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AMENDMENT TO THE  
TAX INCREMENT FINANCING  
AND DEVELOPMENT PLAN  
for the  
Downtown Development Area

September, 1992

Downtown Development Authority  
Ferndale, Michigan

Adopted by the Downtown Development Authority:

Approved by the Ferndale City Council:

Prepared With the Assistance of:

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## BACKGROUND AND PURPOSES OF THE TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

The downtown area of Ferndale, like the downtowns of many mature communities, has experienced many changes during the past decades. Although downtown Ferndale is a center of activity for the city and the surrounding area, during the last several years, population and development trends have modified shopping patterns. New suburban commercial centers and services related to those new centers have assumed many of the commercial and social functions previously associated with our old downtowns. While this characteristic of development was beyond the control of Ferndale, state legislation has provided an opportunity for the city to restore, revitalize and maintain its downtown district.

### Legal Basis for the Ferndale Downtown Development Authority

The Downtown Development Authority Act, Public Act 197 of 1975, is the legislation that gives a city the ability to create a Downtown Development Authority. Various parts of the Act permit a Downtown Development Authority to:

- Correct and prevent deterioration in business districts.
- Encourage historic preservation.
- Acquire and dispose of real and personal property.
- Create and implement development plans in the districts.
- Promote economic growth within the districts.
- Authorize the levy and collection of a special tax.
- Authorize the issuance of bonds.
- Authorize the use of tax increment financing.

Consistent with the requirements of Act 197, the Ferndale City Council adopted Ordinance No. 703 on July 14, 1980. This ordinance created the Ferndale Downtown Development Authority (DDA) complete with all the powers and duties ascribed to that type of organization by Act 197. Boundaries of the Downtown Development District were also established in that ordinance. Appendix A is a complete copy of Ordinance No. 703.

In adopting Ordinance No. 703, the City Council found the following:

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"... that it is necessary for the best interests of the City to halt property value deterioration and increase property tax valuation where possible in the business district of the City, to eliminate the causes of that deterioration and to promote economic growth by establishing a Downtown Development Authority pursuant to Act 197."

## Source of Funds

Although the DDA has broad powers, the City Council has considerable control over the financial operation of the Authority. The budget must be approved by the City Council and funds may be expended only for items specifically approved by the City Council. DDA activities can be financed from one or more of the following sources:

1. Donations to the authority for the performance of its functions.
2. Proceeds of an ad valorem tax levied on real and personal property in the downtown district. The levy may not exceed two mills.
3. Revenue bonds or notes.
4. Revenues from any property, building, or facility owned, leased, licensed or operated by the Authority.
5. Proceeds of a tax increment financing plan.
6. Proceeds from a special assessment district.
7. Money obtained from other sources approved by the governing body of the municipality.

On December 14, 1981, the Ferndale City Council adopted a tax increment finance plan, amended in 1989, which presently provides the sole source of revenue for the DDA. Tax increment financing "captures" tax dollars generated by increases in property values, the annual tax increment. These tax increment revenues, include all real and personal property taxes levied by all taxing jurisdictions for the district. The DDA may make public improvements that are necessary to support private commercial development in the development area. The financing for these public improvements comes from the increase in property tax revenues derived from new or enhanced private development within the Development Area. This process supports and encourages continued private investment.

The current plan amendment also contemplates the levy of two (2) mills as an ad valorem tax on property in the district as provided under P.A. 197, Section 12(1).

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## Authorization and Purposes for Use of Funds

The use of revenues for improvements in the Development Area is controlled by the enabling legislation for the DDA, P.A. 197 of 1975. According to the Act, the DDA Board may:

1. Prepare an analysis of economic changes taking place in the downtown district.
2. Study and analyze the impact of metropolitan growth upon the downtown district.
3. Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the Board, aids in the economic growth of the downtown district.
4. Plan, propose, and implement an improvement to a public facility within the Development Area to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.
5. Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.
6. Implement any plan of development in the downtown district necessary to achieve the purposes of the Downtown Development Authority Act in accordance with the powers of the authority granted by the Act.
7. Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

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8. Acquire by purchase or otherwise, on terms and conditions and in a manner the authority deems proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the authority determines is reasonably necessary to achieve the purposes of the Downtown Development Authority Act, and to grant or acquire licenses, easements, and options with respect thereto.
  9. Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances thereto, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.
  10. Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.
  11. Lease any building or property under its control, or any part thereof.
  12. Accept grants and donations of property, labor, or other things of value from a public or private source.
  13. Acquire and construct public facilities.

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## SUMMARY OF THE DEVELOPMENT PLAN FOR THE FERNDALE DOWNTOWN DEVELOPMENT AREA

The Development Plan for the Ferndale Downtown Development Authority Development Area is based upon the recommendations of the Ferndale Downtown Urban Design Plan, as amended, in the City's Comprehensive Development Plan. The Downtown Urban Design Plan, prepared in March, 1991, was the culmination of a detailed information gathering, data collection and assessment effort. Extensive background information was assembled to permit a full evaluation of the interrelated physical and economic environment which comprises the downtown. Following review by the Downtown Development Authority Board, the Urban Design Plan was submitted to the Plan Commission. Public hearings were held on the Plan through the summer of 1991. The Plan Commission adopted an amended version of the Plan subsequent to the public hearings. Specifically excluded from adoption were any and all plan proposals which would require acquisition of residential properties.

As adopted by the Plan Commission, the Urban Design Plan is based upon the following goals:

- Enhance the vehicular and pedestrian circulation in and around the central business district.
- Create an attractive image of Ferndale on Woodward Avenue and a clear entrance to downtown.
- Develop functional public spaces for downtown, merchant and civic activities.
- Provide for additional retail and office space as the market will support it and optimize the mixture of businesses for marketing purposes.
- Supply adequate shopper amenities such as convenient parking, lighting, signage, landscaping and street furniture.
- Visually coordinate individual businesses into a distinctive, cohesive and attractive district.

Those same goals are incorporated in this Development Plan.

The Development Plan, following, is intended as a guide for the redevelopment and revitalization of Downtown Ferndale and replaces the Development Plan adopted in 1989.

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However, the goals included in the 1989 Plan are retained in this revision. Those goals are:

- Improve and maintain the economic and commercial vitality of the downtown commercial district.
- Solidify a sense of place through the use of a unified, comprehensive design, with quality elements encouraging the maintenance of private properties.
- Provide a system of circulation within the downtown which allows safe and efficient movement of goods and people, convenient storage of vehicles and minimized vehicular and pedestrian conflict.
- Develop facilities and services which complement and serve the community's lifestyles, anchoring downtown Ferndale as the primary community focus.
- Stimulate private investment and vitality in the Ferndale Development Area.
- Coordinate the efforts of area organizations, agencies, interest groups and governmental bodies to assure the greatest benefit for the Development Area.

The original goals are augmented by the more specific goals stated in the Urban Design Plan. For example, the original goal to provide a "safe and efficient" circulation system is complemented by the Urban Design Plan's goal to "enhance the vehicular and pedestrian circulation" in the downtown area. Thus, the Urban Design Plan goals reinforce the DDA's Development Plan goals.

## **Development Plan Projects**

A substantial list of projects are included in the Urban Design Plan. However, for purposes of this Development and TIF Plan, the projects and activities proposed have been selected and programmed to reflect the priorities of the DDA, maximizing the immediate benefit to downtown Ferndale with minimal disruption to existing businesses. The projects include construction, promotion, and managerial elements.



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The Development Plan proposes the following projects in general order of implementation:

**1. DDA Manager**

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The Plan provides for the salary and operating expenses of a manager for the DDA. The DDA Manager will administer the daily activities of the organization and to provide staff support for the DDA Board. Implementing the DDA's plans, preparing and implementing a marketing plan to generate new or expanded downtown development and negotiating a relationship with a retail real estate recruiting firm to bring new tenants downtown will all be responsibilities for the new manager. Additionally, the manager will be relied upon to assist in organizing an active downtown Merchant's Association, promoting and coordinating special events and preparing promotional materials and a newsletter. Those duties will be balanced with coordinating efforts with other organizations with commercial or other interests in Ferndale's downtown and other related tasks.

**2. Woodward Avenue Median and Streetscape**

Recent paving, parking lot relocation and streetscape improvements will be complimented with landscaping, downtown identification sign(s), and an irrigation system in the Woodward median. The Michigan Department of Transportation (MDOT), with matching funds from the City, paid for the recent road paving and decorative sidewalk. Only limited grass and tree planting for the Woodward median was included as part of the MDOT project. However, MDOT has agreed to provide \$15,000 to be used for landscaping in the median. The DDA will use of money from MDOT and TIF revenues to expand on the landscaping treatment, install an irrigation system for the Woodward median, and add other enhancements based upon the Ferndale Beautification Committee plans and Urban Design Plan recommendations. The Woodward Avenue streetscape will also be upgraded with benches, waste receptacles, and planters.

**3. Prepare Appearance Code and Facade Guidelines**

As a part of the overall program to improve the appearance of the downtown, the DDA will assist in preparation and adoption of a City Appearance Code to control design and appearance of the downtown shopping district. The Appearance Code would include design guidelines and standards to achieve attractive buildings downtown. The format of the Code should help business people to understand the appearance criteria, processes, time lines and submission requirements. The language must be written carefully in order to permit the Appearance Review Board (or Plan Commission) to protect community aesthetics without restricting creativity. Further, the effort should be well publicized to encourage awareness and responsiveness. Alternatively, these design objectives could be incorporated into the Zoning Ordinance.

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As a basis for portions of the Appearance Code and to assist in creating design continuity, detailed facade guidelines may be prepared. Both front and rear facades should be addressed in the guidelines. The DDA will participate in financing preparation of such guidelines and development of incentives for compliance.

#### **4. Update and Enforcement of Other Ordinances**

Other City codes and ordinances, including the sign ordinance, and zoning ordinance should be reviewed and updated to promote the objectives of the Downtown Urban Design Plan, as adopted. More stringent enforcement may also be required to correct violations.

A sign ordinance can be a very effective mechanism for affecting the appearance of commercial buildings and property. The DDA may participate in and support a review and update of Ferndale's sign regulations to include specific standards for all signage along Nine Mile Road and Woodward Avenue in the downtown. Further, the ordinance should incorporate provisions to prohibit new billboards in and around downtown and encourage the removal of existing billboards.

#### **5. Set Up a Revolving Loan Fund and Consider Other Commercial Building Improvement Incentives**

A revolving loan fund is proposed to be established in order to assist small businesses in the downtown who are interested in improving front and rear facades, coordinating window and door placement and other similar renovations. The specific structure of the commercial revolving loan fund has yet to be developed; however in general, a pool of funds will be set aside as a source for low interest loans for qualified private property improvements. Detailed criteria for eligibility and project design guidelines will be developed in conjunction with a participating lending institution(s). It is anticipated that business owners will want to take advantage of the loans in order to keep pace with the public enhancements in the downtown. Other commercial improvement incentive programs may also be created to respond to specific needs in the central business district, such as sign replacement. Examples of various programs are listed in Table 1. of the Development Plan.

#### **6. Private Construction/Infill/Reinvestment**

Substantial efforts will be made to promote reinvestment downtown. Through the DDA Manager, tenant recruitment will be undertaken along with other activities targeted at reducing vacancies and creating a desirable retail mix to strengthen the downtown's market position.



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Several sites exist downtown which have potential for new construction or redevelopment. Tax increment funds may be used to encourage creation of new tax base in concert with the recommendations of the Urban Design Plan. Any new development downtown should be encouraged to remain compatible in scale, height and architectural character with the Development Area to preserve or reinforce the downtown streetwall.

The retail market analysis element of the Urban Design Plan pointed out the need for a new retail anchor in the downtown. This anchor may be located in the existing or an expanded Farmer Jack building with parking constructed to support the use.

Other redevelopment opportunities are in the vicinity of Bermuda and Vester. Office uses in this area would strengthen the civic center complex and contribute day time population to patronize the restaurants and stores. The vacant lot at the northeast corner of Nine Mile and Woodward should also be promoted for new construction. To maintain the downtown density and intensity focus at this intersection, the new building must be at least two stories tall.

#### **7. Circulation and Parking on Nine Mile**

Several circulation changes are proposed to improve the clarity and overall traffic functioning of downtown. The opening of I-696 has greatly impacted traffic volumes downtown. Traffic today is significantly less than in recent years. In order to maintain West Nine Mile as the downtown spine with pedestrian activity and a healthy amount of congestion, the prohibition on right turns from Nine Mile to Woodward should be lifted, thereby eliminating the mandatory Allen/Troy and Bermuda/Vester bypasses.

With reduced traffic volumes on West Nine Mile, sufficient capacity should exist on that street to allow some on-street parallel parking particularly during non-rush hours. On-street parking is desirable because it promotes activity in front of the stores and is a convenience for short term parkers. Detailed traffic counts should be conducted prior to permitting the parking to determine appropriate times. Pedestrian crosswalks should be added or relocated to match other pathway locations and signals provided for easy mid-block crossings.

#### **8. Commercial Rear Entrances**

With the primary parking areas located to the rear of the West Nine Mile Road shops, considerable focus is on the rear entrances to these stores. The Urban Design Plan suggests public improvements in conjunction with private facade improvements to unify the appearance of these areas and provide amenities for pedestrian comfort. Downtown gateway structures would be constructed to clearly

direct shoppers into the several existing mid-block pedestrian alleys, announcing an entrance to the shopping district. Adjacent to the gateways, pedestrian convenience areas (small plazas with benches, trees and ornamental landscaping) are planned. Rear entrance improvements may also be developed behind selected sections of the Woodward Avenue frontage.

#### 9. Allen Plaza Construction

A vacant lot immediately east of Allen Street combined with possibly narrowing the street right-of-way between Nine Mile and Troy creates an opportunity for a much-needed public activity space downtown. Allen Plaza will provide the location for special events, downtown promotions and other activities. Amenities which may be included in the space include: a small stage area, sculpture, benches and tables, pedestrian lighting, paving and landscaping, or a kiosk listing programmed events and merchant promotions. Available space will probably dictate the amenities ultimately available in the plaza.

#### 10. Downtown Banners and Signs

In order to help establish the downtown as a distinct, special place, the DDA may purchase and install banners to identify the main entrances to the downtown district. The banners ideally would be placed on Nine Mile Road and Woodward Avenue. The distinctive identity of downtown Ferndale can be further enhanced by coordinating other public signage, including parking lot signs. Directional and public facility identification signs should be coordinated in an attractive legible style.

#### 11. Renovation of the Nine Mile Streetscape

Although much of the West Nine Mile shopping district has adequate streetscape improvements, some of the individual elements are becoming dated. Upgraded furniture, accent lighting of significant buildings and new pedestrian lights are among the improvements to be added to modernize the street. A later project in the Plan is extension of the existing streetscape west to the Western Market and east to City Hall to facilitate foot traffic.

#### 12. Troy Parking Lot

One of the most significant projects identified in the Urban Design Plan is the redesign and reconstruction of the Troy parking lot on a model similar to the successful, well-used Withington parking lot. Like the Withington lot, the new design shifts the parking areas closer to the rear entrances of the commercial buildings. To accommodate the shift, the Troy roadway would be relocated along the south edge of the lot to intersect Woodward Avenue south of the post office.

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Subject to MDOT approval and median modifications this change would also allow the road to align directly with Troy on the east side of Woodward, and permits the installation of a new light on Woodward. The new traffic light will help slow traffic on Woodward as it passes through town. An alley/service area would remain immediately behind the businesses to facilitate loading and unloading and emergency access.

Improvements proposed with the overall Troy parking lot design include consolidation of several separate parking lots with repaving, new lighting, landscaping, sidewalks and clearly marked crosswalks. Although much of the land required for the alley is privately owned, landowners will be asked to grant easements or dedicate the property in exchange for the DDA-constructed improvements. Acquisition of an isolated building and property in the parking lot will allow more parking to be built and a better layout. These improvements should greatly enhance the convenience, appearance and functioning of this visible portion of the downtown, thereby making the nearby commercial properties more valuable.

### **13. Public Parking Lots**

The Urban Design Plan identifies expanded or improved public parking in several locations. Resurfacing, landscaping, combined dumpsters and other aesthetic improvements are desirable in the Withington parking lot. Other public parking lots, particularly those which front on Nine Mile, warrant resurfacing, lighting, landscaping and screening walls to enhance their appearance.

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## DEVELOPMENT PLAN

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### 1. Designation of Boundaries of the Development Area.

The Development Area and Tax Increment Finance District are contained within the corporate limits of the City of Ferndale and are within the district under the jurisdiction of the Ferndale Downtown Development Authority. Map 1 shows the boundaries of the Development Area as addressed in this plan, and the Downtown Development Authority boundaries.

### 2. Location and Extent of Existing Streets and Other Public Facilities within the Development Area; Location, Character and Extent of Existing Public and Private Uses.

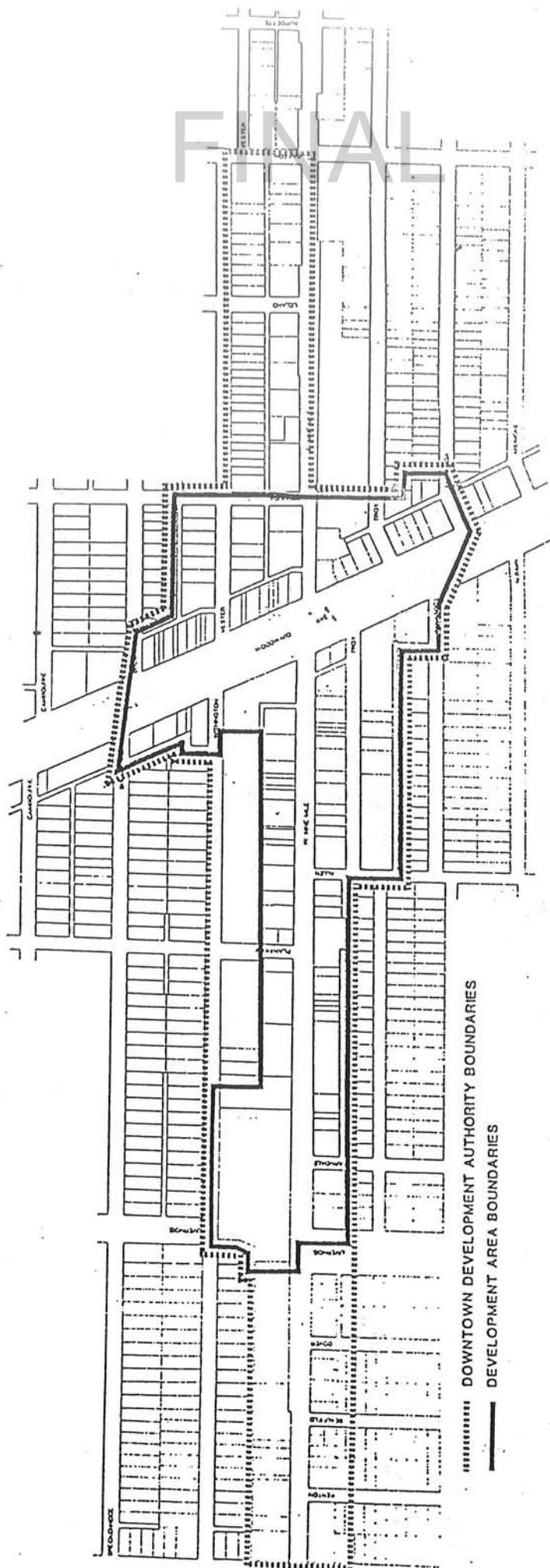
Existing land uses, streets and alleys and other public facilities in the Development Area as of May, 1990 are shown on Map 2, "Existing Land Use". There have been no substantial changes to these uses in the intervening two (2) years.

#### A. Public Uses

The Ferndale Post Office is located within the Development Area at the southwest corner of Troy and Woodward.

Portions of the following streets and highways are located partially in the downtown Development Area: Woodward Avenue, Nine Mile Road, Troy Street, Vester Street, Allen Street, Withington Street, Bermuda Street, Livernois Avenue, Farmdale Street, Planavon Street, Saratoga Street, and Breckenridge Street. Public alleys include: an east-west alley between Troy and Saratoga in the Allen Street/Woodward Avenue block; alleys paralleling Woodward Avenue north and east of Woodward Avenue in the Breckenridge/Vester Street, East Nine Mile/Vester Street, Troy/East Nine Mile Road, and Saratoga/Troy Street blocks; an alley between East Nine Mile Road and Vester Street in the Woodward Avenue/Bermuda Street block; an alley between Breckenridge Street and Vester Street in the Woodward Avenue/Bermuda Street block; an alley between Breckenridge Street and Withington Street in the Planavon Street/Woodward Avenue block; an alley approximately parallel to the south and west side of Woodward Avenue between Planavon Street and Allen Street in the Breckenridge/Withington Street, West Nine Mile/Withington Street, Troy/West Nine Mile Road and Troy/Saratoga Street blocks; an east-west alley between West Nine Mile and Troy Street in the Allen/Farmdale Streets and Farmdale/Livernois Avenue blocks; and an alley between Withington

**MAP 1:  
DEVELOPMENT  
AREA BOUNDARIES**



DOWNTOWN DEVELOPMENT  
CITY OF FERNDALE, MICHIGAN

# AUTHORITY

**Female Community  
Development Services**  
McKenzie Associates, Incorporated  
Community Planning • Urban Design  
Fairfax, VA 22031



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and West Nine Mile Road in the Woodward/Planavon Street, Planavon/Livernois Avenue blocks.

Several public parking lots are within the Development Area, including the Troy parking lot, City library parking lot, and two parking lots east of the alley behind the east side of Woodward frontage. A small public park, known as Schiffer Park, is located on the west side of Planavon.

#### **B. Private Uses**

##### **1. Residential**

Residential land uses are very limited in the Development Area. There are a few apartments occupying first or second floor space in several downtown commercial structures. One single family home remains on the south side of West Nine Mile.

##### **2. Commercial**

The predominant private uses in the Development Area are commercial and office establishments and related vehicle parking. As noted in the Physical Assets Report for the Urban Design Plan, the Development Area contains concentrations of specialty uses, including ethnic restaurants, books, music and musical instruments, and specialty clothing.

##### **3. Industrial**

No industrial uses are located in the Development Area.

#### **C. Recreational Uses**

No recreational uses exist in the Development Area.

#### **D. Semi-Public Uses**

There are churches and private clubs (notably, the Elks Club) concentrated in the area between Vester and Nine Mile and between Woodward and Bermuda.

#### **E. Educational Uses**

There are no educational uses established within the Development Area.

## **F. Vacant Land**

There is a vacant lot north of Nine Mile Road just east of Woodward Avenue. This is a prime site for future commercial development. Another small piece of vacant property is located immediately west of Sam's Jams.

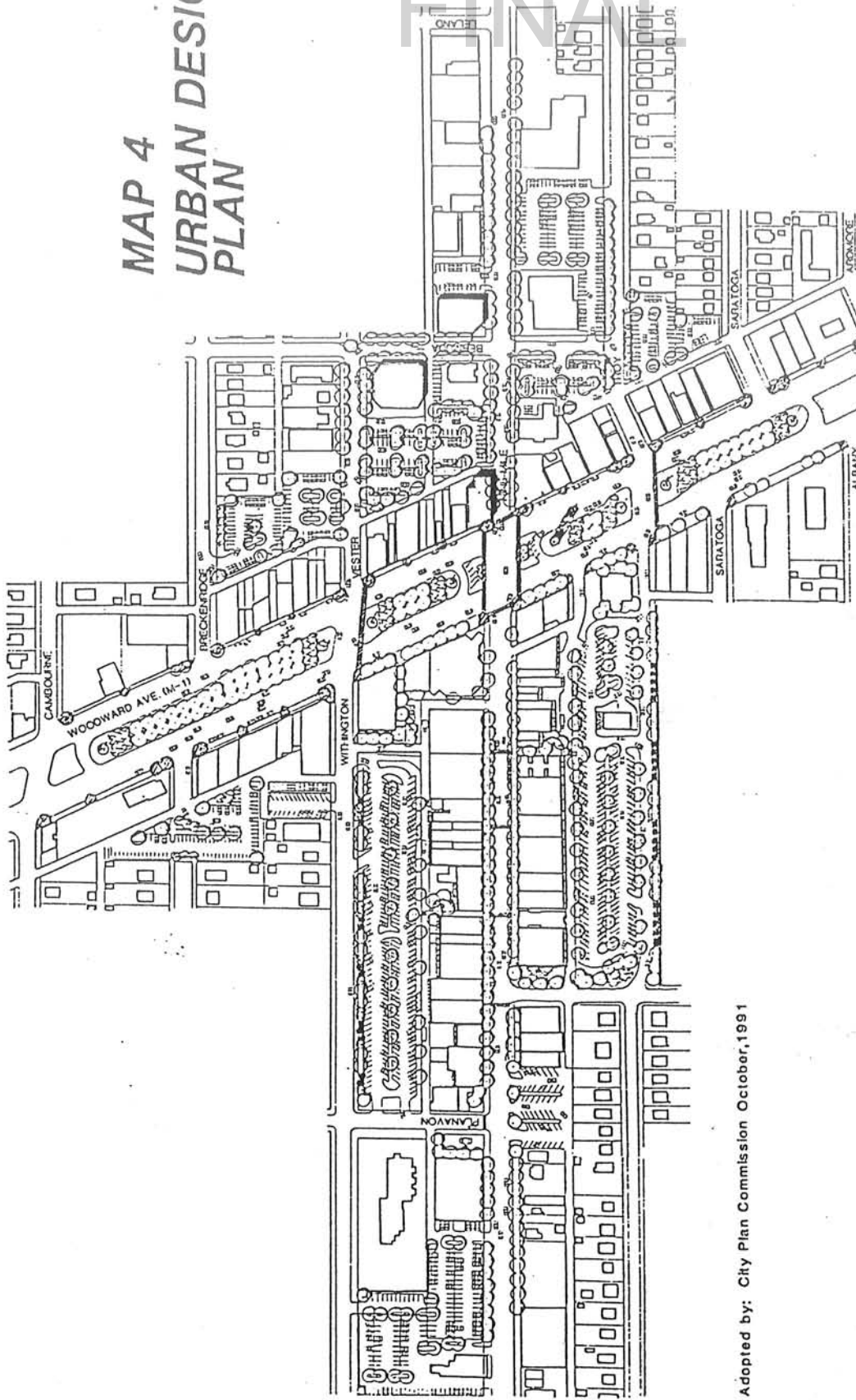
## **3. Location And Extent Of Proposed Public And Private Land Uses.**

The proposed public and private land uses are indicated on Map 4. Those uses were determined and agreed upon in the Urban Design Plan as adopted by the City Plan Commission in October, 1991. The overall character of uses in the Development Area will remain generally the same with only minor changes to balance the retail mix and strengthen the downtown's market draw.

Several public improvement projects have been completed in accordance with the current Downtown Development Plan, including parking lot construction and landscape improvements. The projects and land use changes described in the adopted Urban Design Plan are proposed to reinforce those earlier successes.

The most significant of the land use changes contemplated under this Development Plan are described below:

- A. The center median of Woodward Avenue, formerly used for automobile parking, has been reconstructed by MDOT as a landscape area. Using the TIF funds, the DDA has relocated that parking into new public parking lots behind the retail frontage. This project was the focus of the previous Development Plan.
- B. A vacant lot immediately east of Allen Street between West Nine Mile and Troy creates an opportunity to provide a much-needed public activity space downtown. Subject to final design and engineering, Allen Plaza will be created using this lot and a portion of the road right-of-way from Allen Street.
- C. A new retail anchor in the downtown is proposed to be located in the existing or an expanded Farmer Jack building with parking constructed to support the use.
- D. New private construction is anticipated in the Plan. Development of the vacant lot on the northeast corner of East Nine Mile Road and Woodward Avenue into a multi-story commercial/office building is proposed. Redevelopment of non-retail parcels on the southwest corner of Bermuda and Vester is also provided for in this Development Plan. Each of these new uses would create additional tax base, strengthen the civic center complex and contribute daytime population to patronize the downtown restaurants and stores.



# MAP 4 URBAN DESIGN PLAN

Adopted by: City Plan Commission October, 1991

# DOWNTOWN CITY OF FERNDALE, MICHIGAN



# AUTHORITY

Frontier Community  
Development Services

McPenna Associates  
City of Ferndale, Michigan  
1000 1st St. N.E.  
Grand Rapids, MI 49503

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- E. The parking lot located on the south side of Troy Street between Woodward Avenue and Allen Street may be redesigned and reconstructed to be similar to the successful, well-used Withington parking lot. Parking areas may be shifted closer to the rear entrances of the West Nine Mile commercial buildings. To accommodate the shift, the Troy roadway would be relocated along the south edge of the lot. An alley/service area could be created behind the businesses to facilitate loading and unloading and emergency access. Land use changes proposed with the overall Troy parking lot design include consolidation of several separate parking lots, acquisition of easements or voluntary dedication of private property in exchange for the DDA-constructed improvements. Acquisition of an isolated warehouse building and acquisition of land in the parking lot, if feasible, will allow better utilization of the land.

#### **4. Legal Description of the Development Area.**

The legal description of the Development Area boundaries is contained in the Appendix to this Plan.

#### **5. Existing Improvements in the Development Area to be Demolished, Repaired or Altered and Time Required for Completion.**

In order to complete the variety of projects suggested under the Downtown Urban Design Plan and this Development Plan, a number of existing improvements may need to be altered, repaired or demolished. A specific time schedule for completion is not proposed under this Plan; however, none of the changes are expected to take more than one (1) construction season to complete. Work will not begin to demolish, repair, or alter existing improvements (with exceptions noted in this plan) until such time as the DDA has sufficient funds, land control and all other elements necessary to assure timely completion of the improvement project(s) for which the repairs or alterations are necessary.

Among the proposed repairs, alterations, or demolitions are those described below:

- A. Reconstruction of the vacant lot west of Sam's Jams at Allen will be completed to accommodate the proposed Allen Plaza. Some narrowing of the Allen right-of-way may be considered if necessary traffic flow can be maintained in a safe fashion.
- B. Modifications to the rear facades of downtown commercial buildings are proposed, subject to detailed design. New downtown gateway structures, pedestrian amenities, and other aesthetic features are also planned in these areas.

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- C. Existing crosswalks and crossing signals on West Nine Mile are planned to be relocated to line up with the existing pedestrian alleys.
  - D. New striping may be required on West Nine Mile to delineate new parallel parking.
  - E. Reconstruction, new pavers, concrete and other features are planned in conjunction with the extension of streetscape along East and West Nine Mile Road and along side streets to connect with rear public parking lots.
  - F. Site preparation and construction of the modified Troy parking lot will require acquisition and demolition of an existing building south of Troy between Allen and Woodward. Alterations to the road and alley pavement widths, access points, service areas, parking configuration and landscaping will be required. Land acquisition and road construction may be needed south of the post office to connect relocated Troy with Woodward Avenue.
  - G. Reconstruction of the Woodward median will be needed to allow traffic to directly cross Woodward at Troy, if Troy is relocated. MDOT approval is required for all work in the Woodward right-of-way. Further, a crosswalk and traffic light should be considered at this point.

**6. The Location, Extent, Character and Estimated Cost of Improvements Contemplated for the Development Area and an Estimate of the Time Required for Completion.**

Table 1 describes the various program elements and provides a description of the improvements, general time table for completion and estimated cost. The physical improvement projects are depicted on Map 4, Urban Design Plan.

Cost estimates for the projects listed in Table 1 are very preliminary because detailed engineering and plans have not been completed. Streetscape and parking lot improvement estimates are based upon recent, comparable construction. Other costs estimates have been incorporated as available from a variety of sources.

Funds for the projects may come from a number of sources including: TIF revenues, a Michigan Department of Transportation grant, donations, the City of Ferndale general fund, DDA millage revenues, and possible other sources.

**7. A Statement of the Construction or Stages of Construction Planned, and the Estimated Time of Completion.**

Table 1 includes phasing and time schedule information. Private construction will occur when market conditions are appropriate, and investment dollars are available.



Table 1

**Long Range Proposed Projects  
Ferndale Downtown Development Authority**

Project	Project Description	Preliminary Cost Estimate	Source of Funds	Approximate Timing
DDA Manager	Professional to manage the downtown shopping district, and funds for operations.	\$60,000 per year	TIF & Millage	Underway (1992)
Public Parking Lot Improvements	Irrigation	\$16,500	TIF	Near Term
Woodward Median	A. Install initial landscaping, sprinklers.	\$15,000 \$32,000	MDOT TIF	Near Term
	B. Add additional landscaping and downtown sign.	\$75,000		
Woodward Avenue Streetscape	A. Add planters with evergreen shrubs, perennials, benches, and other features at downtown core.	\$80,000	TIF	Near Term
Facade Guidelines	Develop specific design recommendations to guide building improvements.	Staff	TIF	Near Term
Appearance Code	Prepare a City Appearance Code or Zoning Ordinance revisions which would be used to regulate design and appearance of the downtown shopping district.	Staff	TIF	Near Term
Zoning Ordinance Amendments	Modify the zoning ordinance to reflect the recommendations of the Urban Design Plan.	Staff	TIF	Near Term
Sign Ordinance Amendments	Establish common criteria for size, style and location of signs specific for the downtown.	Staff	TIF	Near Term
Downtown Signs/Banners	Design and purchase uniform signs and decorative banners.		TIF	Near Term

Table 1 (Continued)

Long Range Proposed Projects  
Ferndale Downtown Development Authority

Project	Project Description	Preliminary Cost Estimate	Source of Funds	Approximate Timing
Commercial Building Improvement Incentives - Provide financing/assistance to promote improvements to private property downtown (variety of programs)	A. Revolving Loan Fund: To be administered by a board composed of DDA, bank, City and others.	\$100,000	TIF	Near Term
	B. Low Interest Loans: Offered by local bank in fulfillment of Community Reinvestment Act requirements.	b	TIF	Near Term
	C. Sign Buyouts: Purchase non-conforming or undesirable signs to encourage complementary design.	b	TIF	Near Term
	D. Design Assistance: DDA pay for design services up to pre-set amount.	b	TIF	Long Term
	E. Interest Subsidy: DDA funds used to subsidize interest rate.	b	TIF	Long Term
Private Construction/Infill - Promotion and Assistance	A. Promote construction of taller commercial/office building at Woodward/Nine Mile.	a	Private, TIF	Near Term
	B. Secure retail for anchor Farmer Jack building, building expansion as needed, parking expansion and improvements.	a	Private, TIF	Near Term
	C. Promote redevelopment of properties east of Woodward for office uses.	a	Private; TIF	Long Term
West Nine Mile Road Circulation Changes	A. Allow turns onto Woodward, stripe roadway to allow on-street parking during non-rush hours. Traffic engineering study for feasibility.	\$5,000	TIF	Near Term
	B. Add crosswalks and signals.	\$10,000	TIF	Near Term
Allen Plaza	Construct paved plaza with seating, lighting, landscaping.	\$90,000	TIF	Mid Term



Table 1 (Continued)

Long Range Proposed Projects  
Ferndale Downtown Development Authority

Project	Project Description	Preliminary Cost Estimate	Source of Funds	Approximate Timing <sup>d</sup>
Commercial Rear Entrances - Consolidated service areas, sidewalks, paving, pedestrian convenience areas with landscaping, benches, awnings, downtown gateway structures.	A. W. Nine / Withington Parking Lot	\$220,000	TIF	Mid Term
	B. W. Nine / Troy Parking Lot	\$300,000	TIF	Mid Term
	C. East side Woodward - along alley	\$250,000	TIF	Long Term
	D. West side Woodward - along alley	\$75,000	TIF	Long Term
W. Nine Mile Road - Existing Streetscape Renovation (Woodward to Planavon)	Upgraded furniture, accent lighting, new pedestrian lights.	\$100,000	TIF	Mid Term
Other Streetscape Extensions	Sidewalks, pavers, landscaping, lighting along connections to public parking lots.	\$45,000	TIF	Mid Term
W. Nine Mile Streetscape Extension (Planavon to Western Market)	Sidewalks, curbs, trees, parking lot screening walls, pedestrian lighting.	\$140,000	TIF	Long Term
Troy Parking Lot Improvements	Property acquisition, business relocation, building demolition. Parking lot reorganization and redesign to include curb removal, repaving, new lighting, landscaping, sidewalks.	\$930,000	TIF	Long Term
Troy Street Relocation	Right-of-way acquisition, road construction (Woodward to Allen).	\$260,000	TIF	Long Term
Withington Parking Lot Improvements	Resurfacing and landscaping.	\$560,000	TIF	Long Term
E. Nine Mile Road Streetscape Extension (Woodward to City Hall)	Sidewalks, curbs, trees, parking lot screening walls, pedestrian lighting.	\$270,000	TIF	Long Term

**Notes** <sup>a</sup> Part of overall downtown marketing and promotion budget; physical improvement costs to be based on final plans.

<sup>b</sup> As funds are available.

<sup>c</sup> Based on market and developer interest.

<sup>d</sup> Near Term = 1993-95

Mid Term = 1996 - 2002

Long Term = 2003 - 2012

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FINAL

**8. Parts of the Development Area To Be Left As Open Space and Contemplated Use.**

A mini-park, known as Schiffer Park, has been developed at the northwest corner of Nine Mile Road and Planavon. Federal grant proceeds were used to establish the park. It is expected to be maintained into the future. An additional small open space area, to be known as the Allen Plaza, is contemplated along the Allen Street right-of-way south of West Nine Mile Road. Allen Plaza would be used for downtown functions and promotional activities. The Woodward Avenue median will also remain as landscaped open space, primarily for public viewing.

**9. Portions of the Development Area Which the Authority Desires To Sell, Donate, Exchange, or Lease To or From the Municipality and the Proposed Terms.**

The Authority does not intend to sell, donate, exchange, or lease any property to or from the City. Right-of-way modifications may be agreed to for the purpose of relocating Troy, creating the Troy parking lot service alley and building Allen Plaza.

**10. Desired Zoning Changes and Changes in Streets, Street Levels, Intersections, and Utilities.**

Map 3 illustrates existing zoning. No changes to zoning district boundaries are needed to accomplish the Development Plan, with one exception. The C-5 Non-Manufacturing Business Service District on both sides of Vester should be changed to another classification more suitable for the proposed office redevelopment. A number of changes in streets, intersections and utilities are planned.

In order to build the planned Troy parking lot and improve the traffic flow on Troy as is recommended, it will be necessary to relocate Troy between Allen and Woodward. Reconstruction of the Woodward Avenue median is contemplated in order to maximize the traffic circulation benefits and allow traffic to directly cross Woodward at Troy. It may be appropriate to install new traffic control devices in conjunction with this project.

On-street parallel parking particularly during non-rush hours will be created on West Nine Mile Road. On-street parking is desirable because it promotes activity in front of the stores and is a convenience for short term parkers. Pedestrian crosswalks should be added or relocated to match other pathway locations and signals provided for easy mid-block crossings.

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11. **An Estimate of the Cost of the Development, Proposed Method of Financing and Ability of the Authority to Arrange the Financing.**

The estimated cost of the planned projects and other activities and the proposed method of financing is included in Table 1. These cost estimates are preliminary and may be modified as plans are refined.

12. **Designation of 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.**

The public improvements undertaken as part of this Tax Increment Financing and Development Plan will remain in public ownership for the public benefit.

13. **The Procedures for Bidding for the Leasing, Purchasing, or Conveying of All or a Portion of the Development Upon its Completion, if There is no Expressed 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 to Those Persons.**

If applicable, the established City of Ferndale bidding procedures for property disposal will be used. No agreement presently exists between the Authority and any natural or corporate person. All land acquisitions will be in accordance with the procedures of Act 344 of the Michigan Public Acts of 1945, as amended; Act 87 of the Michigan Public Acts of 1980, as amended, and the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 (Uniform Act), as amended; and the regulations promulgated thereunder by the U.S. Department of Housing and Urban Development. If needed, more detailed procedures will be developed prior to any such transactions, in accordance with established City policy and State of Michigan law.

14. **Estimates of the Number of Persons Residing in the Development Area and the Number of Families and Individuals to be Displaced.**

It is not anticipated that any persons or families will be displaced due to implementation of the Development Plan. There are less than 100 people living in the Development Area and the Plan does not require the use of any residentially used property.

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15. **A Plan for Establishing Priority for the Relocation of Persons Displaced by the Development in any New Housing in the Development Area.**

Since no residents will be displaced, there is no need for a plan to relocate displaced residents. It is not expected that any new housing units will be created in the Development Area. In 1989, the DDA adopted a relocation plan, contained in the Appendix to this plan amendment. That relocation plan continues to apply.

16. **Provision for the Costs 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, 42 U.S.C. 4601 TO 4655.**

It is not expected that any persons will be displaced by implementation of the Development Plan. Consequently, no need is presently anticipated to provide any person with financial assistance or reimbursement of expenses encountered due to displacement. However, in the event unanticipated displacements occur, the standards and provisions contained in the DDA's previously adopted relocation plan would apply (see Appendix).

17. **A Plan for Compliance with Act 227 of the Public Acts of 1972, Being Sections 213.321 to 213.332 of the Michigan Compiled Laws.**

Act 227 of P.A. 1972 is an act to provide financial assistance, advisory services and reimbursement of certain expenses to persons displaced from real property or deprived of certain rights in real property. Under this Act, a displaced person is defined as a "person who vacates real property or removes his personal property therefrom pursuant to a program undertaken by a state agency (political subdivision of the state) which results in the acquisition of the real property". This Act requires procedures and policies comparable to the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The plan referenced in Sections 15 and 16 satisfies the requirements of this paragraph.

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## TAX INCREMENT FINANCING PLAN

### 1. Explanation of the Tax Increment Procedure.

Under the provisions of P.A. 197 of 1975, as amended, tax increment financing is an effective financing tool for the redevelopment of designated Development Areas within a Downtown Development Authority District. Tax increment financing is the process of expending new property tax dollars for improvements that generally benefit the source of the taxes. Tax dollars generated from new private property developments and from improvements to existing private property within a designated Development Area are "captured" and utilized by the DDA to finance public improvements within that same Development Area. This process supports and encourages continued private investment.

To utilize tax increment financing, the DDA must prepare a development plan and a tax increment financing plan. Both plans are submitted to the City Council. The Council must adopt the plans by ordinance. The plans specify the initial assessed value, estimate the captured assessed value, and provide for the expenditure of the funds. These plans may be amended in the future to reflect changes desired by the DDA. All amendments must follow the procedures of the Act.

"Captured assessed value" is defined in the Act, as the amount, in any one year, by which the current assessed value of the Development Area exceeds the initial assessed value. "Initial assessed value" is defined as the most recently assessed value, as finally equalized by the State Board of Equalization, of all the taxable property within the boundaries of the Development Area at the time the ordinance establishing the tax increment financing plan is originally approved.

Such funds transmitted to a DDA are termed "tax increment revenues". The tax increment revenue is computed as the levy on the captured assessed value, including that portion of any commercial facilities tax levied pursuant to P.A. 255 of 1978 and that portion of an industrial facilities tax levied pursuant to P.A. 198 of 1974 attributable to the captured assessed value.

The applicable tax levy for tax increment purposes in the DDA Development Area will be the total millage levied by all taxing jurisdictions. The effective millage for DDA revenue purposes for the fiscal year 1992-93 is 78.8027 mills (Table 2). This is the millage used in all estimates within this plan.



Table 2  
**Millage by Taxing Jurisdiction**  
**Ferndale Downtown Development Authority**

Taxing Jurisdiction	Millage
City of Ferndale	23.6860
Ferndale School District	46.0900
Oakland County	5.3946
Oakland Community College	1.0735
Intermediate School District	2.1836
Twelve Town Drain	0.3750
<b>TOTAL</b>	<b>78.8027 mills</b>

Under this Tax Increment Financing Plan, the tax levy on the entire captured assessed valuation is to be utilized by the DDA. The tax increment revenues will be expended in the manner set forth in this plan. Estimates of the SEV growth, the revenue captured by taxing jurisdictions and the tax increment revenues to be received by the DDA are included in Tables 3, 4, 5 and 6.

In addition to the tax increment revenues projected in this plan, the DDA plans to levy separate millage equal to two (2) mills within the Development Area. The DDA is empowered to levy this millage under Section 12 of the P.A. 197 of 1975. The levy is planned to be used toward the salary and expenses of the Downtown Manager.

## 2. **Maximum Amount of Bonded Indebtedness to be Incurred.**

There are not presently any plans to incur bonded indebtedness. Rather, it is intended that the improvements will be completed as tax increment revenues or other funds become available, on a "pay-as-you-go" basis. In the future the DDA may explore the possibility of bonding against future revenues to supply the funds required to accomplish larger public improvement projects. The extent of the indebtedness and the timing of the debt retirement will be determined by the extent of the tax increment revenues. The maximum indebtedness will not exceed the ability to service the debt from tax increments.

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3. **Duration of the Program.**

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The duration of this amended Tax Increment Financing Plan is twenty (20) years, commencing upon approval by the City Council in 1992 and will terminate with tax collections due in December, 2012, unless this plan is further amended by City Council to extend or shorten its duration.

4. **Statement of the Estimated Impact of Tax Increment Financing on Taxing Jurisdictions In Which the Development Area is Located.**

The most important impact of this plan on the effected taxing jurisdictions is that SEV for the taxing jurisdictions will remain constant over the life of this plan. The initial assessed valuation of property within the Development Area as finally equalized is \$5,744,400.

The actual dollars collected by the taxing jurisdictions may vary from year to year. The funds collected will be based upon the annual levy approved by the governing body of each unit. No designated debt service millage will be captured by the DDA.

The estimates of taxes to be captured under this Plan are based upon the winter 1991 and summer 1992 tax rates levied by the taxing units. The applicable millage rates are summarized in Table 2.

At the expiration of this tax increment financing plan, all taxing jurisdictions will benefit substantially from the new private development and from a tax base that has been stabilized and enhanced as a result of the public improvement program. Additionally, the Ferndale School District is "in-formula" with respect to state aid to local schools. Therefore, any tax revenues diverted to the DDA will be reimbursed to the school district on a dollar-for-dollar basis by the State of Michigan.



Table 3

**Projected Growth in State Equalized Valuation  
Ferndale Downtown Development Authority**

Year	Real Property - a,b	Personal Property - c	Total SEV	Captured SEV
Base 1981	\$4,744,700	\$999,700	\$5,744,400	--
1992	\$7,572,350	\$1,423,650	\$8,996,000	\$3,648,550
1993	\$7,752,270	\$1,423,650	\$9,175,920	\$3,828,470
1994	\$7,935,788	\$1,423,650	\$9,359,438	\$4,011,988
1995	\$8,122,977	\$1,423,650	\$9,546,627	\$4,199,177
1996	\$9,107,810	\$1,423,650	\$10,531,460	\$4,787,060
1997	\$9,318,439	\$1,423,650	\$10,742,089	\$4,997,689
1998	\$9,533,281	\$1,423,650	\$10,956,931	\$5,212,531
1999	\$9,752,419	\$1,423,650	\$11,176,069	\$5,431,669
2000	\$9,975,941	\$1,423,650	\$11,399,591	\$5,655,191
2001	\$10,203,932	\$1,423,650	\$11,627,582	\$5,883,182
2002	\$10,436,484	\$1,423,650	\$11,860,134	\$6,115,734
2003	\$10,673,687	\$1,423,650	\$12,097,337	\$6,352,937
2004	\$10,915,634	\$1,423,650	\$12,339,284	\$6,594,884
2005	\$11,162,419	\$1,423,650	\$12,586,069	\$6,841,669
2006	\$11,414,141	\$1,423,650	\$12,837,791	\$7,093,391
2007	\$11,670,896	\$1,423,650	\$13,094,546	\$7,350,146
2008	\$11,932,787	\$1,423,650	\$13,356,437	\$7,612,037
2009	\$12,199,916	\$1,423,650	\$13,623,566	\$7,879,166
2010	\$12,472,387	\$1,423,650	\$13,896,037	\$8,151,637
2011	\$12,750,308	\$1,423,650	\$14,173,958	\$8,429,558

<sup>a</sup> Projected at 2.0% growth rate.

<sup>b</sup> Commercial facilities exemption certificate under P.A. 255 of 1974 for \$793,900 is in effect through 1996.

<sup>c</sup> Personal property value is held constant to maintain a conservative estimate of projected revenues.

Table 4

Tax Increment Revenue From All Taxing Units  
Ferndale Downtown Development Authority

Year	City of Ferndale	Ferndale Public Schools	Oakland Community College	Intermediate School District	Oakland County	Twelve Town Drain
1992	\$86,420	\$168,162	\$3,917	\$7,967	\$19,682	\$1,368
1993	\$90,681	\$176,454	\$4,110	\$8,360	\$20,653	\$1,436
1994	\$95,028	\$184,913	\$4,307	\$8,761	\$21,643	\$1,504
1995	\$99,462	\$193,540	\$4,508	\$9,169	\$22,653	\$1,575
1996	\$113,386	\$220,636	\$5,139	\$10,453	\$25,824	\$1,795
1997	\$118,375	\$230,343	\$5,365	\$10,913	\$26,961	\$1,874
1998	\$123,464	\$240,246	\$5,596	\$11,382	\$28,120	\$1,955
1999	\$128,655	\$250,346	\$5,831	\$11,861	\$29,302	\$2,037
2000	\$133,949	\$260,648	\$6,071	\$12,349	\$30,507	\$2,121
2001	\$139,349	\$271,156	\$6,316	\$12,847	\$31,737	\$2,206
2002	\$144,857	\$281,874	\$6,565	\$13,354	\$32,992	\$2,293
2003	\$150,476	\$292,807	\$6,820	\$13,872	\$34,272	\$2,382
2004	\$156,206	\$303,958	\$7,080	\$14,401	\$35,577	\$2,473
2005	\$162,052	\$315,333	\$7,345	\$14,939	\$36,908	\$2,566
2006	\$168,014	\$326,934	\$7,615	\$15,489	\$38,266	\$2,660
2007	\$174,096	\$338,768	\$7,890	\$16,050	\$39,651	\$2,756
2008	\$180,299	\$350,839	\$8,172	\$16,622	\$41,064	\$2,855
2009	\$186,626	\$363,151	\$8,458	\$17,205	\$42,505	\$2,955
2010	\$193,080	\$375,709	\$8,751	\$17,800	\$43,975	\$3,057
2011	\$199,663	\$388,518	\$9,049	\$18,407	\$45,474	\$3,161
Total	\$2,844,136	\$5,534,334	\$128,902	\$262,199	\$647,766	\$45,029

Table 5  
**Projected Tax Increment Revenues**  
**Ferndale Downtown Development Authority**

Year	Total SEV	Total Annual Captured SEV	Tax Increment Revenue*
1992	\$9,392,950	\$3,648,550	\$287,516
1993	\$9,572,870	\$3,828,470	\$301,694
1994	\$9,756,388	\$4,011,988	\$316,156
1995	\$9,943,577	\$4,199,177	\$330,906
1996	\$10,531,460	\$4,787,060	\$377,233
1997	\$10,742,089	\$4,997,689	\$393,831
1998	\$10,956,931	\$5,212,531	\$410,761
1999	\$11,176,069	\$5,431,669	\$428,030
2000	\$11,399,591	\$5,655,191	\$445,644
2001	\$11,627,582	\$5,883,182	\$463,611
2002	\$11,860,134	\$6,115,734	\$481,936
2003	\$12,097,337	\$6,352,937	\$500,629
2004	\$12,339,284	\$6,594,884	\$519,695
2005	\$12,586,069	\$6,841,669	\$539,142
2006	\$12,837,791	\$7,093,391	\$558,978
2007	\$13,094,546	\$7,350,146	\$579,211
2008	\$13,356,437	\$7,612,037	\$599,849
2009	\$13,623,566	\$7,879,166	\$620,900
2010	\$13,896,037	\$8,151,637	\$642,371
2011	\$14,173,958	\$8,429,558	\$664,272
Total			\$9,462,366

\* Millage is assumed to remain constant over the life of the plan at 78.8027 mills.

Table 6

Projected DDA Revenues  
Ferndale Downtown Development Authority

Year	Development Area Total SEV*	Total Annual Captured SEV	Tax Increment Revenue*	2 Mill Levy on Total DDA SEV**	Total Revenue Per Year
1992	\$8,996,000	\$3,648,550	\$287,516		\$287,516
1993	\$9,175,920	\$3,828,470	\$301,694	\$22,940	\$324,634
1994	\$9,359,438	\$4,011,988	\$316,156	\$23,399	\$339,554
1995	\$9,546,627	\$4,199,177	\$330,906	\$23,867	\$354,773
1996	\$10,531,460	\$4,787,060	\$377,233	\$26,329	\$403,562
1997	\$10,742,089	\$4,997,689	\$393,831	\$26,855	\$420,687
1998	\$10,956,931	\$5,212,531	\$410,761	\$27,392	\$438,154
1999	\$11,176,069	\$5,431,669	\$428,030	\$27,940	\$455,970
2000	\$11,399,591	\$5,655,191	\$445,644	\$28,499	\$474,143
2001	\$11,627,582	\$5,883,182	\$463,611	\$29,069	\$492,680
2002	\$11,860,134	\$6,115,734	\$481,936	\$29,650	\$511,587
2003	\$12,097,337	\$6,352,937	\$500,629	\$30,243	\$530,872
2004	\$12,339,284	\$6,594,884	\$519,695	\$30,848	\$550,543
2005	\$12,586,069	\$6,841,669	\$539,142	\$31,465	\$570,607
2006	\$12,837,791	\$7,093,391	\$558,978	\$32,094	\$591,073
2007	\$13,094,546	\$7,350,146	\$579,211	\$32,736	\$611,948
2008	\$13,356,437	\$7,612,037	\$599,849	\$33,391	\$633,240
2009	\$13,623,566	\$7,879,166	\$620,900	\$34,059	\$654,958
2010	\$13,896,037	\$8,151,637	\$642,371	\$34,740	\$677,111
2011	\$14,173,958	\$8,429,558	\$664,272	\$35,435	\$699,707
Total			\$9,462,366	\$560,952	\$10,023,318

- \* Millage is assumed to remain constant over the life of the plan at 78.8027 mills.  
 - SEV growth projected at 2.0% per year increase  
 - Commercial facilities exemption certificate under P.A. 255 of 1974 for \$793,900 is in effect until 1996  
 - Total SEV includes \$396,950 of CFT value through 1995 and the full \$793,900 thereafter.
- \*\* As of the date of this plan, the SEV of the total DDA district was not available. For planning purposes this value is estimated to be 1.25 times the SEV of the DDA Development Area.

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5. Plan for the Expenditure of Captured Assessed Value by the Authority

a. Estimate of Tax Increment Revenues

Tables 3, 5 and 6 provide estimates of the tax increment revenues accruing to the DDA. Additional increases in the assessed valuation for the Development Area may result from other new construction, expansion, rehabilitation, or further appreciation of property values.

b. Expenditure of Tax Increment Revenues

Tax increment revenues derived from the Downtown Development Area will be utilized to finance public improvements within the Development Area as proposed in the Development Plan.

The program and schedule for the expenditure of tax increment revenues to accomplish the proposed public improvements for the DDA Development Area is outlined in Table 1 and Section 6 of the Development Plan. Cost estimates shown are current estimates only. These estimates are based solely upon concepts and have not been developed from construction drawings. No inflationary cost factor has been forecast. Stated cost estimates include fees for design, preparation of construction drawings or other professional services to the extent noted.

The manner in which tax increment revenues will be utilized to finance these public improvements is herein set forth.

1. Pay-As-You-Go Basis

Improvements in the Downtown Area will be financed on the pay-as-you-go basis, utilizing annual tax increment revenues.

2. Tax Increment Bonds

At this time, there is no intent to use bonding. Future projects could be financed by one or more series of tax increment bonds issued by the City on a limited obligation basis and/or from tax increment revenues as shall be determined by the City Council, based upon the recommendation of the DDA. In addition to the improvement costs, each series of tax increment bonds shall include any additional amounts necessary to meet any capitalized interest and debt service reserve requirements.

3. Debt Service Reserve

For each series of tax increment bonds, (if such bonds are issued), a debt service reserve account will be established pursuant to P.A. 197 which states that the "total aggregate amount of borrowing shall not exceed an amount which 80 percent of the estimated tax increment revenue will service as to annual principal and interest requirements". Therefore, the amount of tax increment revenue to be credited to the debt service reserve account annually for each series of tax increment bonds will equal 20 percent of the tax increment revenue needed to service annual principal and interest requirements.

Debt service reserve deposits will be made annually until such time as the total amount to the credit of the reserve account, including accrued interest, is equal to the largest combined annual principal and interest payment on bonds issued pursuant to this plan.

Thereafter, any amount of the credit of the reserve account at the beginning of the fiscal year in excess of the requirements of the preceding sentence, shall be considered tax increment revenue for that year.

4. Administrative and Operating Costs

Tax increment revenues not expended to meet the financial obligations noted above will be used to pay administrative and operating costs of the DDA and City including wages, salaries and fringe benefits of the DDA manager and other employees, contractual services, promotions, advertising, reproduction and printing and any other such costs to the extent provided in the annual budget of the DDA.

5. Prioritization of Expenditures

Any additional tax increment revenues beyond those projected in this plan will:

- a) be used to expedite any debt service,
- b) be used to further the implementation of the public improvement program, or
- c) be returned, pro-rata, to the taxing units.



Should the tax increment revenues be less than projected, the DDA may choose to:

- a) Collect and hold the captured revenues until a sufficient amount is available to implement specific public improvements.
- b) Implement public improvement projects based upon the ability to match existing funds with expenditures while seeking out additional funding sources.
- c) Amend the development plan and/or tax increment financing plan to allow for alternative projects and funding.

6. Proposed Expenditures

Following is the proposed program and schedule for the initial years of this plan amendment to accomplish the proposed improvements for the Downtown Development Area. For subsequent years, funds will be expended in accordance with the general priorities outlined in 5., above, for the projects as described in the Development Plan.

Also included are estimates of other revenues available to the DDA to construct proposed improvements. Costs noted for the projects include a percentage estimate for design, engineering and contingencies.

**Proposed Expenditures  
FY93 - FY95  
Ferndale DDA**

FY 1992-1993

Revenues Available and Source

TIF Revenues	\$287,516
MDOT Landscaping Contribution	<u>\$ 15,000</u>
<b>Total Revenues:</b>	<b>\$302,516</b>

Expenditures

• Salaries, Fringes, Administration & Operations	\$ 16,000
• DDA Manager (partial year)	45,000
• Downtown Promotion	5,000
• Woodward Median	122,000
- landscaping, sprinklers, & downtown sign	
• Parking Lot Irrigation	16,500
• Woodward Avenue Streetscape	21,000
- benches & trash cans	



• Revolving Loan Fund	50,000
- start up costs	
- develop program & eligibility criteria	
- principal	
• Appearance Code, Facade Guidelines, Zoning and Sign Ordinance Amendments (By Staff)	2,016
• Downtown Beautification	
- ongoing maintenance, flowers, etc.	\$ 25,000
<b>Total Expenditures:</b>	<b>\$302,516</b>

#### FY 1993-1994

##### Revenues Available and Source

• TIF Revenues	\$301,694
• 2 mill levy (entire DDA District)	\$ 22,940

**Total Revenues:** **\$324,634**

##### Expenditures

• Salaries, Fringes, Administration & Operations	\$ 16,000
• DDA Manager	60,000
• Commercial Infill and Economic Development Promotion	20,000
• Downtown Beautification	
- ongoing maintenance, flowers, etc.	25,000
• Downtown Signs and Banners	24,588
• Revolving Loan Fund	
- principal	60,000
• Completion of Appearance Code, Facade Guidelines, Zoning and Sign Ordinance Amendments (By Staff)	5,000
• West Nine Mile Circulation	15,000
- feasibility study	
- crosswalks, striping & signals	
• Woodward Avenue Streetscape	60,000
• Sign Buyout Fund	\$ 29,046

**Total Expenditures:** **\$324,634**

#### FY 1994-95

##### Revenues Available and Source

• TIF Revenues	\$316,156
• 2 mill levy	<u>23,399</u>

**Total Revenues:** **\$339,554**

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Expenditures

• Salaries, Fringes, Administration & Operations	\$ 16,000
• DDA Manager	60,000
• Downtown Beautification	
- ongoing maintenance, flowers, etc.	25,000
• Commercial Infill and Economic Development Promotion	20,000
• Allen Plaza	90,000
• Reserve Account for Rear Facade Improvements	<u>\$128,554</u>

**Total Expenditures:** **\$339,554**

FINAL