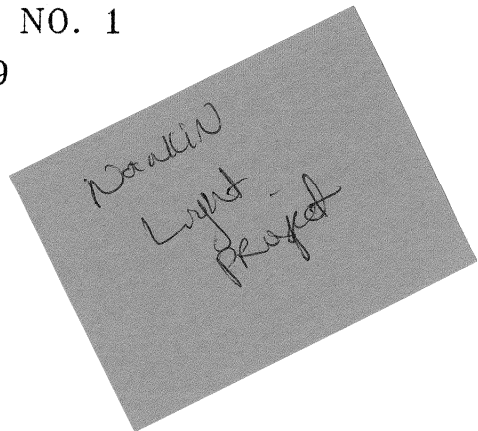


TAX INCREMENT FINANCE AUTHORITY
CITY OF WESTLAND, MICHIGAN

AMENDMENT TO FINANCING AND DEVELOPMENT PLAN
DEVELOPMENT AREA NO. 1
ADOPTED 1989



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

This plan amendment amends the City of Westland's Tax Increment Financing and Development Plan for Development Area No. 1 as adopted by Westland City Council on May 19, 1986. A copy of this original plan is attached immediately following the text of the amendment. The amendment follows the same format and organization used in 1986. 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.

INTRODUCTION:

The City of Westland adopted a tax increment financing and development plan in May of 1986. The plan proposed six projects involving construction of, or improvements to four major roads, along with associated utility construction and extensions. Implementation of these projects is proceeding ahead of schedule and will be completed in 1990. Since the establishment of the TIF district in 1986, substantial growth has occurred within the development area. Much of this growth can be attributed to actions taken or planned by the tax increment finance authority.

Major retail developments within the district include: A 100,000 square foot Pace Membership warehouse located on Nankin Boulevard; a 65,000 square foot Main Street Department Store (now Kohl's) built as a third anchor to Westland Center Mall; Target's, Mervyns and Kids R Us stores totalling 200,000 square feet of retail space; Westridge Center, a 200,000 square foot strip center containing Highland Appliance and T.J. Maxx as major tenants, and several smaller retail centers - all of which have been built in the development area since 1986. Currently under construction is a 212,000 square foot Meijer department and food store.

Several residential projects have likewise been constructed within the development area. These include the construction of Wilderness Park Apartments, Parkcrest Apartments and expansion of the existing Landings apartment complex on Warren Road, and the Castle Woods Condominiums and Liberty Park Apartments now under construction adjacent to Hunter Avenue.

There has, however, been little office activity within the TIF District. A small development of professional offices totalling 60,000 square feet in eight buildings is under construction on Nankin Boulevard, in the northern section of the TIF development area.

FINDING OF NECESSITY

At this time, the Tax Increment Finance Authority has completed approximately one third of its financing and development plan for development area no. 1. Development has been occurring at an acceptable rate; however the mix of land use types represented by the development is not optimal. The Authority is desirous of encouraging new, high quality, office and service development within the Development District. The boundaries of the Development District generally coincide with the boundaries of Westland's Central Business District Area.

Like many suburban communities of the same age, Westland suffers from a lack of definable identity. One reason for this lack of identity is the lack of a traditional downtown. Unlike similar communities, Westland has an opportunity to develop a downtown-type area.

As previously stated, the TIF development area No. 1 contains a substantial amount of retail and commercial land use. Major tenants of Westland Center, a 1,000,000 square foot enclosed regional shopping mall include Hudson's Department store, J. C. Penney Inc., and Kohl's Department store, as well as other smaller retail and service outlets. Several strip malls include tenants such as: Target, Mervyn's, Highland Appliance, and Pier One Imports. Additionally, several large freestanding retailers located in the vicinity include Meijer (under construction), Pace, and Art Van Furniture. This concentration of retail uses presents both problems and opportunity - the scale of development is more auto-oriented and thus a non-traditional downtown, however the amount of development provides a magnet for attracting people to the area.

Also, as previously stated, several residential developments are underway in the development district. This residential development will enhance the probability that a successful downtown-type area can be created. It has been estimated by current market research that approximately 385,000 people live within a six mile radius of the intersection of Central City Parkway and Warren Road. Almost 2000 units of residential housing units are currently located or under construction within the TIF development area.

The challenge confronting the Authority at this time is to capitalize on existing developments and to encourage private, high quality projects which will create a traditional "downtown" type area. Future developments must provide a greater variety of land uses within the downtown area. The City's Economic Development and Planning department staffs are working to attract multi-story (3-5) office development, a small hotel or motel, and restaurants to the area across from the City Hall complex, north of Ford Road and west of Central City Parkway. The Authority must continue the installation of public improvements in order to promote high quality private projects. Concerted efforts must be made to encourage developers to provide appropriate landscaping, high quality design, and pedestrian linkages between land uses and within the development area.

A number of issues have surfaced concerning office and service type development within the TIF District:

- Location and above average circulation patterns are identifiable assets
- There is a need for visual improvements within the area.
- The adjacent land uses - especially residential housing should be screened from commercial uses.
- An enhanced streetscape would greatly assist in the marketing of property to prospective tenants and buyers.

Some further link of the public uses on the south side of Ford Road at Central City Parkway to lands on the north side of Ford Road may be desirable, in addition to another east-west access to assist with vehicular traffic circulation.

The Tax Increment Finance Authority has identified two projects which will help accomplish the objectives of the Authority, and to assist in the creation of a definable downtown-type area for Westland. Those projects are detailed within this plan amendment.

PROPOSED IMPROVEMENTS

The original plan adopted in 1986 specified the following six proposed improvements:

- A. Warren Road will be widened from two to five lanes between Wayne Road and Newburgh Road.
- B. A boulevard will be installed on the west side of existing Carlson Avenue from Ford Road to Warren Road (two lanes north and two lanes south.)
- C. Hunter will be extended to the proposed Carlson Boulevard.
- D. Newburgh Road will be widened from two lanes to five lanes between Ford Road and Warren Road.
- E. A 12" water main will be installed adjacent to the proposed Carlson Boulevard from Elmwood Avenue to Warren Road.
- F. A 10" sanitary sewer will be installed adjacent to the proposed Carlson Boulevard between Elmwood Avenue and Warren Road.

Implementation of these above projects began in 1987 with the extension of Hunter Avenue and the construction of the north one half of the new boulevard together with the installation of the water main and sanitary sewer. In 1988 the remainder of the new boulevard adjacent to Carlson was constructed and opened for traffic; the boulevard has been named Central City Parkway. The top coat of asphalt and completion of the intersection of the new boulevard with Ford Road will be finished in early 1989. Design for the widening of both Warren Road and Newburgh Road is underway, and it is anticipated that the projects will be bid out separately in May 1989 and April 1989 respectively. Construction is scheduled for completion by late 1989.

Additional improvements have been identified as necessary to meet the objectives of the plan, the Authority, and the City. The following improvement projects are proposed by this amendment to the Financing and Development plan:

- 1. Landscaping and Streetscape improvements to Central City Parkway and Nankin Boulevard.
- 2. Construction of an east west thoroughfare from Newburgh Road to intersect with Central City Parkway aligning with either Hunter or Elmwood Streets.

Details of these projects are as follows:

LANDSCAPING/STREETSCAPE DESIGN AND IMPROVEMENT PROGRAM

This project will involve design and implementation of a landscape/urban design program. Central City Parkway and Nankin Boulevard will be a strong visual representation of Westland not only for residents and visitors to the shopping districts, but also for encouraging new development in the surrounding area. The design will create a visually appealing streetscape in the Nankin Boulevard and Central City Parkway medians, and in the greenbelt between the Parkway and Carlson Street. The design must be sensitive to existing land uses, provide a smooth transition between different land uses and promote a strong desired image for future office and commercial uses. Additionally, the planned landscaping will buffer the existing residential uses on Carlson from vehicular traffic and new higher intensity uses proposed for the west side of Central City Parkway. Plantings, screening walls, signage and lighting will be installed with strong consideration given to low maintenance designs. The design should unify the existing developments on Nankin Boulevard and proposed projects along the newly constructed Central City Parkway. Additionally, this publicly implemented design effort will establish a design standard for private developments within the development district.

Specific work items to be included in this project include the following:

1. Preparation of alternative plans and a final schematic master plan detailing a conceptual approach to the overall design.
2. Preparation of a detailed design with construction documents.
3. Implementation of the design, including plantings, installation of lighting, and construction of other recommended design elements.
4. Establishment of a maintenance fund to provide for the future care of plant materials and other elements as constructed in association with this project.

ROAD CONSTRUCTION CENTRAL CITY PARKWAY TO NEWBURGH ROAD.

Several proposed projects under consideration would require direct access from Central City Parkway to Newburgh Road. The Tax Increment Finance Authority will construct a two lane road extending west from Central City Parkway to Newburgh Road. The proposed roadway will be 37 feet wide, will include curb and gutters, and be constructed of nine inch reinforced concrete. The road will be aligned with either Hunter Road or Elmwood Street. The roadway will however be separated from the existing Elmwood Street by a greenbelt between Dowling and Globe streets. This project will provide additional access to developments taking place in the heart of the TIFA District. (See Map for detail).

IMPACT OF TIFA REVENUES ON TAXING JURISDICTIONS

Chart One below shows the 1988 millage rates and amounts of tax revenues captured from each taxing jurisdiction operating within the boundaries of the Tax Increment Finance Authority's development area no. 1.

TAXING UNITS	RECAPTURED SEV 1988 (000'S)	MILLAGE RATE	RECAPTURED TAX DOLLARS	PERCENT OF TOTAL
CITY OF WESTLAND	\$33,754.50	15.98	\$539,396.91	21.92%
WAYNE COUNTY	\$33,754.50	8.26	\$278,812.17	11.33%
WAYNE COUNTY INT. SCHOOL DISTRICT	\$33,754.50	2.1	\$70,884.45	2.88%
WAYNE COUNTY COMMUNITY COLLEGE	\$26,612.70	1	\$26,612.70	1.08%
SCHOOLCRAFT COMMUNITY COLLEGE	\$7,171.70	2.18	\$15,634.31	0.64%
WAYNE WESTLAND SCHOOL DISTRICT	\$26,642.70	47.9266	\$1,276,894.03	51.88%
LIVONIA SCHOOL DISTRICT	\$7,141.70	35.4	\$252,816.18	10.27%
TOTAL	\$168,832.30		\$2,461,050.74	100.00%

Currently the largest percent of captured revenues comes from the Wayne Westland School District. As explained in the original plan the school district does not lose operating monies because of the school aid formula. There is legislation proposed that would affect all state school districts' revenues; if passed that legislation would reduce the amount of millage captured by the TIFA from each of the school districts.

It is projected that this plan amendment will have positive long term effects on all taxing jurisdictions operating within the development area. A higher level of development with a greater dollar value will result from improvements proposed by this amendment. Indeed, the current plan projected a captured assessed value of \$27.4 million for 1989. As the above chart indicates, the TIFA is capturing \$33.7 million of new development in 1989. If the success of the present plan can be used as a guide, the plan improvements as proposed by this amendment will have a strongly beneficial impact upon their completion.

The total cost of the proposed improvements in this amendment would be paid for with less than one year of current captured revenues. Even on a short term basis no deleterious impact is projected for any of the taxing jurisdictions.

METHOD OF FINANCING

The original development plan provided for two means of financing the proposed improvements: using the proceeds from the sale of tax increment bonds, and paying for improvements as revenues are received by the authority ("pay as you go"). In implementation of the development plan to date, both methods have in fact been used.

The improvements discussed in this amendment are expected to be financed from both of these sources as well. Debt service on any bonds issued is intended to be paid from tax increment revenues.

Bonds were issued in 1988 in the principal amount of \$2,575,000; proceeds are being used to pay the following costs for improvements as described in the original plan:

- a). Construction and engineering of a 4 lane boulevard parallel to and adjacent to the existing Carlson Street from Ford Road to Hunter Street.
- b). Engineering costs for the design of the widening of Warren and Newburgh Roads.
- c). Installation of water mains adjacent to the new boulevard.

The chart below details debt service required by the 1988 bonds:

Year	Principal Due June 1	Interest Rate	Interest Due June 1	Interest Due December 1	Total Principal & Interest Requirements
1989	\$200,000	9.000%	\$152,447.70 *	\$82,468.74	\$434,916.44
1990	200,000	9.000%	82,468.74	73,468.74	355,937.48
1991	200,000	9.000%	73,468.74	64,468.74	337,937.48
1992	250,000	9.000%	64,468.74	53,218.74	367,687.48
1993	250,000	6.375%	53,218.74	45,250.00	348,468.74
1994	250,000	6.500%	45,250.00	37,125.00	332,374.99
1995	300,000	6.500%	37,125.00	27,375.00	364,499.99
1996	300,000	6.625%	27,375.00	17,437.50	344,812.50
1997	300,000	6.750%	17,437.50	7,312.50	324,750.00
1998	325,000	4.500%	7,312.50	0.00	332,312.50
	<u>\$2,575,000</u>		<u>\$560,572.65</u>	<u>\$408,124.95</u>	<u>\$3,543,697.59</u>

Bonds are expected to be issued in 1989 in the principal amount presently estimated to be \$5,250,000; proceeds to be used to pay for the following costs of improvements as described in the original plan:

a). Construction costs associated with the widening of Warren Road between Wayne Road and Newburgh Road.

b). Construction costs associated with the widening of Newburgh Road from Ford Road to the Tonquish Creek (the northern boundary of the TIFA District).

Proceeds will also be used to pay for the following costs of improvements as described in this amendment:

a). Design costs associated with the landscape/design improvements on Central City Parkway and Nankin Boulevard.

b). Construction and plantings to implement the design plan on Central City Parkway and Nankin Boulevard.

c). Design of a roadway to be extended from Central City Parkway to Newburgh Road.

The chart below details projected debt service requirements for the 1989 bonds. In addition, this schedule details projected revenues for each year. The maximum amount of debt service that may be pledged is 80% of the projected revenues shown below.

Tax Levy July 1	Principal Due Next June 1	Interest Rate	Interest Due December 1	Interest Due Next June 1	Total Principal & Interest Requirements	Out- Standing Bonds	Total	Projected Tax Increment Revenue	Coverage
1989	\$300,000	8.00%	\$210,000 *	\$210,000	\$720,000	\$364,938	1,084,938	\$2,459,547	2.27
1990	300,000	8.00%	198,000	198,000	696,000	346,938	1,042,938	2,582,524	2.48
1991	400,000	8.00%	186,000	186,000	772,000	378,938	1,150,938	2,711,651	2.36
1992	400,000	8.00%	170,000	170,000	740,000	356,438	1,096,438	2,847,233	2.60
1993	450,000	8.00%	154,000	154,000	758,000	340,500	1,098,500	2,989,595	2.72
1994	500,000	8.00%	136,000	136,000	772,000	374,250	1,146,250	3,139,074	2.74
1995	500,000	8.00%	116,000	116,000	732,000	354,750	1,086,750	3,296,028	3.03
1996	750,000	8.00%	96,000	96,000	942,000	334,874	1,276,874	3,460,830	2.71
1997	750,000	8.00%	66,000	66,000	882,000	339,624	1,221,624	3,633,871	2.97
1998	900,000	8.00%	36,000	36,000	972,000		972,000	3,815,565	3.93
	\$5,250,000		\$1,368,000	\$1,368,000	\$7,986,000	\$3,191,250	\$11,177,250	\$30,935,918	2.77
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The Authority expressed its intention in the original plan to pay debt service on bonds issued by the Authority, or by the City on behalf of the Authority from tax increment revenues. This intention remains unchanged. The bond resolution for the 1988 bonds pledged tax increment revenues for such purposes. Moreover, the Authority intends to pay debt service on the 1989 bonds from tax increment revenues and hereby pledges its tax increment revenues for debt service on the 1988 and the 1989 bonds.

The original plan stated that tax increment revenues, to the extent not required for debt service, would be used to pay certain costs of improvements and to pay certain administrative costs. The Authority intends to pay those costs in the future. In addition, the Authority intends to pay from the tax increment revenues the following costs outlined in this amendment:

a). Establishment of a maintenance fund to pay annual beautification expenses at the sites of the landscape/design improvements as described in this plan amendment. This fund will be built up over a period of the next three years with annual deposits of \$81,000.00 to a future value of \$275,000.00. The fund will be drawn down at the rate of \$30,000.00 per year to provide maintenance for the next twenty years.

b). Administrative costs incurred in implementing this plan amendment.

ESTIMATED TAX INCREMENT REVENUES

The Authority will capture tax revenues generated from real and personal property valuation within the TIFA district. The increases are based on the expected growth in values due to development and improvements that are anticipated. Projections of growth cannot be made with precision. Thus the figures presented herein are based on what are believed to be conservative estimates of growth rates expected to occur within the development area. Furthermore an assumption has been made of no change in millage rates by any taxing jurisdiction within the development area.

ESTIMATED TAX INCREMENT REVENUES (AMENDED) CITY OF WESTLAND TAX INCREMENT FINANCE AUTHORITY DEVELOPMENT AREA NO.

FISCAL YEAR BEGINNING 7/1	CAPTURED SEV	TAX INCREMENTS
1989	\$33,754,450.00	\$2,459,547
1990	\$35,442,172.50	\$2,582,524
1991	\$37,214,281.13	\$2,711,651
1991	\$39,074,995.18	\$2,847,233
1992	\$41,028,744.94	\$2,989,595
1993	\$43,080,182.19	\$3,139,074
1995	\$45,234,191.30	\$3,296,028
1996	\$47,495,900.86	\$3,460,830
1997	\$49,870,695.90	\$3,633,871
1998	\$52,364,230.70	\$3,815,565

NOTE: THIS CHART ASSUMES NO CHANGE IN MILLAGE RATES
AND A 5% GROWTH RATE

The Authority has stated its intentions to use tax increment revenues to pay debt service on bonds issued by or on behalf of the Authority, and to pay certain costs of improvements and administrative expenses as outlined in the plan and this plan amendment. Any revenues over and above those required to pay the above costs will be returned to the taxing jurisdictions in accordance with P.A. 450. In the past, (1987, 1988, and projected 1989) the Authority has returned surplus revenues in the amount of 20% of revenues collected, to the taxing jurisdictions.

The schedule below indicates projected tax increment revenues, projected debt service requirements, projected costs for improvements not payable from bond proceeds, projected annual administrative costs, and projected total tax increment revenues to be retained by the TIFA.

FISCAL YEAR BEGIN 7/1	PROJECTED TAX INCREMENT REVENUES	PROJECTED DEBT SERVICE REQUIREMENTS	PROJECTED ANNUAL ADMINISTRATIVE COSTS	PROJECTED IMPROVEMENT COSTS NOT BONDED	PROJECTED TAX INCREMENTS RETAINED
1989	\$2,459,547	\$1,084,938	\$55,000	\$248,500	\$1,388,438
1990	\$2,582,524	\$1,042,938	\$55,000	\$118,500	\$1,216,438
1991	\$2,711,651	\$1,150,938	\$55,000	\$118,500	\$1,324,438
1992	\$2,847,233	\$1,096,438	\$55,000	\$30,000	\$1,181,438
1993	\$2,989,595	\$1,098,500	\$55,000	\$20,000	\$1,173,500
1994	\$3,139,074	\$1,146,250	\$55,000	\$0	\$1,201,250
1995	\$3,296,028	\$1,086,750	\$55,000	\$0	\$1,141,750
1996	\$3,460,830	\$1,276,874	\$55,000	\$0	\$1,331,874
1997	\$3,633,871	\$1,221,624	\$55,000	\$0	\$1,276,624
1998	\$3,815,565	\$972,000	\$55,000	\$0	\$1,027,000

BUDGET/COST OF PROJECTS (amended)

1. Installation of landscaping improvements to Central City Parkway and Nankin Boulevard: \$400,000.

2. Construction of roadway from Central City Parkway to Newburgh Road: \$900,000.

Total Construction Cost: \$1,300,000. //

Other Project Costs

Landscape design services: \$50,000.

Landscape maintenance fund to provide maintenance for 20 years: \$275,000.

Engineering and design services: \$90,000.

Legal fees: \$7,500.

Administrative Expenses: \$5,000.

Total of non-construction related costs: \$427,500.

Total Costs to Implement Plan Amendment: \$1,727,500.

LOCATION OF PROPOSED IMPROVEMENTS

