-235-013	405	$220,960	08-19-36-285-001	201	$4,874,880
08-19-36-227-028	201	$508,000	08-19-36-280-002	201	$258,040	08-19-36-285-002	201	$160,570
08-19-36-228-001	201	$819,200	08-19-36-281-003	202	$341,570	08-19-36-285-006	201	$289,670
08-19-36-228-002	201	$379,350	08-19-36-281-004	201	$219,020	08-19-36-285-007	201	$0
08-19-36-228-003	201	$231,330	08-19-36-281-005	201	$267,440	08-19-36-285-008	201	$254,000
08-19-36-228-004	201	$358,000	08-19-36-281-017	201	$494,180	08-19-36-285-009	201	$234,760
08-19-36-228-005	201	$751,310	08-19-36-281-022	201	$175,190	08-19-36-285-010	201	$103,290
08-19-36-230-003	201	$877,050	08-19-36-281-028	201	$294,880	08-19-36-285-012	201	$262,060
08-19-36-230-004	402	$0	08-19-36-281-029	201	$1,071,450	08-19-36-285-013	201	$563,160
08-19-36-232-001	201	$1,093,010	08-19-36-281-030	201	$454,460	08-19-36-427-001	201	$607,400
							Total 2014 Value	**$43,898,300**

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 value can be captured and (re)invested by the CIA. The estimated capture for the Birmingham CIA is shown in the *Estimated Value Capture Table* (right).

  For this plan, very conservative projections have been used to depict a conservative scenario for tax increment. Due to current economic conditions, TIF projections assume a future increase in taxable value of 2.5% for the years 2015 and beyond. This increase is less than has historically occurred in Birmingham and assumes no new development in the Development Area.

  In order to make use of tax increment financing the CIA must submit to the City governing body a Tax Increment Financing and Development

Estimated Captured Assessed Value (1)

2015 - 2040

	Fiscal Year	Base Value	% Value Increase	Taxable Value (2)	Capture Amount
Base Year:	2014	$43,898,300		$43,898,300	$0
	2015	$43,898,300	2.5%	$44,995,758	$1,097,457
	2016	$43,898,300	2.5%	$46,120,651	$2,222,351
	2017	$43,898,300	2.5%	$47,273,668	$3,375,368
	2018	$43,898,300	2.5%	$48,455,509	$4,557,209
	2019	$43,898,300	2.5%	$49,666,897	$5,768,597
	2020	$43,898,300	2.5%	$50,908,570	$7,010,270
	2021	$43,898,300	2.5%	$52,181,284	$8,282,984
	2022	$43,898,300	2.5%	$53,485,816	$9,587,516
	2023	$43,898,300	2.5%	$54,822,961	$10,924,661
	2024	$43,898,300	2.5%	$56,193,535	$12,295,235
	2025	$43,898,300	2.5%	$57,598,374	$13,700,074
	2026	$43,898,300	2.5%	$59,038,333	$15,140,033
	2027	$43,898,300	2.5%	$60,514,291	$16,615,991
	2028	$43,898,300	2.5%	$62,027,149	$18,128,849
	2029	$43,898,300	2.5%	$63,577,827	$19,679,527
	2030	$43,898,300	2.5%	$65,167,273	$21,268,973
	2031	$43,898,300	2.5%	$66,796,455	$22,898,155
	2032	$43,898,300	2.5%	$68,466,366	$24,568,066
	2033	$43,898,300	2.5%	$70,178,025	$26,279,725
	2034	$43,898,300	2.5%	$71,932,476	$28,034,176
	2035	$43,898,300	2.5%	$73,730,788	$29,832,488
	2036	$43,898,300	2.5%	$75,574,058	$31,675,758
	2037	$43,898,300	2.5%	$77,463,409	$33,565,109
	2038	$43,898,300	2.5%	$79,399,994	$35,501,694
	2039	$43,898,300	2.5%	$81,384,994	$37,486,694
	2040	$43,898,300	2.5%	$83,419,619	$39,521,319

(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) 2015 - 2040 assume 2.5% growth/year.

Plan which the city must approve by resolution. Following approval of resolution, municipal and county treasurers must transfer to the CIA the amount of certain 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.*
g. *Ad valorem property taxes levied under 1 or more of the following specific local taxes attributable to those ad valorem property taxes:*
    i. *The zoological authorities act, 2008 PA49, MCL 123.1161 to 123.1183*
    ii. *The art institute authorities act, 2010 PA 296, MCL 123.1201 to 120.1229.*

- **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 $37.9 million. These amounts were established using estimates of the land cost ($5,000,000), surface parking development cost ($180,000) and structure cost ($9,900,000) and inflating the costs with the assumption that the land acquisition for the first parking structure construction will occur in 2016 at an adjusted cost of $5,310,000, with the assumption that a structure will be built in 2017 ($10,503,000) and the assumption that the second structure's property may be acquired in 2025 ($6,631,000) and built in 2030 ($15,424,000).

  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 increased tax increment from major new development will likely accelerate repayment of any bonds for a parking structure.

- **The duration of the program:** This Tax Increment Financing Plan is shown to be effective until 2040, 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 expected. 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 CIA is eligible to capture tax increment revenues from the city, Oakland County and regional authorities, such as the Huron-Clinton Metropark Authority, SMART and Oakland County Community College. The CIA will pay the debt service on the bonds for development of

Structure #1		Land acquisition and surface parking
	2015 Estimated Costs	$ 5,180,000
	2016 Estimated Costs	$ 5,309,500
		Parking structure #1
	2015 Estimated Costs	$ 9,900,000
	2017 Estimated Costs	$ 10,502,910
Structure #2		Land acquisition and surface parking
	2015 Estimated Costs	$ 5,180,000
	2025 Estimated Costs	$ 6,630,838
		Parking structure #2
	2015 Estimated Costs	$ 9,900,000
	2030 Estimated Costs	$ 15,423,877
	Total	$37,867,125

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 CIA anticipates using all of the captured tax increment revenues to pay the costs of the development of parking facilities.

Estimated Tax Capture by Taxing Jurisdiction

Fiscal Year Ending June 30

Millage Rates		***11.6883***	***0.9253***	***1.1***	***4.19***	***0.4561***	***0.59***	***1.5844***	***20.5341***
Fiscal Year	Captured Assessed Value [1]	City of Birmingham Operating	City of Birmingham Refuse	City of Birmingham Library	Oakland County	HCMA/County Parks and Rec	SMART	Community College	Total of Non-School Taxing Jurisdiction
2014	$0	$0	$0	$0	$0	$0	$0	$0	$0
2015	$1,097,457	$12,827	$1,015	$1,207	$4,598	$501	$647	$1,739	$22,535
2016	$2,222,351	$25,976	$2,056	$2,445	$9,312	$1,014	$1,311	$3,521	$45,634
2017	$3,375,368	$39,452	$3,123	$3,713	$14,143	$1,540	$1,991	$5,348	$69,310
2018	$4,557,209	$53,266	$4,217	$5,013	$19,095	$2,079	$2,689	$7,220	$93,578
2019	$5,768,597	$67,425	$5,338	$6,345	$24,170	$2,631	$3,403	$9,140	$118,453
2020	$7,010,270	$81,938	$6,487	$7,711	$29,373	$3,197	$4,136	$11,107	$143,950
2021	$8,282,984	$96,814	$7,664	$9,111	$34,706	$3,778	$4,887	$13,124	$170,084
2022	$9,587,516	$112,062	$8,871	$10,546	$40,172	$4,373	$5,657	$15,190	$196,871
2023	$10,924,661	$127,691	$10,109	$12,017	$45,774	$4,983	$6,446	$17,309	$224,328
2024	$12,295,235	$143,710	$11,377	$13,525	$51,517	$5,608	$7,254	$19,481	$252,472
2025	$13,700,074	$160,131	$12,677	$15,070	$57,403	$6,249	$8,083	$21,706	$281,319
2026	$15,140,033	$176,961	$14,009	$16,654	$63,437	$6,905	$8,933	$23,988	$310,887
2027	$16,615,991	$194,213	$15,375	$18,278	$69,621	$7,579	$9,803	$26,326	$341,194
2028	$18,128,849	$211,895	$16,775	$19,942	$75,960	$8,269	$10,696	$28,723	$372,260
2029	$19,679,527	$230,020	$18,209	$21,647	$82,457	$8,976	$11,611	$31,180	$404,101
2030	$21,268,973	$248,598	$19,680	$23,396	$89,117	$9,701	$12,549	$33,699	$436,739
2031	$22,898,155	$267,641	$21,188	$25,188	$95,943	$10,444	$13,510	$36,280	$470,193
2032	$24,568,066	$287,159	$22,733	$27,025	$102,940	$11,205	$14,495	$38,926	$504,483
2033	$26,279,725	$307,165	$24,317	$28,908	$110,112	$11,986	$15,505	$41,638	$539,631
2034	$28,034,176	$327,672	$25,940	$30,838	$117,463	$12,786	$16,540	$44,417	$575,657
2035	$29,832,488	$348,691	$27,604	$32,816	$124,998	$13,607	$17,601	$47,267	$612,583
2036	$31,675,758	$370,236	$29,310	$34,843	$132,721	$14,447	$18,689	$50,187	$650,433
2037	$33,565,109	$392,319	$31,058	$36,922	$140,638	$15,309	$19,803	$53,181	$689,229
2038	$35,501,694	$414,954	$32,850	$39,052	$148,752	$16,192	$20,946	$56,249	$728,995
2039	$37,486,694	$438,156	$34,686	$41,235	$157,069	$17,098	$22,117	$59,394	$769,756
2040	$39,521,319	$461,937	$36,569	$43,473	$165,594	$18,026	$23,318	$62,618	$811,535
		$5,598,909	$443,236	$526,920	$2,007,087	$218,480	$282,621	$758,957	**$9,836,209**

(1) 2015 - 2040 assume 2.5% growth/year.

City of Birmingham
A Walkable Community

LSL Planning, Inc.
Community Planning Consultants

Carl Walker
Parking
Planning Engineering Restoration