

Tax Increment Financing and Development Plan For City of Madison Heights Downtown Development District

Downtown Development District Madison Heights, Michigan

Amended by the Downtown Development Authority: September 12, 2017

Approved by the Madison Heights City Council: November 13, 2017

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INTRODUCTION



In June 1997, the Madison Heights City Council adopted Ordinance 948 which created the Madison Heights Downtown Development Authority (DDA), pursuant to Act 197 of Public Acts of 1975 as amended of the State of Michigan. At that time, the Authority was given all of the powers and duties prescribed for a Downtown Development Authority pursuant to the Act. A thirteen (13) member DDA Board was appointed to represent the City and south commercial district business interest. The City Council also designated the boundaries of the downtown district within which the Authority may legally operate.

On March 10, 1998 the Downtown Development Authority adopted a Tax Increment Financing and Development Plan. This plan established the legal basis and procedures for the capture and expenditure of Tax Increment Revenue that is used to finance recommended public improvements within the DDA. The duration of the DDA's TIF Plan was for twenty years and scheduled to terminate with tax collections due in December 2017.

The main body of the plan focused on the following key development areas:

- John R/Eleven Mile Road Intersection Improvements
- Streetscape Improvements on John R and Eleven Mile Roads
- Removal of Blighting Influences
- Maintenance
- Commercial/Industrial Enhancement Programs
- Other Public Improvements

1st Major DDA Project



DDA Alley Improvements



INTRODUCTION

Projects that the DDA has funded over the years include:

Clock Tower Construction & Maintenance	Public Alley Improvements
Maintenance-lawn and trash pick-up and ROW grass cuttings	Sign Grant Program
John R/11 Mile Road Intersection Improvements	Façade Improvement Program
Permanent Address Plaque Program	Code Enforcement Efforts
Marketing and promotional events	Hanging Basket Program
Holiday Display	Banner Sign Program

The DDA Board kicked off the initial TIF Plan Update discussion at the January 12, 2016 Board Meeting. Quickly following the initial kick-off meeting, a Joint DDA/City Council Townhall Meeting was planned and organized.

The Joint DDA/City Council Townhall Meeting held on August 18th at Wilkinson Middle School was well attended, with over 70 guests, including members of City Council, DDA Board Members and other stakeholders. Staff led the meeting with a brief background presentation of the DDA followed by a small group session and general discussion.

After the presentation, guests were directed to break into small groups, starting with the first question to the group, “What’s going right in the DDA District? After timed intervals, the small group was asked “What could be done differently in the DDA District?” Lastly, the small groups were asked “What is your vision for the DDA District over the next 20 years?” Each small group was asked to select a spokesperson for the group to present during general discussion. Each spokesperson for each small group then presented their summary of their answers to all three questions to the entire audience. The following chart summarizes the responses recorded by the small groups:

Question #1 “What’s going right in the DDA District?”

Targeted Maintenance	Façade Improvements	Improved Pedestrian amenities
Improved Roads	Banners and ROW Signs	Alley Improvements
Address Plaques	Custom Trash Receptacles	Clock Tower
Directional Signs	Telway	Care of local businesses and residents

INTRODUCTION

Question #1 “What’s going right in the DDA District?” Continued..

Curb Appeal	Matching funds for façade/sign improvements	Right of Way Maintenance
Bike Rack Program	No debt	Pride of the DDA District
Stability of local businesses	Not over-developed	Good traffic flow
Survived the recession	DDA district governed by local business owners	Engaged businesses

Question #2 “What could be done differently in the DDA District?”

Data Driven Decision Making	Promote Diversity	Host more City-wide events
Targeted events that helps develop DDA Identity	Focus on new developments	Being proactive with attraction & retention efforts
Dedicated DDA website	Better maintenance in ROW	More focus on 10 Mile to 11 Mile
Expand DDA District boundaries	Pro-active Code Enforcement Efforts	Pursue federal and state incentives/stimulus package/tax credits/loans
Develop more parks	Build walk-ways/bike paths	Promote via social media
Reduce speed limit	Have better District Identity	Cross walks that stand out
Additional civic events in the DDA district	Less red tape	Follow successful redevelopment models
Offer Customer Appreciation day to connect with residents	Address vacant buildings	Partnership with other DDAs
Extend support to non-profits	More resident engagement	Create owners' association

INTRODUCTION

Question #3 “What is your vision for the DDA District over the next 20 years?”

Make it a Destination	Appealing Shopping District	Walkable District-non-motorized transportation
Place-making features	Study and follow best practices	Pro-active Blight/Code Enforcement
Holiday Decorations	Planting Trees	Red Bricks and Benches on pathways
Community Hall	Add Public Gathering Places and Parks	Sponsoring family-friendly events
Expand/redefine DDA District boundaries	Change Zipcode	Pursue/Offer incentives for Anchor businesses
Bike Tours	Beautification Efforts	Award/Incentive programs
Add another district	Renovation/Demolition of blight buildings	Green/sustainable/eco-friendly efforts
Redevelop 11 Mile and John R corner	Sponsor City-wide garage sale	Construct plug-in vehicle charging stations
Social Clubs	Offer WiFi	Farmers Market
Offer Kid Zones	Active Marketing/Promotion Activities	Encourage window shopping
Grow the industrial base	Promote the I-696 and I-75 Gateway	Partner with non-profits/civic groups, i.e. veterans group

As a follow-up item, all participants were emailed an online questionnaire through survey monkey and were asked to rank and share any additional feedback on all the recorded group's answers.

The DDA Board then ranked the proposed projects by priority within each category based on the top ideas/suggestions generated from the Joint Townhall Meeting and subsequent Board Meetings (**summarized in Table 1**).

The Joint Townhall Meeting served as a springboard for advancing many of the goals that are proposed in the amended TIF and Development Agreement.

INTRODUCTION

Why Continue the DDA?

Over the years, the DDA has utilized its tax increment financing (TIF) capture for numerous projects and activities that have contributed to the revitalization of the DDA District. Major investments have been made starting with the first major clock tower project at 11 Mile and John R, to the streetscape projects along John R, 11 Mile Road and side streets. Numerous other beautification, maintenance and special events were also sponsored by the DDA. While these visible and physical improvements have proven to have a major impact on the DDA District, there was resounding consensus among the DDA Board and other stakeholders that there's still plenty of work to be done to enhance and revitalize the existing Development Area.

This 2017 update is written to re-evaluate and prioritize DDA projects that been recommended by the stakeholders and DDA Board Members.

DEVELOPMENT PLAN ELEMENTS

The following references to "sections" that must be addressed in any Development Plan as required by State Statute as found in section 17(2) of P.A. 197 of 1975.

SECTION 17(2)(A): DISTRICT BOUNDARIES

"The designation of boundaries of the development area in relation to highways, streets, streams or otherwise."

Map A: depicts the boundaries of the development area in relation to the above features. There are no proposed changes to the development area from the last adopted plan.

SECTION 17(2)(b): EXISTING & PROPOSED LAND USES

"The location and extent of existing streets and other public facilities within the development area and shall designate 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 shall include a legal description of the development area."

Map B: depicts the existing land uses within the Development Area.

Map C: depicts the future land uses within the Development Area.

SECTION 17(2)(c): EXISTING IMPROVEMENTS TO BE ADDRESSED

"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."

Not Applicable.

DEVELOPMENT PLAN ELEMENTS

The following are references to “sections” that must be addressed in any Development Plan as required by State Statute as found in section 17(2) of P.A. 197 of 1975.

SECTION 17(2)(d): PROJECT IMPROVEMENT PLAN

“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.”

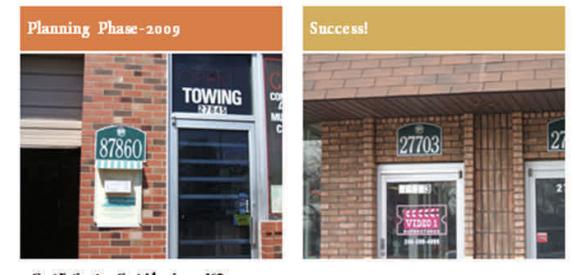
The plan breaks out the projects into 4 categories:

1. Marketing & Branding

Create a physical environment, image, event and “sense of place” unique to the DDA District which will encourage additional economic and business activity. Create a visual cohesiveness and unity for the commercial and industrial frontage.

► Streetscape Improvements and Permanent ID Elements

Streetscape improvements ranked the highest during the visioning and priority ranking session. The improvements are proposed in a phased approach in partnership with property owners, where feasible. Examples include Wayfinding Signs, Welcome Signs entering the DDA District, Benches, and Bus Shelters Signs. To date, the DDA has successfully completed an array of streetscape improvements projects along the major corridor of 11 Mile and John to create a more inviting appearance and functionality of the streetscape. One of the largest projects the DDA has successfully undertaken has been the Permanent Address Plaques. These address signs were installed to identify the DDA Business district by clearly marking each building with a new uniform sign. The address signs were designed with contrasting colors of silver numbering on a hunter green background, which allows for quick and easy reading by passing motorists. These highly visible address plaques came with 7” numbering, making it very easy for visitors to find local businesses.

<p>Permanent Address Signage</p>  <p>Planning Phase - 2009</p> <p>Success!</p> <p>Cost Estimates: Cast Aluminum 169 Vinyl Decals 50 Total: 219 - \$28,375 (Includes cost of installation and set up)</p>	<p>48"</p> <p>48"</p>  <table border="1"><tbody><tr><td>▲ 0.3 mi.</td><td>Monroe Park</td></tr><tr><td>▲ 0.5 mi.</td><td>Huffman Park</td></tr><tr><td>▲ 1.0 mi.</td><td>Fire Station 2</td></tr><tr><td>▲ 1.3 mi.</td><td>Wilkinson School</td></tr><tr><td>▲ 1.5 mi.</td><td>Wildwood Park</td></tr></tbody></table> <p>48"</p> <p>48"</p>	▲ 0.3 mi.	Monroe Park	▲ 0.5 mi.	Huffman Park	▲ 1.0 mi.	Fire Station 2	▲ 1.3 mi.	Wilkinson School	▲ 1.5 mi.	Wildwood Park
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<p>Cast Aluminum Address Signs</p>	<p>Proposed Wayfinding Signs</p>										

DEVELOPMENT PLAN ELEMENTS

The following references to “sections” that must be addressed in any Development Plan as required by State Statute as found in section 17(2) of P.A. 197 of 1975.

► 11 Mile and John R Corner Development

The 11 Mile and John R serves as the heart of the DDA District with the DDA Clock Tower installed in the southeast corner of the same intersection. The southeast corner is currently the site for Rite Aid and Citco Gas Station/Bombay Party Store. The northeast corner has the iconic Telway Hamburger Business. This well-known and popular establishment is also one of the oldest family-owned businesses in Madison Heights. Lastly, the southwest corner is the site for another privately owned auto repair and used car dealership-Madison Motors. The Development Plan proposes to encourage and support a detailed design site plan that incorporates focal features, landscaping, and other improvements that would better define a “sense of place” and identity of the DDA District.

► Dedicated Website/Social Media Site for DDA Businesses

The DDA may consider creating an interactive website and social media site dedicated to promote DDA Businesses and to advertise upcoming events/activities hosted by the DDA.

► Bike Rack Program

The DDA and the City’s local businesses have teamed up to hold a bicycle rack design competition that would bring functional street art and much needed bike parking throughout the DDA District. A design review committee comprised of DDA Board Members, city staff, local business owners, art professionals and other stakeholders are tasked with reviewing the art entries and selection of the winning designs. The DDA will oversee fabrication and installation of select bike racks at various locations in the DDA District.



2016 “This is Home” Bike Rack Design Winners!

4 Seasons Design by: Lyndsey Wisbiski, Carmen Hirmiz, Tabitha Green, Mackenzie McClive

Page Middle School

MHPD Design by: Chloe Heikkinen, Lamphere High School

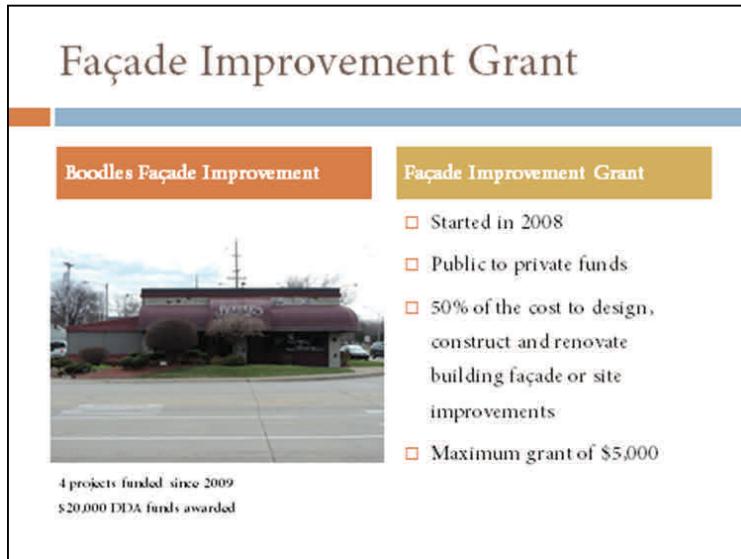
Bike Rack Builder: Joe Keys, owner of Correct Car Care (DDA Board Member and DDA Business Owner)

Steel Materials donated in part by James Steel Tube, Madison Heights Business

DEVELOPMENT PLAN ELEMENTS

► Façade Improvement Grant

The DDA will continue to support the Façade Improvement Grant Program to assist commercial and industrial property owners to fund physical redevelopment improvements to their existing properties. It is not the intent or purpose of the program to subsidize routine building maintenance projects such as painting. Rather, the purpose of the program assistance is to alter and improve the overall appearance of a building façade or property site.



► Plant Trees in the Right of Way

The DDA may consider planting trees in the Right-of-Way to provide a buffer between pedestrians and vehicles, beautify the streetscape and collect/filter run-off. An overall design plan for landscaped improvements would be coordinated with other project plans.

► Proactive Code Enforcement

The DDA will continue to be proactive to eliminate blighting influences that negatively impact the DDA District. Not only do blighting influences detract from the character and appearance of the business district, but they also can have a multiplier effect on other businesses and nearby residential areas if not counteracted. The Plan proposes a part-time code enforcement officer to address physical deterioration of structures, signage, junk & debris and other common code enforcement violations.

► Acquisition/Demolition of DDA Parcels

The DDA may acquire property by purchase or demolish certain DDA parcels that will serve as a catalyst for positive community development by eliminating blight substandard structures. Acquisition of properties can come from foreclosures, donations, transfers, tax sale purchase or purchases from private property owners.

DEVELOPMENT PLAN ELEMENTS

► Sign Grant Program

Business signs are one of the most prominent visual elements in a downtown and are an integral part of doing business. Signs provide the individual business with identification, giving information about the products sold and project the image of the business. As a visual element, each business sign should enhance the image of the entire downtown as well as the individual business. The program is intended to encourage a high business standard to complement the architectural character of the DDA Area. The program reimburses 50% of the cost to design, construct and install a sign and 100% of the cost to remove a non-conforming or dilapidated sign, up to a maximum dollar amount.

Sign Grant Program

Correct Car Care 	Sign Grant Program <ul style="list-style-type: none">Started in 2001Public to Private funds50% of the cost of sign, max. \$1,000Increased to \$10,000 in 2005100% of the cost to remove non-conforming signs
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Total: 25 Applications
\$70,170 DDA funds awarded

2. Maintenance

Ensure that the greenbelt will continue to serve as an amenity that enhances and provides a cohesive identity for the DDA District.

► Right of Way Grass Cutting

The DDA has for many years contracted for the mowing of all grass lying within the City right-of-way in front of DDA businesses. This program continues to be a great success, with nearly 100% opt-in from the DDA businesses. The service continues to be free of charge to participants. Regular maintenance of landscaped areas will improve the appearance of the DDA District and encourage an increased level of business activity. The program typically starts in late April/early May and continues through the end of the growing season.

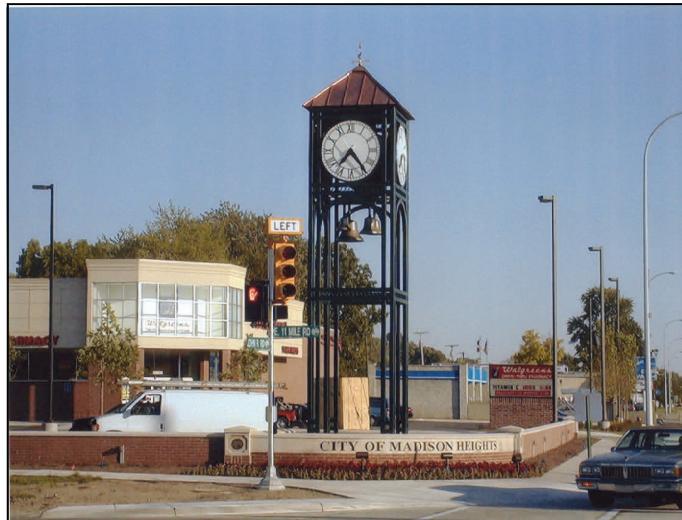


DDA Right-of-Way Grass Cutting

DEVELOPMENT PLAN ELEMENTS

► Clock Tower at 11 Mile and John R

Centrally located at the heart of the DDA District, the Clock Tower was the first major project conducted by the DDA Board. Inspections and maintenance issues are addressed every year as part of the routine maintenance attention that the DDA budgets every year for the clock tower. The last major inspection and maintenance work was conducted by Verdin, the original manufacturer in 2016. Now nearly 20 years later, the clock tower is in need of upgrades to certain parts, mainly due to parts no longer available/services or are showing wear and tear. The Plan proposes to budget accordingly to accommodate the major upgrades recommended by the original manufacturer.



Clock Tower, located at 11 Mile and John R Road

► Right of Way Weed Application/Trash Pick-up in Greenbelt

Several times per season the DDA contracts out for vegetation control in the Right-of-Way and near the greenbelt curve.

► Trash Receptacles

There are currently 7 custom made trash receptacles located throughout the DDA District. The Plan proposes to continue the maintenance work such as sandblasting, powder coating on a rotating basis as existing older receptacles need attention. In addition, the DDA will continue the weekly pick-up of trash bags by the authorized contractor.



DDA Trash Receptacles

DEVELOPMENT PLAN ELEMENTS

► Other Right of Way Improvements

As part of the streetscape improvements along the major thoroughfares of John R and 11 Mile Road, the DDA implemented many successful road construction improvements, including a major stretch of the public alleyway on 11 Mile Road. The Plan may consider future work on other stretch of alleys along John R. The DDA may also consider a comprehensive study of on-street bicycle accommodations by way of street markings or other methods to reduce traffic speeds along the major downtown area.

► Traffic Calming Study

The Plan may consider a traffic calming study to identify and examine how the DDA can lessen the impact of motor vehicle traffic along the major thoroughfares of the DDA District.

4. Events

The Events category relates to projects or regular occurring events that are intended to showcase local businesses and draw people to the Downtown. These efforts may include, but not are limited to, the following:

► Farmer's Market/Artisan Market

Farmer's Markets can be a great way to bring fresh and quality foods from farmers to consumers. It can be a great venue to promote locally made products and act as a gathering place for neighbors to socialize.

► Art Challenge/Taste Festival

One of the signature events sponsored by the DDA in cooperation with the school districts to challenge students to create art pieces with their own spin on the yearly theme. Art pieces are judged on originality, creativity, imagination and inspiration.



DDA Special Events

Business Breakfast Workshops to Annual Taste Festival

Annual Art Challenge

DDA Budget=\$1,000/event
Reduced to \$500/event till 2013
100% privately funded since 2014

DEVELOPMENT PLAN ELEMENTS

► Block Parties

The DDA may consider sponsoring a casual, family friendly block party featuring live music, food vendors, and crafts to further stimulate business activity and to promote a positive image of the DDA District.

► Food Truck Rally

The DDA May consider hosting social gathering events in the summer/fall season so foodies and neighbors can enjoy diverse selection of Madison Heights finest mobile eateries.

► Fire Station #2 Open House

In celebration of Fire Prevention Week, a Fire Station #2 Open House (building is located in the DDA District) is proposed in conjunction with events planned at the main Fire Station off Brush Street. Activities may include touring the fire station, live demonstrations, safety education and other fun activities for the whole family.



Fire Department Open House

► Joint Homecoming Event

The DDA may consider a starting a new tradition to bring students and neighbors together to celebrate community spirit and pride during Homecoming Week. Activities may include, but are not limited to, tailgating at local businesses, cook-off contests, business window painting contest, and other local promotional activities from local businesses.

► Scavenger Hunt

The DDA may consider hosting a fun group and family activity to promote and highlight places and objects unique to the DDA District.

While projects listed in this Plan are thought to be the most important in terms of promoting economic growth and development in the district, implementation of additional projects not listed herein is at the DDA Board's discretion, based on its funding interpretation and appropriate plan amendments. Circumstances may arise after plan adoption which dictate a change in project priorities. Actual projects funded will be reflected in the DDA's annual budget, as approved by the City Council. For all projects presented, the DDA has the ability to arrange financing, provided that the City Council approves the financing, and that the TIF revenues generated meet or exceed the projections shown in the framework sheet.

DEVELOPMENT PLAN ELEMENTS

The following references to “sections” that must be addressed in any Development Plan as required by State Statute as found in section 17(2) of P.A. 197 of 1975.

SECTION 17(2)(e): CONSTRUCTION STAGES

“A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.”

The statement of the stages of planned construction is identified in Table 1. The annual DDA budget and the availability and timing of other sources of funding will largely determine the pace at which the desired projects are completed.

SECTION 17(2)(f): OPEN SPACE

“A description of any parts of the development area to be left as open space and the use contemplated for the space.”

No areas within the Development Area are currently designated as public open spaces. No portions of the Development Area are planned to be open space, other than greenbelts and landscape areas. This may change if the DDA Board acquires any private parcels for public benefit.

SECTION 17(2)(g): PROPERTY OWNERSHIP/LEASES

“Descriptions 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 DDA has no plans at the present time to sell, donate, exchange, or lease from the City of Madison Heights any land in the Development Area. The Authority may acquire properties from the City or private owners within the Development Area if opportunities arise in furtherance of the goals in the Amended Plan.

SECTION 17(2)(h): DESIRED ZONING CHANGES

“A description of desired zoning changes and changes in streets, street levels, intersections and utilities.”

No zoning or utilities changes are planned at this time. Detailed design plans to be prepared as part of the implementation of this Plan may specify utility and/or site plan changes.

DEVELOPMENT PLAN ELEMENTS

SECTION 17(2)(i): DEVELOPMENT COSTS/ 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.”

The estimated cost of the DDA’s portion of the public improvement projects is outlined in Table 2. It is anticipated that these projects will be paid for with tax increment revenues. Some of the projects will be assisted with private grants or additional funds that may be available to the DDA. It is anticipated that most projects will continue to be financed on a “pay-as-you-go” basis, using funds on hand or “banked” from prior years’ captures.

Improvements to private property will be encouraged through the continuation of the highly successful façade and sign grant program. This private to public grant matching approach will encourage private investment, reduce blight, provide incentives to current businesses and property owners and improve the overall image of the DDA District.

SECTION 17(2)(j): CONVEYANCE OF DEVELOPMENT

“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.”

All public improvements projects undertaken as part of this tax increment financing and development plan will remain in public ownership for the public benefit. The DDA does not own any property at this time. However, the may consider property acquisition, lease or sale, as appropriate, in furtherance of the goals of this Plan.

SECTION 17(2)(k): PROCEDURES FOR CONVEYANCE

“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.”

Not Applicable.

DEVELOPMENT PLAN ELEMENTS

SECTION 17(2)(l): DISPLACEMENT OF RESIDENTS

“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 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.”

No displacement or relocation is anticipated.

SECTION 17(2)(m): RELOCATION PRIORITY

“A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.”

Not applicable.

SECTION 17(2)(n): RELOCATION COSTS

“Provision for the cost 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 federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, being Public Law 91-646, 42 USC sections 4601, et seq.”

Not applicable.

SECTION 17(2)(o): ACT 227 COMPLIANCE PLAN

“A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws (Condemnation/Relocation Assistance.)”

Not applicable.

SECTION 17(2)(p): OTHER PERTINENT MATERIALS

“Other material which the authority, local public agency, or governing body deems pertinent.”

None.

Tax Increment Financing (TIF) Plan

What is Tax Increment Financing (TIF) and how does it work?

In order to finance the public improvements outlined in the Development Plan, the DDA has utilized Tax Increment Financing (TIF), which is the ability to capture the incremental increase in property taxes that results from improvements in the DDA District. In other words, once the DDA district and TIF plan is approved, the taxable property values covered by the plan are, in effect, frozen as the base value. Future tax revenues attributed to any increases in value above the base value are captured by the DDA Authority in order to implement the projects outlined in the TIF & Development Plan. TIF funds are captured and spent only within the DDA district. TIF is not an additional tax or new tax; it is redirecting the tax revenue already being collected.

The premise behind TIF is fairly simple: it allows the Authority to direct funds to engage in specific economic development activities without raising local property taxes. However, the value of the “increment” witnessed a tremendous decline across the State, the City and the DDA due to the great recession, which is not a good thing when TIFs rely on those funds for revenue. In addition, the DDA is essentially built out, which further limits the amount of new tax base and tax increment to add to TIF revenues. The good news is that the MH DDA has no debt or loan obligations.

Tax Increment Revenue

Revenues captured through this Tax Increment Plan will be used to finance those improvements and projects outlined in **Table 2** of the Development Plan in accordance with procedures specified in this Plan. The forecast sheet provides a conservative forecast of projected revenues based on anticipated growth for the next 20 years. Should the estimated tax revenues be less than projected, the DDA may choose to collect and hold the captured revenues until a sufficient amount is available to implement specific public improvements or seek additional funding sources such as grants. The DDA will annually review proposed increment expenditures and revenues to prioritize the use of funds.

Plan for Expenditure of Captured Assessed Value by the Authority

The program and schedule for the expenditure of tax increment revenues to accomplish the proposed public improvements in the Development Area is outlined in **Table 2**. The DDA will annually review proposed increment expenditures and revenues to prioritize the use of funds.

Relationship of the Tax Increment Financing Plan with Other Funding Programs.

As discussed in the Development Plan, the revitalization of the downtown business district will include tax increment financing and other forms of intergovernmental financing such as grants. It is strongly recommended that tax increment financing revenues be used to leverage public funds and private financing in order to implement the planned program.

Assumptions of Tax Increment Financing Plan.

The following assumptions were considered in the formulation of the Amended Tax Increment Financing Plan:

- A. Real property is based on an annual growth rate of 1% per year.
- B. Personal property valuations are not factored into the forecast. However, there is an assumption of a flat \$25,042/year of Stabilization Revenue (Reimbursed Personal Property Taxes) by the State factored into the Projected Revenues.
- C. Costs provided for the development projects enumerated in **Table 2** are estimated costs in 2017 dollars. Final costs are determined after the Authority authorizes the final designs and will vary depending on the year authorized.

Submission of an Annual Report to Governing Body and State Tax Commission. Annually the DDA shall submit a report to the State Tax Commission as required by State statute on the status of the tax increment financing account. The report shall include those items enumerated in Section 15 (3) of Act 197 of 1975.

DURATION OF THE PLAN

The extension of the TIF Plan is for a twenty year (20) period, commencing upon adoption by City Council except as may be modified as appropriate by the City Council upon notice and public hearing as required by the Act. The Plan will terminate with tax collections due in 2038, unless this Plan is amended to extend or shorten its duration.

Projected TIF Budget

Table 1

Category	Rank	Score	Project	Name / Description	Project / Fiscal Year																				Projected Total		
					1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20			
					2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38			
Revenues																											
				Projected TIF Capture - 1% Projection from Oakland Cty.	\$ 33,087	\$ 33,418	\$ 33,752	\$ 34,089	\$ 34,430	\$ 34,775	\$ 35,122	\$ 35,473	\$ 35,828	\$ 36,187	\$ 36,548	\$ 36,914	\$ 37,283	\$ 37,656	\$ 38,032	\$ 38,413	\$ 38,797	\$ 39,185	\$ 39,577	\$ 39,972	\$ 728,538		
				PPT Reimbursement from State	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	25,042	500,840		
Projected Revenues					\$ 58,129	\$ 58,460	\$ 58,794	\$ 59,131	\$ 59,472	\$ 59,817	\$ 60,164	\$ 60,515	\$ 60,870	\$ 61,229	\$ 61,590	\$ 61,956	\$ 62,325	\$ 62,698	\$ 63,074	\$ 63,455	\$ 63,839	\$ 64,227	\$ 64,619	\$ 65,014	\$ 1,229,378		
Expenditures																											
Marketing/Branding	1	25	A	Streetscape Improvements & Permanent ID Elements	\$ 9,000	\$ 6,000	\$ 1,600	\$ 1,700	\$ 1,800	\$ 1,900	\$ 2,000	\$ 2,100	\$ 2,200	\$ 2,300	\$ 2,400	\$ 2,500	\$ 2,600	\$ 2,700	\$ 2,800	\$ 2,900	\$ 3,000	\$ 3,100	\$ 3,200	\$ 3,300	\$ 59,100		
Marketing/Branding	2	28	D	11 Mile and John R Center	10,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000		
Marketing/Branding	3	36	C	Dedicated Website/Social Media Site for DDA Businesses	1,500	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000		
Marketing/Branding	4	44	B	Bike Rack Program	1,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500		
					\$ 22,000	\$ 7,500	\$ 1,600	\$ 1,700	\$ 1,800	\$ 1,900	\$ 2,000	\$ 2,100	\$ 2,200	\$ 2,300	\$ 2,400	\$ 2,500	\$ 2,600	\$ 2,700	\$ 2,800	\$ 2,900	\$ 3,000	\$ 3,100	\$ 3,200	\$ 3,300	\$ 73,600		
Beautification	1	34	B	Facade Improvement Program	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 100,000		
Beautification	2	35	D	Plant Trees in the ROW	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	60,000		
Beautification	3	37	A	Proactive Code Enforcement	5,000	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600	6,700	6,800	6,900	119,000		
Beautification	4	41	E	Acquisition/demolition of DDA Parcels	-	5,000	8,000	7,000	7,000	11,000	6,000	11,000	11,000	5,000	10,000	9,000	5,000	9,500	9,500	4,000	9,000	8,000	3,500	138,500			
Beautification	5	48	C	Sign Grant Program	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	-	-	-	-	-	-	-	-	-	50,000		
					\$ 18,000	\$ 18,100	\$ 23,200	\$ 26,300	\$ 25,400	\$ 25,500	\$ 29,600	\$ 24,700	\$ 29,800	\$ 29,900	\$ 19,000	\$ 24,100	\$ 23,200	\$ 19,300	\$ 23,900	\$ 24,000	\$ 18,600	\$ 23,700	\$ 22,800	\$ 18,400	\$ 467,500		
Maintenance	1	33	A	Right of Way Grass Cutting	\$ 8,500	\$ 8,600	\$ 8,700	\$ 8,800	\$ 8,900	\$ 9,000	\$ 9,100	\$ 9,200	\$ 9,300	\$ 9,400	\$ 9,500	\$ 9,600	\$ 9,700	\$ 9,800	\$ 9,900	\$ 10,000	\$ 10,100	\$ 10,200	\$ 10,300	\$ 10,400	\$ 189,000		
Maintenance	2	39	D	Clock Tower at 11 Mile and John R	-	5,000	-	-	5,000	-	-	5,000	-	-	5,000	-	-	5,000	-	-	5,000	-	-	5,000	35,000		
Maintenance	3	40	B	Right of Way Weed Application/trash pick-up in greenbelt	1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400	2,500	2,600	2,700	2,800	2,900	3,000	3,100	3,200	3,300	3,400	49,000		
Maintenance	4	41	C	Trash Receptacles	3,500	3,600	3,700	3,800	3,900	4,000	4,100	4,200	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,100	5,200	5,300	5,400	89,000		
Maintenance	5	49	E	Other Right of Way Improvements	-	6,000	8,000	10,000	6,000	10,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	124,000		
Maintenance	6	71	F	Traffic Calming Study	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
					\$ 13,500	\$ 24,800	\$ 22,100	\$ 24,400	\$ 25,700	\$ 25,000	\$ 21,300	\$ 26,600	\$ 21,900	\$ 22,200	\$ 27,500	\$ 22,800	\$ 23,100	\$ 28,400	\$ 23,700	\$ 24,000	\$ 29,300	\$ 24,600	\$ 24,900	\$ 30,200	\$ 486,000		
Events	1	33	B	Farmer's Market	\$ 5,000	\$ 4,500	\$ 4,500	\$ 1,500	\$ 1,800	\$ 1,800	\$ 2,000	\$ 1,900	\$ 1,800	\$ 2,100	\$ 2,200	\$ 2,300	\$ 2,400	\$ 2,500	\$ 2,600	\$ 2,700	\$ 2,800	\$ 2,900	\$ 3,000	\$ 2,700	53,000		
Events	2	44	E	Art Challenge/Taste Festival	500	500	1,200	1,500	1,000	1,700	1,500	1,500	1,000	1,700	1,500	1,000	1,700	1,500	2,100	1,000	1,200	1,000	1,400	1,300	1,800	1,100	26,000
Events	3	47	A	Block Parties	500	500	500	500	550	750	500	500	500	500	500	550	500	500	500	500	500	500	500	500	500	10,000	
Events	4	52	F	Food Truck Rally	1,000	1,000	1,000	1,000	1,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000		
Events	5	53	C	Fire Station # 2 Open House	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	200	-	-	5,000	
Events	6	54	D	Joint Homecoming Event	500	500	500	500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000		
Events	7	81	G	DDA Scavenger Hunt	500	500	500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000		
					\$ 8,300	\$ 7,800	\$ 8,500	\$ 5,800	\$ 4,650	\$ 4,550	\$ 4,300	\$ 4,200	\$ 4,100	\$ 3,900	\$ 4,750	\$ 4,600	\$ 5,350	\$ 4,300	\$ 4,600	\$ 4,500	\$ 4,900	\$ 4,700	\$ 5,300	\$ 3,900	\$ 103,000		
Projected Expenditures					\$ 61,800	\$ 58,200	\$ 55,400	\$ 58,200	\$ 57,550	\$ 56,950	\$ 57,200	\$ 57,600	\$ 58,000	\$ 58,300	\$ 53,650	\$ 54,000	\$ 54,250	\$ 54,700	\$ 55,000	\$ 55,400	\$ 55,800	\$ 56,100	\$ 56,200	\$ 55,800	\$ 1,130,100		
(Over) / Under Budget					\$ (3,671)	\$ 260	\$ 3,394	\$ 931	\$ 1,922	\$ 2,867	\$ 2,964	\$ 2,915	\$ 2,870	\$ 2,929	\$ 7,940	\$ 7,956	\$ 8,075	\$ 7,998	\$ 8,074	\$ 8,055	\$ 8,039	\$ 8,127	\$ 8,419	\$ 9,214	\$ 99,278		

Tax Increment Revenue by Taxing Jurisdiction
Madison Heights DDA

Table 2

DDA TIF Plan
1998-2019 Original and 2019-2038 Projected

Year No.	Fiscal Year Increment Received	Est. Captured Taxable Value	Actual Captured Taxable Value	Increment Capture	
				(1998-2017 Original) TIF Plan 2018-2038	Actual Total Capture Increment Capture
1	1998-99	\$1,217,900	\$1,268,910	\$28,917	\$29,750
2	1999-00	\$2,527,100	\$843,610	\$60,002	\$19,918
3	2000-01	\$3,015,000	\$1,998,530	\$71,586	\$45,387
4	2001-02	\$3,515,600	\$3,031,180	\$83,472	\$69,049
5	2002-03	\$4,029,200	\$3,740,190	\$95,667	\$85,084
6	2003-04	\$4,556,200	\$5,358,960	\$108,180	\$126,232
7	2004-05	\$5,096,900	\$5,961,740	\$121,018	\$142,055
8	2005-06	\$5,651,600	\$7,028,930	\$134,188	\$169,555
9	2006-07	\$6,220,700	\$8,056,180	\$147,701	\$199,169
10	2007-08	\$6,804,600	\$9,053,450	\$144,689	\$225,084
11	2008-09	\$7,403,700	\$9,730,100	\$157,428	\$243,078
12	2009-10	\$8,018,400	\$9,527,490	\$170,498	\$236,497
13	2010-11	\$8,649,100	\$6,862,540	\$181,747	\$175,922
14	2011-12	\$9,296,200	\$4,224,760	\$195,345	\$118,698
15	2012-13	\$9,960,100	\$3,137,460	\$209,296	\$91,757
16	2013-14	\$10,641,200	\$1,867,650	\$223,608	\$55,554
17	2015-16	\$11,340,100	\$922,490	\$238,294	\$27,858
18	2016-17	\$12,057,200	\$1,283,930	\$253,363	\$38,633
19	2017-2018	\$12,792,800	\$1,079,010	\$268,820	\$32,467
20	2018-2019	\$13,547,700	\$1,088,721	\$284,683	\$32,759
1	2018-19	\$1,099,608	\$58,129		
2	2019-20	\$1,110,604	\$58,460		
3	2020-21	\$1,121,710	\$58,794		
4	2021-22	\$1,132,928	\$59,131		
5	2022-23	\$1,144,257	\$59,472		
6	2023-24	\$1,155,699	\$59,817		
7	2024-25	\$1,167,256	\$60,164		
8	2025-26	\$1,178,929	\$60,515		
9	2026-27	\$1,190,718	\$60,870		
10	2027-28	\$1,202,625	\$61,229		
11	2028-29	\$1,214,652	\$61,590		
12	2029-30	\$1,226,798	\$61,956		
13	2030-31	\$1,239,066	\$62,325		
14	2031-32	\$1,251,457	\$62,698		
15	2032-33	\$1,263,971	\$63,074		
16	2033-34	\$1,276,611	\$63,455		
17	2034-35	\$1,289,377	\$63,839		
18	2035-36	\$1,302,271	\$64,227		
19	2036-37	\$1,315,294	\$64,619		
20	2037-38	\$1,328,447	\$65,014		



Exhibit A

Legal Description DDA District Boundaries City of Madison Heights, Oakland County

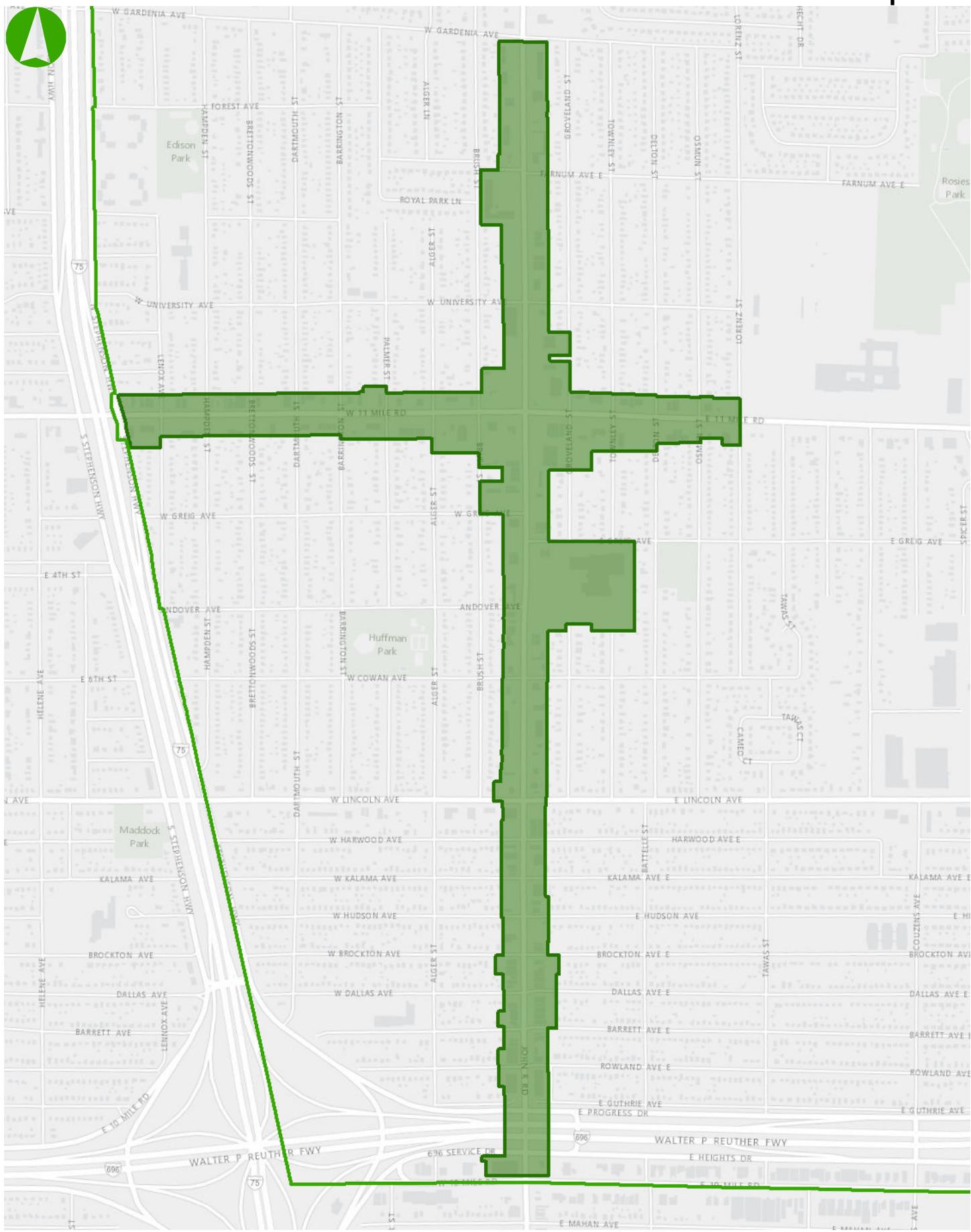
The boundaries of the development area to which the Plan applies are as follows:

DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT

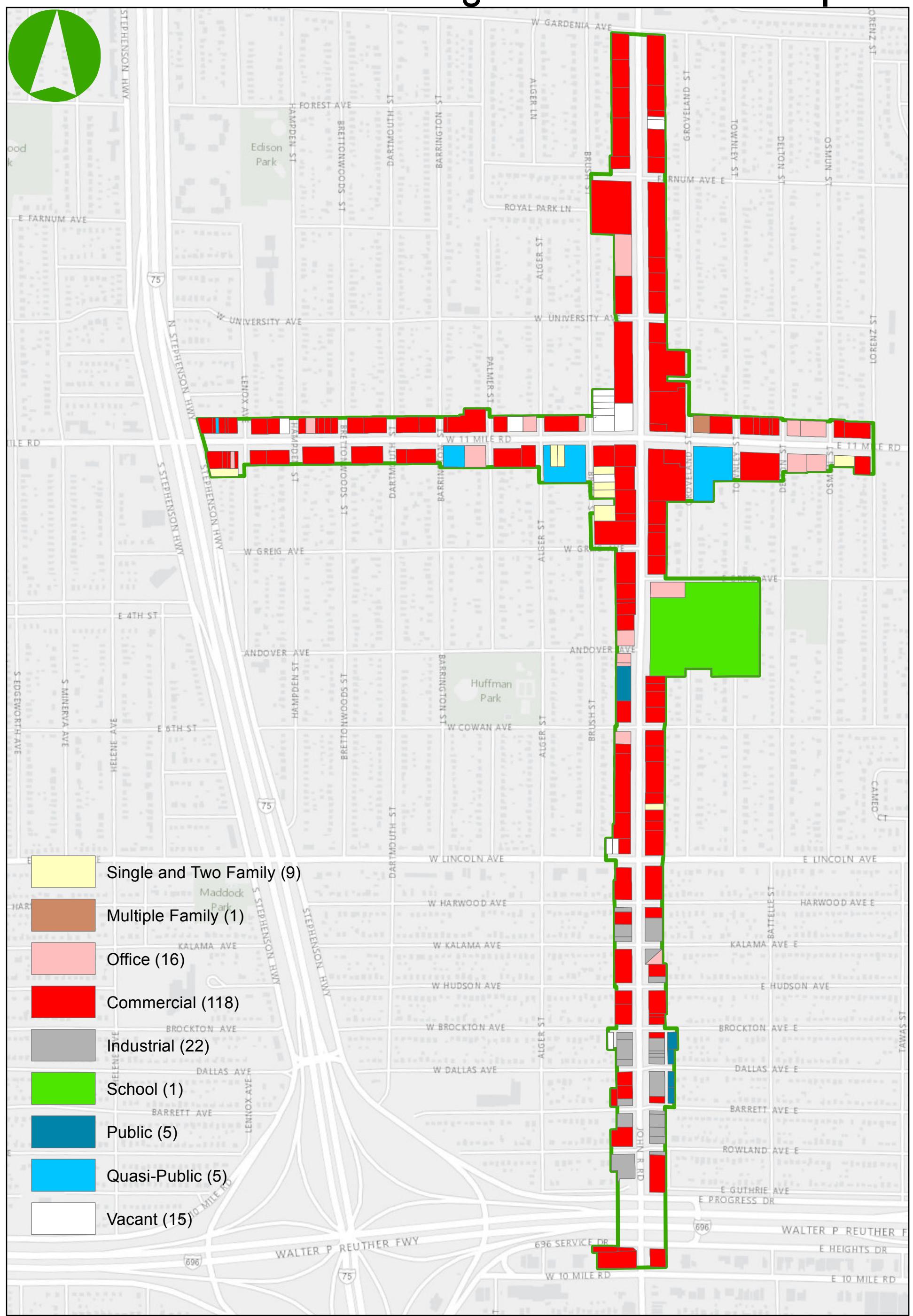
T1N, R11E, SEC 13, BEGINNING AT THE W 1/4 COR OF SEC 13, A/K/A INTERSECTION OF GARDENIA & JOHN R, TH E ALG CENTERLINE OF GARDENIA ST 163.06 FT; TH S 1,980.34 FT, TH E ALG S LINE OF LOT 136 OF 'TUXEDO PARK SUB' 150.0 FT TO A PT IN THE CENTERLINE OF GROVELAND ST, TH S ALG SD CENTERLINE 160.0 FT, TH W 150.0 FT, TH S 40.0 FT, TH E 150.0 FT, TH S ALG CENTERLINE GROVELAND 210.0 FT TO A PT, SD PT BEING 163 FT N OF THE CENTERLINE OF E ELEVEN MILE RD; TH ELY 1,163.0 FT TO A PT ON THE CENTERLINE OF LORENZ AVE, TH S ACROSS E ELEVEN MILE RD 323 FT TO A PT IN CENTERLINE OF LORENZ ST, SD PT BEING 170 FT S OF THE CENTERLINE OF E ELEVEN MILE RD; TH W 100.1 FT, TH N 40.0 FT +/-, TH W 157.59 FT, TH S 32.0 FT +/-, TH W 300.16 FT TO A PT IN THE CENTERLINE OF DELTON AVE, TH S 54.83 FT, TH W 450.0 FT, TH S 130.0 FT TO THE SE COR OF LOT 156 OF 'GROVELAND SUB', TH W 300.0 FT TO THE SW COR OF LOT 74 OF 'GROVELAND SUB', TH S 495.0 FT TO A PT IN THE CENTERLINE OF GREIG ST, SD PT BEING 158.0 FT E OF THE CENTERLINE OF JOHN R RD; TH E ALG CENTERLINE OF GREIG 600.0 FT, TH S 625.0 FT, TH W 300.0 FT, TH N 50.0 FT, TH W 175.0 FT, TH S 50.0 FT, TH W 125.0 FT TO THE SW COR OF LOT 89 OF 'GROVELAND SUB', TH S 1,183.0 FT TO A PT IN CENTERLINE OF LINCOLN AVE, SD PT BEING 152.0 FT E OF CENTERLINE OF JOHN R RD; TH S 663.74 FT TO A PT, SD PT BEING THE SW COR OF LOT 157 OF 'OAKLAWN SUB', TG E 20.0 FT, TH S 433.98 FT TO A PT ON THE S LINE OF E BROCKTON ST, THE E 50.0 FT, TH S 484.28 FT TO A PT IN CENTERLINE OF E BARRETT, TH E 50.0 FT, TH S ALG CENTERLINE OF N/S ALLEY IN 'OAKLAWN SUB' 1,086.0 FT +/- TO A PT IN THE S LINE OF E 10 MILE RD; TH W ALG SD CENTERLINE 434.0 FT, TH N 151.0 FT, TH W 70.0 FT +/-, TH N 35.0 FT +/-, TH ELY 200.0 FT TO A PT, SD PT BEING THE NW COR OF LOT 23 OF 'SLATER PARK SUB', TH N 475.0 FT, TH W 40.0 FT, TH N 260.0 FT, TH E 40.0 FT, TH N 130.0 FT, TH W 40.0 FT, TH N 132.64 FT, TH E 40.0 FT, TH N 132.64 FT, TH W 10 FT +/-, TH N 133.0 FT, TH W 46.5 FT, TH N 133.0 FT TO A PT IN THE CENTERLINE OF W BROCKTON AVE, TH E 46.5 FT, TH N 1,072.0 FT TO A PT IN THE CENTERLINE OF W LINCOLN AVE, TH WLY ALG SD CENTERLINE 53.0 FT, TH N 131.0 FT, TH E 58.0 +/- TO A PT IN CENTERLINE OF N/S ALLEY, SD PT BEING 1260 FT W OF CENTERLINE OF JOHN R RD; TH N 1,215.78 FT TO A PT IN CENTERLINE OF ANDOVER, TH E ALG SD CENTERLINE 11.0 FT +/-; TH N 650.0 FT, TH W 160.0 FT, TH N ALG CENTERLINE OF BRUSH ST 225.0 FT, TH E 160.0 FT, TH N 100.0 FT, TH W 160.0 FT, TH N 100.0 FT, TH W 320.0 FT, TH N 100.0 FT, TH W 635.0 FT TO A PT IN CENTERLINE OF BARRINGTON, TH N ALG SD CENTERLINE 38.0 FT; TH W 1,240.0 FT TO CENTERLINE OF LENOX ST, TH S 70.0 FT +/-, TH W 223.31 FT TO A PT IN E RIGHT-OF-WAY LINE OF I-75, TH NWLY ACROSS W ELEVEN MILE RD 410.0 FT +/- TO A PT, SD PT BEING 170.0 FT N OF CENTERLINE OF W ELEVEN MILE RD; TH E 1681.53 FT, TH N 9.0 FT, TH E 29.67 FT, TH N 39.0 FT, TH E 164.0 FT, TH S 48.0 FT, TH E 639.3 FT TO A PT IN THE CENTERLINE OF BRUSH ST, SD PT BEING 333.21 FTW OF CENTERLINE OF JOHN R RD, AND N 152.0 FT OF THE CENTERLINE OF W ELEVEN MILE RD, TH N ALG THE CENTERLINE OF BRUSH ST 165.0 FT TO A PT 25 FT W OF THE NW COR OF LOT 70 OF 'SYMPHONY PARK SUB', TH E 170.7 FT TO A PT IN THE CENTERLINE OF A N/S ALLEY, TH N ALG SD CENTERLINE 999.31 FT TO A PT ON THE S LINE OF FARNUM PLAZA A/K/A PARCEL NO. 44-25-14-432-001; TH W 170.87 FT TO A PT IN THE CENTERLINE OF BRUSH ST; TH N 381.36 FT; TH E ALG CENTERLINE OF FARNUM AVE 160.0 FT; TH N 121.82 FT; TH E 10.0 FT, TH N ALG THE CENTERLINE OF A N/S ALLEY IN 'MAX SPOON SUB' 833.61 FT TO A PT IN CENTERLINE OF W GARDENIA; TH E 170.27 FT TO PT OF BEG

DDA Boundaries

Map A.



DDA Existing Land Use Map B.



DDA Future Land Use Map C.

