

TAX INCREMENT FINANCE AUTHORITY
OF THE CITY OF WESTLAND

AMENDMENT TO
FINANCING AND DEVELOPMENT PLAN
DEVELOPMENT AREA NO. 1

Recommended by the Development Area Citizen Council on May 3, 2012

Approved and Recommended by the Tax Increment Finance Authority
of the City of Westland on May 8, 2012

Approved by the City Council of the City of Westland on JULY 2, 2012, 2012

I. INTRODUCTION

The Tax Increment Finance Authority of the City of Westland (the "Authority") was created in 1986 by resolution of the City Council of the City of Westland (the "City"). The Authority and the City Council approved and adopted the original development plan and tax increment financing plan (together, the "Original Plan") in 1986. In 1989, 1991, 1993, 1996 and 1998 the Authority and the City Council adopted and approved amendments to the Original Plan (the "Prior Amendments"). (The Original plan as amended by the several Prior Amendments is hereinafter referred to as the "Amended Plan".)

Since the Original Plan was adopted, the Authority and the City have undertaken several projects and improvements in and with respect to the Development Area and have entered into a wide range of financial commitments. This *Amendment to Financing and Development Plan* (the "2012 Amendment") for Development Area No. 1 provides the City and the other taxing jurisdictions with updated information regarding the capture and use of tax increment revenues by the Authority, and describes additional proposed projects.

The 2012 Amendment is an extension of the Plan and must be read in concert with the Amended Plan. The 2012 Amendment refers to certain portions of the Plan but does not repeal or abrogate any provision of the Amended Plan unless expressly stated. (The Plan as amended by the Prior Amendments and the 2012 Amendment is sometimes referred to herein collectively as the "2012 Amended Plan".)

II. AMENDMENT TO TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

The Original and Amended Plans proposed construction of/or improvements to roads, utilities, street and pedestrian lighting, library and adjacent performance pavilion, landscaping, pedestrian walks, and vehicular parking. Amendments to the Original Plan were passed in 1989, 1991, 1993, 1996 and 1998. The Authority and the City have implemented a substantial portion of the development program outlined in the Amended Plan. Substantial economic growth has occurred in the Authority District as a result of these activities. Additional improvements are necessary for high quality projects to continue.

A. Past Projects and Improvements

Some of the past projects and improvements which have been completed under the Original Plan and the Prior Amendments are highlighted below.

Road Improvements. Under the Original Plan, Hunter Avenue was extended to Carlson Boulevard. A boulevard was installed on the west side of Carlson Avenue from Ford Road to Warren Road (named Central City Parkway). Road improvements were made to Ford Road, and Warren Road and Newburgh Road were widened. Improvements described in the 1989 amendments to the Plan included landscaping and streetscaping on Central City Parkway and Nankin Boulevard. Improvements described in the 1991 amendments to the Plan included reconstruction of Central City Parkway, and replacements and new installations of traffic signals in the Development Area.

Water System Improvements. A water main and sanitary sewer were installed adjacent to Carlson Boulevard under the Original Plan.

Library. The William P. Faust Public Library was constructed as a result of the 1993 Plan Amendment.

Retail Developments. Major retail developments within the Development Area have been constructed as described in the Original Plan and the 1991 Amendment.

Residential Developments. Several residential projects have also been constructed within the Development Area. These include the construction of Wilderness Park Apartments and Parkcrest Apartments, and expansion of the Landings apartment complex on Warren Road. These improvements also include construction on the Castle Woods Condominiums and Liberty Park Apartments adjacent to Hunter Avenue.

B. Boundaries of the Development Area

The boundaries of the development area shall remain co-terminus with the boundaries of the TIFA Authority District as established in the Original Plan. Appendix A contains a map of the established development area. This 2012 Amendment does not change the boundaries of Development Area No. 1.

C. Proposed Projects and Improvements

In addition to the projects which are still underway or remain to be completed under the Prior Amendments, the following projects and improvements are proposed under the 2012 Amendment.

- (1) The 1998 Plan Amendment included the construction of a proposed City administration building to be designed, constructed and dedicated for use by the general public and the City of Westland and its various departments. The 2012 Amendment restates the proposal for construction of a new City administration building, provides updated project cost estimates, and provides an estimated time required for completion of the project. Property acquisition by the City of Westland or the Authority may not be required to complete the project.

The proposed development project is anticipated to take approximately three years to complete, from design to complete build-out and furnishing of the new City administration building, with community rooms, council chamber and offices. The building is estimated to be between 35,000 and 50,000 square feet.

Upon completion of the new City administration building, the Authority may lease all or a portion of the development to the City. The terms of any such lease will be determined at the completion of the development project. At such time that all bonds issued to pay for the project have been paid in full, the Authority may sell, exchange or donate the development to the City upon terms to be established as part of the lease.

Costs associated with the construction of the new City administration building, including construction, furnishing, equipping, architecture, legal, financing and other costs incident to the construction and financing of the building, are estimated not to exceed \$15,000,000.00.

- (2) Roadway improvements and resurfacing for Central City Parkway and Newburgh Road. This project could cost between \$1,000,000 and \$5,000,000 based on the length, nature and timing of the projects. These projects could take a period of years.
- (3) Shopping District enhancements such as roadway, signage, lighting and public utilities. These projects could cost \$1,000,000 to \$5,000,000 over a period of years.
- (4) Establishment of a business incubator in the District at a cost of up to \$1,000,000 per year. The business incubator would assist lessees of commercial property in the district with the initial build out of leased space in line with the new business. The program will be established in accordance with rules and policies approved by the Authority.

- (5) A community recreation facility was identified in the 1998 Plan Amendment of up to 70,000 square feet at a present cost of an estimated \$20,000,000 and is restated as a proposed project.
- (6) The construction of a fire station in the TIFA Authority District which is estimated to require 2 acres for a 15,000 square feet fire station at an estimated cost of \$5,000,000 over a project duration of 2 – 5 years.
- (7) An addition to the William P. Faust Public Library of approximately 7,000 square feet at an estimated cost of \$3,000,000 with a project duration of 2-5 years.

Presented in the following table is a summary description of each project, the estimated cost and estimated time required for completion.

<u>Proposed Project</u>	<u>Estimated Cost</u>	<u>Estimated Time for Construction</u>
1. City Administration Building	\$15,000,000	3 years
2. Road Improvements/Resurfacing for Central City Parkway and Newburgh Road	\$1,000,000 to \$5,000,000	5 years
3. Shopping District Enhancements	\$1,000,000 to \$5,000,000	5 years
4. Business Incubator Program	\$5,000,000	5 years
5. Community Recreation Center	\$20,000,000	5 years
6. Fire Station	\$5,000,000	5 years
7. Library Expansion	\$3,000,000	5 years
TOTAL	\$50,000,000 to \$58,000,000	

D. Zoning Changes.

A change in zoning is not presently contemplated, but may be necessary to complete the development projects under this 2012 Amendment.

E. Proposed Land Disposition.

The terms under which the City administration building will be leased and/or sold to the City shall be determined pursuant to the lease to be negotiated between the Authority and the City.

The terms under which any projects will be sold, leased or otherwise conveyed to private development interests shall be determined by the Authority, subject to approval by the Westland City Council.

F. Estimate of the Number of Persons to Be Displaced; Plan for Establishing Priority for the Relocation of Persons Displaced by the Development; and Provision for the Costs of Relocating Persons Displaced by the Development.

No persons shall be displaced as a result of the development program proposed in the 2012 Amendment. Since no persons will be displaced from the development area as a result of any of the proposed projects, it is not necessary to prepare a plan for establishing priority for the relocation of displaced persons or to provide for the payment of costs of relocating displaced persons.

G. Financing of the Projects and Programs

Act 450, Public Acts of Michigan, 1980, as amended ("Act 450") calls for a development plan to show the proposed method(s) of financing its development program and the ability of the Authority to arrange the financing. The Amended Plan has identified the methods used to finance projects and programs previously included in the Amended Plan. Appendix B indicates the estimated tax increment revenues available to the Authority to pay the obligations and program commitments described in the 2012 Amended Plan. For purposes of this estimate, the estimated tax increment revenues are assumed to remain the same each year, but the amount of actual tax increment revenues will be subject to such factors as changes in the taxable value of properties located in the development area and any changes in millage rates.

The prior projects and programs catalogued in the 2012 Amended Plan have been paid for in several ways. The Authority issued bonds in 1988 and 1989, all of which have been fully paid. The Authority has also funded programs on an annual expenditure basis from tax increment revenues.

The proposed projects may be paid for by the Authority through the sale of one or more series of tax increment bonds or from any source of funding as authorized by Section 11 of Act 450 (MCL 125.1811). Tax increment revenues that are not required to repay debt service on any tax increment bonds may be used to fund projects set forth in the 2012 Amended Plan on a "pay-as-you-go" basis.

H. Maximum Amount of Bonded Indebtedness

The maximum bonded indebtedness to be incurred to finance the projects set forth herein shall not exceed the estimated cost of the project. The 1998 Plan Amendment provided for a maximum principal indebtedness of \$20,000,000 to be incurred. The Authority previously issued bonds in the aggregate principal amount of \$8,475,000, which have been paid in full. The total maximum amount of bonded indebtedness to be incurred to finance projects over the term

of the 2012 Amended Plan, excluding the bonds which have already been paid in full, is estimated to be \$40,000,000.

I. Duration of the 2012 Amended Plan

The development program would be complete once any bonds issued to finance the project have been paid off. The Authority has determined that the duration of the 2012 Amended Plan shall be 30 years and will expire after collection of the December 2042 tax levy. The duration of tax capture proposed under this 2012 Amendment may be less than the duration of the 2012 Amended Plan.

J. Estimated Impact on Taxing Jurisdictions

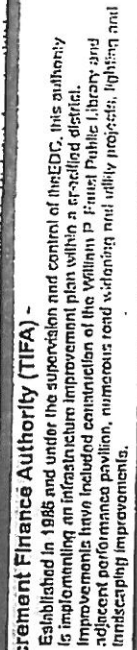
Act 450 requires each tax increment financing plan to indicate the impact of its program on the various taxing jurisdictions. The estimated impact of tax increment financing on taxing jurisdictions is shown in Appendix B. The impact is a function of various factors, including the tax rates that are established and levied by each taxing jurisdiction, the appreciation or depreciation of properties located within the Development Area, and the amount of tax increment revenues retained annually by the Authority.

The 1998 Plan Amendment specifically prevented the captured tax increments from Wayne County for use in the construction of a new City administration building. The 2012 Plan Amendment has removed this restriction and tax increments captured from Wayne County are included in the estimated tax revenues available to fund the project, as shown in Appendix B.

Act 450 also requires that the Authority spend tax increment revenues received for the development program only in accordance with the tax increment financing plan. Any surplus funds of the Authority that are not used to further the development program or for debt service on outstanding bonds shall revert proportionally to the respective taxing jurisdictions. Presently, the Authority returns a percentage of annual capture to the taxing jurisdictions based upon its "surplus" status. The Authority may continue this practice with the 2012 Amendment, however, the percentage may decrease.

- [2] The total millage rate levied by the City is assumed to be 10.2182 mills (0.9182182). The total City millage includes City operating (8.4834 mills), debt/senior debt (0.0271 mill), PIF retirement (4.58 mill), sanitation (2.0 mill), library (0.9477 mill), SCC (1.7867 mill) and REBA (0.4843 mill). The actual amount to be levied by the City each year is subject to change.
- [3] The County operating tax levy is assumed to be 0.0080 mills (0.0080366). The actual amount to be levied for County operating purposes each year is subject to change.
- [4] The County parks tax levy is assumed to be 0.2439 mills (0.002439). The actual amount to be levied for County parks purposes each year is subject to change.
- [5] The County MCMA tax levy is assumed to be 0.2149 mills (0.002149). The actual amount to be levied for County MCMA purposes each year is subject to change.
- [6] The County zoo tax levy is assumed to be 0.1050 mills (0.001050). The actual amount to be levied for County zoo purposes each year is subject to change.
- [7] The County jail tax levy is assumed to be 0.6381 mills (0.006381). The actual amount to be levied for County jail purposes each year is subject to change.
- [8] The County WCC tax levy is assumed to be 2.4768 mills (0.024768). The actual amount to be levied for County WCC purposes each year is subject to change.
- [9] The County WCTA tax levy is assumed to be 0.5930 mills (0.005930). The actual amount to be levied for County WCTA purposes each year is subject to change.
- [10] Total tax increment revenues are rounded to \$3,750,000.

WESTLAND
AN AMERICAN CITY



**Boundaries of the
TIFA district development area**

**DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF WESTLAND
SCHEDULE OF ESTIMATED TAX INCREMENT REVENUES AND
PROJECTED IMPACT ON TAXING JURISDICTIONS [1]**

Fiscal Year Ending June 30	City Tax Increment Revenues [2]	County Operating Tax Increment Revenues [3]	Perkins Increment Revenues [4]	HCSMA Tax Increment Revenues [5]	Zoo Tax Increment Revenues [6]	Jail Tax Increment Revenues [7]	WCC Tax Increment Revenues [8]	WCTA Tax Increment Revenues [9]	Total Tax Increment Revenues [10]	Cumulative Total
2013	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2014	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2015	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2016	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2017	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2018	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2019	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2020	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2021	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2022	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2023	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2024	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2025	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2026	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2027	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2028	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2029	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2030	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2031	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2032	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2033	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2034	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2035	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2036	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2037	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2038	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2039	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2040	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2041	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
2042	\$2,359,021.25	\$818,220.00	\$30,311.25	\$28,448.75	\$12,338.25	\$115,631.25	\$305,310.00	\$72,723.75	\$81,750,000.00	\$81,750,000.00
TOTAL	\$71,070,837.50	\$24,548,600.00	\$600,337.50	\$768,462.50	\$368,767.50	\$5,468,637.50	\$9,188,300.00	\$2,181,712.50	\$12,500,000.00	\$12,500,000.00
Current TIFA Capture		\$3,750,000								

[1] This schedule is based on the estimated TIFA capture of \$3,750,000 as set forth in the City of Westland 2012-2013 budget and assumes that the capture will remain the same each year. The actual amount of the TIFA capture each year will depend upon the increases or decreases in the taxable value of the property located within the Authority District. Also, captured funds which are not utilized for projects, debt service or administrative costs may be refunded to the taxing jurisdictions on a pro rata basis. The Plan ends after collection of the December 2042 tax levy.

**RESOLUTION APPOINTING MEMBERS OF THE
DEVELOPMENT AREA CITIZENS COUNCIL
FOR THE TAX INCREMENT FINANCE AUTHORITY
OF THE CITY OF WESTLAND**

At a regular meeting of the City Council of the City of Westland, Wayne County, Michigan, held in said City, on April 2, 2012, there were:

PRESENT: Bryant, Hammons, Johnson, Kadi, Kehrer, Reeves, Godbout

ABSENT: None

The following resolution was offered by Council Member Kadi and seconded by Council Member Reeves.

WHEREAS, pursuant to the provisions of Act 450 of the Michigan Public Acts of 1980, as amended ("Act 450"), the City of Westland (the "City") has established the Tax Increment Finance Authority of the City of Westland (the "Authority"); and

WHEREAS, the City has previously adopted a Financing and Development Plan for Development Area No. 1, as amended (the "Plan"); and

WHEREAS, the City and the Authority intend to further amend the Plan; and

WHEREAS, the City has determined that 100 or more persons reside in the development are described in the Plan (the "Development Area"); and

WHEREAS, it is necessary for the City Council to establish a Development Area Citizens Council for the Development Area and to approve the appointment of members to the Development Area Citizens Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Westland:

1. A Development Area Citizens Council (the "DACC") is hereby established for the Development Area. The DACC shall consist of eleven members, any six of whom shall constitute a quorum. Each member shall be at least 18 years of age and reside within the Development Area. The DACC shall act as an advisory body to the Authority and the City in the adoption of the amendment to the Plan.

2. The following individuals are appointed effective immediately as members of the DACC for the Tax Increment Finance Authority of the City of Westland, each of whom satisfies the requirements for membership to the DACC under Act 450:

Member's Name

1. Diana Dallavecchia
2. Linda Potter
3. Barbara Barski
4. Mary Murphy
5. James Murphy

Member's Name

6. Judy Bianchi
7. Lisa Eggers
8. Bud O'Leary
9. Pola O'Leary

3. Members of the DACC shall serve with such powers and duties as are provided by Act 450 for a period of two years or until their successors are elected and qualified.

4. The DACC shall conduct its meetings in accordance with Section 22 of Act 450. The Clerk of the City, or his or her designee, shall act as secretary to the DACC and shall keep minutes of the meetings of the DACC and shall provide notice of meetings as required by Act 450.

5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution are hereby rescinded.

6. The remaining two (2) members shall be appointed at the City Council meeting of Monday, April 16, 2012.

ADOPTED this 2nd day of April, 2012.

YEAS: Bryant, Hammons, Johnson, Kadi, Kehrer, Reeves, Godbout

NAYS: None

The Resolution was thereupon declared adopted.

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Westland, County of Wayne, State of Michigan, at a meeting held on April 2, 2012, the original of which is on file in my office and available to the public. Public notice of said meeting was given pursuant to and in compliance with the Open Meetings Act, Act No. 267 of the Public Acts of Michigan of 1976, including in the case of a special or rescheduled meeting, notice by posting at least eighteen (18) hours prior to the time set for said meeting.

Dated: April 2, 2012


Eileen DeHart, City Clerk-CMC