

TAX INCREMENT FINANCE AUTHORITY
CITY OF WESTLAND, MICHIGAN

AMENDMENT TO FINANCING AND DEVELOPMENT PLAN
DEVELOPMENT AREA NO. 1
1993

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TAX INCREMENT FINANCE PLAN AMENDMENT
CITY OF WESTLAND TAX INCREMENT FINANCING AND DEVELOPMENT PLAN FOR
DEVELOPMENT AREA NO. 1

This document amends the City of Westland Tax Increment Finance Authority (the "Authority") Tax Increment Financing and Development Plan for Development Area No. 1 as adopted by Westland City Council on May 19, 1986, and amended on March 29, 1989, and May 20, 1991. A copy of this plan as amended is hereby attached. The following sections are amended:

- I. Introduction
- III. Finding of Necessity
- V. Proposed Improvements
- VI. Impact of TIFA Revenues on Taxing Jurisdictions
- VII. Method of Financing
- VIII. Estimated Tax Increment Revenues
- IX. Budget/Cost of Project

The remaining sections from the original plan are not changed by this amendment.

I. INTRODUCTION

The City of Westland adopted a tax increment financing and development plan in May of 1986, and amendments in 1989 and 1991. The amended plan proposed construction of, or improvements to vehicular parking, roads, utilities, street lighting, and landscaping. These projects are completed or underway. Substantial economic growth has occurred in the Authority District which can be attributed to the activities of the Authority. Additional improvements are necessary for high quality projects to continue.

III. FINDING OF NECESSITY

In the original plan, the Authority proposed various improvements, most of which have been undertaken. This amendment identifies a number of additional improvements to be installed in development area No. 1. This amendment is not changing the boundaries of development area No. 1.

The Authority is desirous of encouraging further high quality, commercial and residential development within the Authority District. Continued public improvements are necessary in order to promote the construction of private development. The installation of public facilities as defined in P.A. 450 create amenities which have a positive effect on the long term health and prosperity of the community.

One public facility identified by City leadership, staff and experts is a library. Westland is the 10th largest city in Michigan. It is the only community of the state's largest fifteen cities that does not have a library. Westland currently contributes to the operation of libraries in the neighboring communities of Livonia, Garden City, and the jointly owned Wayne-Westland Library located in the City of Wayne based on a usage formula prepared by the Wayne Oakland Library Federation (WOLF).

Needs assessments prepared by WOLF and Library Consultant David R. Smith for the City of Westland, and Snyder, Szantner & Peters for the City of Wayne have all demonstrated the necessity for additional library facilities to serve area residents. Westland library space requirements based on conservative formulas established by the American Library Association (ALA) reflect an adequate library size of .5 square feet per service area resident. Using a population of 84,800 residents, the facility should be at least 42,400 square feet in size to meet current needs. However, it is recognized that some Westland residents will continue to use libraries in adjacent communities reducing the total space need by at least 20%. In addition, annual operating costs for a library continue to be refined, limiting the building's size due to the available fiscal resources.

A library with the books and materials, well-equipped with the necessary technology offering educational programs to businesses and residents is a resource which will improve the city's quality of life making the community a more desirable place to live and work. The importance of a library is summarized well in a 1985 report prepared by WOLF for the Westland Library Board. THE NEED section of this document in various areas correctly states:

"As a community matures, the status of its cultural and educational institutions become increasingly important as developers and families evaluate why they should build or move into that community as opposed to others...Westland is especially in need of strong cultural institutions because it is essentially lacking in a central focus to produce a sense of community...The money Westland now spends for library service is not building equity for Westland over time...."

Another need identified is the resurfacing of Wayne Road from Warren Road to Joy Road. Wayne Road is a major north-south traffic corridor under the jurisdiction of Wayne County. It is also the primary vehicle access to Westland Center and other businesses located in the commercial core of the city making the road a critical transportation link. The condition of this road is fair to poor according to evaluations by the Wayne County Department of Public Services. Approximately 50% of the road to be resurfaced is located within Authority Development Area No. 1.

Improvements for pedestrian access to and within Development Area No. 1. are necessary to complete street, landscaping, and utility facilities installed previously. Required pedestrian links have been identified for areas west of Central City Parkway north of Ford Road, and adjacent to Newburgh Road north of Warren Avenue.

Recreational and park amenities are also proposed to serve area residents and businesses locating in Development Area No. 1. Private development projects are enhanced by the proper use of open space and well placed public park improvements. These amenities will be coordinated with the library and pedestrian improvements.

Abolishing the Tax Increment Financing Authority of the City Westland will take place "when the purposes for which the plan was established are accomplished" in accordance with P.A. 450. There are several large tax appeals currently pending by the owners of property within Development Area No. 1. Tax revenues have been captured by the Authority since 1985 based on current uncontested assessments. Reduced property assessments resulting from these tax appeals make it necessary to escrow the funds necessary to return tax dollars to these property owners in the event that the Authority is phased out.

V. PROPOSED IMPROVEMENTS

Improvements specified in the original plan adopted in 1986 as amended are currently being implemented. Additional improvements have been identified as necessary to meet the objectives of the plan, the Authority, and the City. This amendment contains project cost estimates. The Authority intends to pay the improvements proposed by this amendment to the Tax Increment Financing and Development Plan:

1. Westland Library approximately 28,000 to 30,000 square feet in size. The Building Program Statement as amended, will serve as the City's guide to implement this project using time tested library building design principles as applied across the country. The proposed library must be well situated to gain maximum benefit from users. The most desirable location will have: primary road access to all residents of the service area, high visibility and ease of identification of the library, and nearby services and businesses which attract a high volume of potential users. A minimum of 117 on-site parking spaces should be designated for public library usage based on local ordinances.

The functional requirements for a Westland Public Library are: a single floor, ground level access building with an open flexible floor plan. Adequate floor space should reflect a logical relationship of functional areas providing a building environment allowing for future expansion. Public seating should be installed for purposes of study, leisure reading, use of equipment, and children's programs. In general, the allocated areas of this public facility would include a public entrance and meeting room, circulation/audio-visual/information services, public seating and shelving, space for periodicals and newspapers, children's and young adult services, and general staff areas. The project will also include a computerized on-line circulation system and public access catalogue.

There is no suitable library collection. A critical element is the selection, acquisition, and processing of a collection of library materials which can be stored off-site until the library nears the completion of construction. The reason for constructing a new library is to provide a point of access to an up-to-date, well selected collection of materials. TIFA revenues will be used to fund an initial collection of up to 100,000 items, realizing that a library serving a population the size of Westland will ultimately have a collection of 2 to 3 items per capita - 168,000 to 252,000 items.

It is anticipated that the library will be operated as an identified city department with greater accountability and compatibility with city process. The Westland Public Library will also participate in the Wayne Oakland Library Federation (WOLF) using the cooperative's services to greatly enhance the ability of the staff in meeting users' needs.

Professional services are proposed to be acquired in early 1994, with construction commencing in late 1994. A construction period of 12 - 15 months is anticipated, with 2 - 3 months for the installation of the materials collection and fixtures. The Westland Library is anticipated to be open in mid to late 1996. A ten year maintenance fund will also be established as part of the library project.

Other funding sources identified to assist with the construction or operation of the library are: Michigan Equity Program, State of Michigan Department of Management and Budget grant, federal Library Services and Construction Act (LSCA), monies set aside by the City of Westland for the project, and funds realized from the dissolution of the Wayne-Nankin Agreement which currently governs the ownership of the Wayne-Westland Library.

2. The resurfacing of Wayne Road from Warren Road to Joy Road with the Authority funding approximately 50% of the local portion of the project which is located within the Development Area No. 1. Wayne Road is seven lanes wide from Warren to Cowan, and five lanes wide from Cowan to Joy Road. Based on a county estimate of \$100,000 per lane mile, the project is anticipated to cost approximately \$240,000. In the event that matching funds of 80% federal and 10% county can be obtained for the project, the Authority will be contributing \$24,000 or 10% to this project. Due to the programming of federal and county resources for this project, construction is anticipated for 1996.

3. The design and installation of pedestrian improvements. Newburgh Road widening projects from Ford Road to Joy Road, Warren Road widening and resurfacing projects, and the installation and widening of Central City Parkway provided improved vehicular circulation to Development Area No. 1. Some pedestrian improvements were installed as part of these projects. A pedestrian bridge is necessary to cross the Wayne County owned property at Tonquish Creek adjacent to Newburgh Road north of Warren Road. This walkway would be placed outside the existing guardrails to maximize the safety of users. Other pedestrian improvements are needed as links between the private residential and commercial developments in an area north of Ford Road west of Central City Parkway and south of Warren. An estimated 1.5 miles of improvements are proposed at a cost of \$13 per lineal foot. The design and installation of these improvements will be coordinated with the construction of the library and park amenities anticipated for 1995 and completed in 1996.

These pedestrian improvements may also be eligible for Federal Transportation Enhancement Activity program funding, and it is anticipated that a grant application will be submitted to assist with this project.

4. Park and open space improvements are proposed to be installed within Development Area No. 1 as an amenity to encourage private development. A well planned recreation area will complement the library facility and be available for residents and businesses that may be locating within the area. These improvements are proposed to be installed in 1995 and 1996 near the public library and easily accessible.

The city will explore obtaining a grant under the State of Michigan Department of Natural Resources - Land and Water Conservation Fund to assist with this proposed project.

5. As stated previously, funds are proposed to be set aside in escrow for the refunding of monies due to property owners for reduced assessments due to tax appeals. These tax revenues have been collected on real and personal property located in Development Area No. 1 since the establishment of the Authority in 1986. The escrow of funds is necessary because of the phasing out of the Authority upon completion of these plan amendments.

VI. IMPACT OF TIFA REVENUES ON TAXING JURISDICTIONS

The largest percentage of captured revenues comes from the Wayne Westland School District which is an in formula school district and operating monies are not lost as a result of these plan amendments. The Livonia School District is impacted directly because it is an out of formula district and therefore not participating in improvements or administrative expenses extending beyond the 1991 plan amendments. Therefore, both school districts are not adversely affected by these amendments.

The small amounts of revenue captured from the Wayne County Community College and Schoolcraft Community College for the proposed improvements will not have a negative effect on the operations of these taxing jurisdictions.

The improvements contained in this plan amendment will have a positive long term impact on residents and businesses in Wayne County. It is anticipated that library usage would come from not only Westland residents but other areas of western Wayne County. In addition, because the sale of bonds is not anticipated by the Authority to fund the projects, there will be no long term debt service requirements for the plan amendments thereby reducing the cost of implementation. It is projected that this plan amendment will have positive long term effects on all taxing jurisdictions within the development area.

VII. METHOD OF FINANCING

To date, the Authority has utilized two means of financing improvements: Using proceeds from the sale of limited tax development bonds, and paying for improvements has revenues are received. Improvements proposed in these development plan amendments will be paid for by revenues received by the Authority. The sale of bonds is not anticipated. The Authority has used funds to defease outstanding bonds as provided for under P.A. 450. All surplus revenues not used to pay for the costs of the plan as amended will be returned to the taxing jurisdictions in accordance with P.A. 450.

The total cost of the proposed improvements contained in this amendment will be paid for with less than two years of captured tax revenues. The schedule of construction will determine the expenditure of proceeds.

VIII. ESTIMATED TAX REVENUES

The Authority has retained captured revenues from taxing jurisdictions to implement improvements proposed in the 1991 and 1993 plan amendments. Revenues captured in Development Area No. 1 for years 1991, 1992, 1993, 1994, and 1995 total an estimated \$18,600,000.

The projects identified in the 1991 and 1993 plan amendments total an estimated \$20,467,000. To the extent that projects outlined in previous plan amendments are not completed through 1994 captured revenues, these projects will not be implemented and the Authority will be phased out by the City after the improvements proposed in this plan amendment are completed.

IX. BUDGET/COST OF PROJECTS

The cost of the improvements proposed are estimates and include the cost of consulting, architectural, and engineering services for construction design and monitoring. The Authority will not know the precise cost of the improvements until construction is completed.

1. Westland Public Library

Construction costs include site development and acquisition, landscaping, library shelving, furnishings, and equipment, fees for architectural, engineering, consulting services. An initial library materials collection of approximately 100,000 items for circulating collection, including cataloging and processing, reference volumes and magazines processed, an on-line catalogue, and maintenance fund

	Total library cost	\$7,360,000
2.	Wayne Road resurfacing from Warren Road to the northern boundary of Development Area No. 1	\$240,000
3.	Pedestrian improvements	\$265,000
4.	Park and Recreation improvements	\$125,000
5.	Escrowed funds for tax appeals	\$1,000,000
	Total costs to implement plan amendment	\$8,990,000