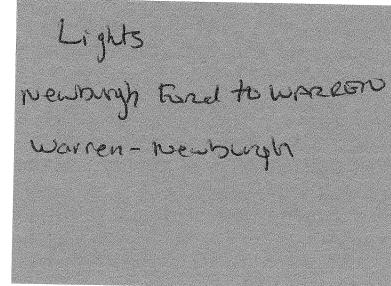


TAX INCREMENT FINANCE AUTHORITY
CITY OF WESTLAND, MICHIGAN

AMENDMENT TO FINANCING AND DEVELOPMENT PLAN
DEVELOPMENT AREA NO. 1

ADOPTED 1991



ECONOMIC GROWTH CENTER
37095 MARQUETTE, WESTLAND, MICHIGAN 48185
(313) 467 3220

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. A copy of this amended plan is hereby attached. The following sections are amended:

- I. Introduction
- III. Finding of Necessity
- V. Proposed Improvements
- VI. Impact of TIFA Revenues of 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, and amended this plan in March of 1989. The amended plan proposed construction of, or improvements to four roads with the installation of related utilities and landscaping improvements. These projects are underway. Substantial growth in development has occurred since the establishment of the Authority and Authority District in 1986. Much of this growth can be attributed to the activities of the Authority. Additional improvements are necessary within District No. 1 for high quality economic growth to continue.

FINDING OF NECESSITY

In the original plan, the Authority proposed a number of 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, which generally coincide with the boundaries of the city's central business district.

The Authority is desireous of encouraging additional high quality office and retail development within the Authority District, the commercial core of the city. Almost all of the growth which has occurred in development area No. 1 surrounds Westland Center, a regional enclosed shopping mall with over 1 million square feet of space on almost 62 acres of land. Westland Center was constructed in 1965, with a J. C. Penney Store added in 1978, and a Kohl's Store (formerly Mainstreet) added in 1987. Most of the commercial development surrounding Westland Center has been constructed in the mid to late 1980's.

The Authority must continue to install improvements in order to promote the construction of private development. Traffic circulation within the development area has been improved through Authority funded projects. However, the reconstruction and widening of Central City Parkway between Wayne and Warren has been identified as a critical traffic link to attract development in this area of the city's business district. There are several vacant parcels adjacent to this road which have not developed in part as a result of difficult vehicle access. Portions of this road have only two lanes which cannot accommodate future development and the expected increase in traffic volumes.

Another need identified within development area No. 1 is street lighting. Adequate street lighting is important for the prevention and reduction of traffic accidents, greater safety and security of pedestrians, increased traffic capacity on improved roads, and the enhancement of commercial business activities. The installation of street lighting also helps screen commercial uses from adjacent residential housing.

The commercial growth which has occurred in the city's business district surrounds the community's major retail mall, Westland Center. Westland Center is the city's largest taxpayer. In addition, J.L. Hudson Co., J.C. Penney Co., Kohl's, and the other tenants located within the center make this regional mall the city's largest employer. The continued positive economic health of this retail development is crucial to the fiscal prosperity of the City of Westland. The Authority has been advised that Westland Center may be acquired and expanded by new owners. This expansion may include the construction of additional stores, relocation of utilities, and installation of a parking structure to accommodate the increased number of vehicles utilizing the mall. The Authority desires to support and encourage to the extent possible the successful expansion of this vital project in the community.

PROPOSED IMPROVEMENTS

The improvements specified in the original plan adopted in 1986 and amended in 1989 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 for the improvements proposed by this amendment to the Authority's Tax Increment Financing and Development Plan:

1. Central City Parkway Reconstruction to five lanes from Warren Road to Wayne Road. The estimated length of the project is 4350 feet. The traffic signal at Central City Parkway and Nankin Boulevard will also be replaced as part of this project. Two alternatives are proposed for this improvement: 1. Total reconstruction by removing and replacing the existing pavement and constructing a new five lane reinforced concrete pavement. 2. Pavement widening and patching which would include removing the existing curb, removing and replacing the failed pavement areas, and widening the pavement to five lanes with non-reinforced concrete pavement. A comprehensive inspection and analysis of the existing pavement condition will be conducted by the Authority's consulting engineers. The Authority reserves the right to select the proper alternative for the reconstruction of Central City Parkway. Landscaping improvements and pedestrian sidewalks will also be installed in areas adjacent to the parkway which do not have existing walkways and landscaping, and on the west side of Wayne Road between Central City Parkway and Nankin Boulevard. Construction is proposed for 1992, with final completion in 1993.

2. The design and installation of ornamental underground street lighting service within development area No. 1. This proposed street lighting system utilizes buried electrical cables, 250 watt high pressure sodium lamps, and cobra style fixtures 30' in height. Preliminary plans call for street lights to be installed in the following areas:

Street	From	To	Length	# of poles
Newburgh	Ford	Warren	.68 miles	30
Warren	Newburgh	Wayne	1.35 miles	60
Central City	Ford	Wayne	1.93 miles	110
Nankin Boulevard	CC Pkwy	Wayne	.58 miles	26
Hunter	CC Pkwy	Yale	.50 miles	22
Total			5.04 miles	248 poles

The Authority proposes to install these street lights under one of the options offered by Detroit Edison. The preferred method is Option II with the city owning the system and Detroit Edison supplying electricity. Utilizing Option II, the Authority would fund 100% of the installation cost, with the ongoing energy and maintenance cost assessments paid by the property owners. It is anticipated that the street light system will be designed and installed during 1992 and 1993.

3. Financial assistance from the Authority for the expansion of Westland Center. As previously stated, in order to encourage the expansion of Westland Center as an economically viable project, financial participation is necessary by the Authority for successful completion. Authority assistance proposed for the project would consist of funding the construction costs of, but not limited to, utilities relocation, parking deck construction, installation of paving, curbs & gutters, lighting improvements, site grading and ramp relocation, and asbestos abatement. Financial assistance would be provided at completed construction stages of the Westland Center expansion project. Proposed time frames suggest construction beginning in 1992 and full completion by early 1994.

IMPACT OF TIFA REVENUES ON TAXING JURISDICTIONS

The following chart reflects the 1990 millage rates and amounts of tax revenues captured from each taxing jurisdiction operating within the boundaries of the Tax Increment Finance Authority Development Area No. 1:

TAXING UNIT	RECAPTURED 1990 SEV	MILLAGE RATE	RECAPTURED TAX INCREMENTS	% OF TOTAL
City of Westland	60,863,460	13.87	844,176.19	20.36
Wayne County	60,863,460	10.07	612,895.04	14.76
Wayne County Int. School Dist.	60,863,460	1.98	120,509.65	2.90
Wayne County Community College	47,975,130	.80	38,380.10	.92
Schoolcraft College	12,888,330	1.95	25,132.24	.61
Wayne Westland School Dist.	47,975,130	43.68	2,095,553.68	50.47
Livonia School Dist.	12,888,330	32.15	<u>414,359.81</u>	<u>9.98</u>
		TOTAL	\$4,151,006.71	100%

The largest percent of captured revenues comes from the Wayne Westland School District which is an "in formula" school district and therefore does not lose operating monies. It is projected that this plan amendment will have positive long term effects on all taxing jurisdictions within the development area. Additional development and greater dollar value resulting from improvements proposed by this amendment will have a beneficial impact upon completion.

Tax revenue projections of the Westland Center expansion alone show that this project's SEV will more than double at the conclusion of construction. The total real and personal property taxes generated by this development upon completion are estimated to be almost \$2 million per year.

The total cost of the proposed improvements contained in this amendment would be paid for with less than three years of current captured tax revenues. Even of a short term basis, the taxing jurisdictions would not experience any deleterious impact.

METHOD OF FINANCING

The amended financing and development plan provided for two means of financing the proposed improvements: utilizing the proceeds from the sale of limited tax development bonds, and paying for improvements as revenues are received by the Authority. To date, both methods have been used in implementing the development plan. Attachment A details the debt service requirements of the 1988 and 1989 Limited Tax Development Bonds issued by the Authority. In the amended plan, the Authority expressed its intention to pay debt service on bonds issued by or on behalf of the Authority. The Authority has pledged tax increment revenues for debt service on the 1988 and 1989 bonds.

The Authority also contemplates the use of funds for the pre-payment, repurchase, or defeasance of outstanding bonds as provided for under P.A. 450. All surplus revenues not used to pay for the costs of the plan will be returned to the taxing jurisdictions in accordance with P.A. 450.

The Authority expects to pay for the cost of the improvements proposed in this amendment as revenues are received ("pay as you go"). The schedule of construction will determine the expenditure of proceeds. Under this method, it may be necessary to accumulate funds from year to year in anticipation of future construction. The Authority may decide to finance part or all of these improvements through the sale of bonds. In the event that bonds are issued, the maximum amount of debt service that may be pledged by the Authority is 80% of the estimated tax increment revenues to be received from the development area for the year. The maximum bond indebtedness under the plan, including this amendment is \$19,952,000.

Tax increment revenues, to the extent not required for debt service, will be used to pay the costs of improvements and to pay for certain administrative costs.

ESTIMATED TAX INCREMENT REVENUES

The Authority will capture all taxes generated from real and personal property valuation within the Authority District. Increases are based on the expected growth in values and due to economic development projects installed within the district. The following chart assumes no change in millage rates, a 4% growth rate, and the increased SEV from the Westland Center expansion project:

Fiscal Year	Captured SEV	Tax Increments
1991	60,863,460	4,151,007
1992	63,298,000	4,316,924
1993	65,829,920	4,489,601
1994	87,108,120	5,940,774
1995	94,456,650	6,441,944
1996	99,114,710	6,759,623
1997	102,491,700	6,989,934
1998	106,027,170	7,231,053
1999	109,815,850	7,489,441

BUDGET/COST OF PROJECTS

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

1. Central City Parkway Reconstruction:	\$ 1,985,000
2. Installation of Street Lighting:	\$ 992,000
3. Westland Center expansion project:	\$ 8,500,000
Total costs to implement plan amendment:	\$11,477,000

ATTACHMENT A
1989 LIMITED TAX DEVELOPMENT BONDS

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

Year	Principal Due June 1	Interest Rate	Interest Due June 1	Interest Due December 1	Total Principal & Interest Requirements
1989	≤ \$0	0.000%	\$0.00	\$188,000.00 *	\$188,000.00
1990	400,000	6.200%	188,000.00	175,600.00	763,600.00
1991	400,000	6.200%	175,600.00	163,200.00	738,800.00
1992	400,000	6.300%	163,200.00	150,600.00	713,800.00
1993	400,000	6.300%	150,600.00	138,000.00	688,600.00
1994	500,000	6.300%	138,000.00	122,250.00	760,250.00
1995	500,000	6.300%	122,250.00	106,500.00	728,750.00
1996	750,000	6.400%	106,500.00	82,500.00	939,000.00
1997	750,000	6.400%	82,500.00	58,500.00	891,000.00
1998	900,000	6.500%	58,500.00	29,250.00	987,750.00
1999	900,000	6.500%	29,250.00	0.00	929,250.00
	\$5,900,000		\$1,214,400.00	\$1,214,400.00	\$8,328,800.00

1988 LIMITED TAX DEVELOPMENT BONDS
SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

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
	\$2,575,000		\$560,572.65	\$408,124.95	\$3,543,697.59