

**HISTORY OF THE DEPOT TOWN DEVELOPMENT
AUTHORITY AND PURPOSE OF THE WEST CROSS STREET
TAX INCREMENT FINANCING AND DEVELOPMENT PLAN**

The Depot Town Downtown Development Authority (DTDDA) was established by Ordinance 613 adopted by the Ypsilanti City Council on June 18, 1984. As authorized by P.A. 197 of 1975, a DTDDA District was defined and a Board appointed to carry out the purposes of the enabling legislation. The DTDDA Board began the process of establishing goals, updating the 1976 Master Plan, and developing a program to meet identified needs and goals. The Ypsilanti City Council adopted revisions to the Plan with the updated goals and objectives on October 17, 1988 by Resolution 88-191. Then City Council authorized the DTDDA to levy two mills on real and personal property in the District as authorized by P.A. 197 of 1975, on January 22, 1990 by Resolution 90-10.

City Council approved an expanded district on November 16, 1992 pursuant to Ordinance No. 784. The expansion added seven new parcels to the Development District and Area. The parcels added at that time are located on Ninde, N. River, and E. Cross Streets.

The DTDDA Board then proceeded with the preparation of a Tax Increment Financing (TIF) and Development Plan to achieve the goals in the amended Master Plan and to undertake other public improvements within the area. City Council approved the original Tax Increment Financing and Development Plan of the DTDDA by Resolution 92-232 and Ordinance No. 787 in December 1992.

Then on January 25, 2000, the Ypsilanti City Council approved Ordinance No. 904 and adopted amendments as part of the 2000 TIF and Development Plan of the DTDDA. This plan included an expansion of the District and Development Area to include certain properties and public right-of-ways on S. River, E. Cross, and W. Cross Streets. This plan amendment also included an update of development project priorities and costs, and an allocation of updated TIF revenue projections.

The City and DTDDA then evaluated the opportunity to expand the DTDDA District to include the West Cross Street business district adjacent to Eastern Michigan University's (EMU) main campus to facilitate revitalization initiatives and coordinated planning in this area. With substantial support from EMU, businesses, property owners, and the community, City Council approved Ordinance No. 939 on May 14, 2000 to expand the DTDDA District to include the West Cross Street business district. The

expansion offers the opportunity for coordinated planning and improvements along the Cross Street corridor and enhanced linkages between Depot Town, Downtown, and the West Cross Street areas. The district expansion also positioned the DTDDA to capture the future growth in taxes to support streetscape and other public facility improvements in the West Cross Street business district.

Following the expansion, the City of Ypsilanti partnered with EMU, the Washtenaw Area Transportation Study Committee (WATS), and the DTDDA to develop a comprehensive plan for the redevelopment of the West Cross Street business district and surrounding neighborhood. An important component of the Cross Street Neighborhood Improvement Plan evaluated and made recommendations for the redesign of Cross Street and Washtenaw Avenue to accommodate two-way traffic. The vision and goals established by this study, completed in spring 2002, form the foundation for proposed public improvements in the West Cross Street Development Area as described by this TIF and Development Plan.

Thus it is the purpose of this TIF and Development Plan to establish the legal basis and procedure for the capture and expenditure of tax increment revenues in accordance with P.A. 197 of 1975, as amended, for the purpose of stimulating and encouraging private investment and redevelopment for the revitalization of the West Cross Street business district.

**WEST CROSS STREET
DEVELOPMENT AREA**

DEVELOPMENT PLAN

DEVELOPMENT PLAN FOR THE WEST CROSS STREET DEVELOPMENT AREA

1. DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA.

(Section 17(2) of P.A. 197 of 1975, as amended.)

The boundaries of the DTDDA District that include the West Cross Street Development Area are shown on Map 1. The boundaries of the West Cross Street Development Area are also shown on Map 1 and generally include the frontage properties on the north and south sides of W. Cross Street from N. Huron Street on the east to Normal Street on the west. Several residential properties at the northeast corner of N. Huron and W. Cross Streets are also included in the Development Area.

2. LOCATION AND EXTENT OF EXISTING PUBLIC AND PRIVATE USES.

(Section 17(2) of P.A. 197 of 1975, as amended.)

a. PUBLIC USES

Public uses in the Development Area include portions of the following public streets: W. Cross, N. Huron, N. Washington, N. Adams, N. Hamilton, Ballard, Perrin, College Place, and Normal Streets. The character of the business district has been defined and limited by the one-way traffic flow on Cross Street and Washtenaw Avenue that limits convenient access to other destinations in the community such as the Depot Town or Downtown business districts. Locations of the public streets and on-street and off-street parking are shown on Map 3.

Other public facilities in the Development Area include:

(1) Parks

There are no public parks located within the West Cross Street Development Area boundaries.

(2) Parking Lots

The Ballard Street parking lot is located immediately south of the West Cross Street Development Area and is owned and operated by the City of Ypsilanti. This lot offers 35 metered parking spaces.

(3) Facilities

The main campus of Eastern Michigan University is located adjacent to the north boundary of the Development Area between Perrin and Normal Streets. The University also owns property at the southeast corner of W. Cross and College Place that is currently used for office and parking uses. There are no other public facility uses in the Development Area.

The location of these existing public land uses is shown on Map 2.

b. PRIVATE USES

(1) Residential

The largest residential use in the Development Area is the Cross Street Village senior apartment complex located at 210 W. Cross Street in the old Ypsilanti High School building. There are 104 apartment units in this complex. In addition, there are 39 properties in the Development Area that include residential uses, including single family homes, homes converted to multi-tenant apartments, and apartments located on the upper floors of commercial businesses. This includes the four residential units that are part of the Michigan Antique Fire Equipment Museum at 110 W. Cross Street.

(2) Commercial

Commercial businesses comprise a majority of the land uses in the West Cross Street Development Area. While commercial uses are located along the corridor, the most intense commercial concentration is located on West Cross Street between Ballard and Normal Streets. The commercial district offers uses that primarily serve the campus community including retail, restaurant, personal service, and entertainment uses. A listing of the various businesses in the area is provided in Attachment A.

(3) Industrial

There are currently no industrial uses in the West Cross Street Development Area.

The locations of these existing private land uses are shown on Map 2.

c. RECREATIONAL USES

There are no active public recreational properties in the Development Area. The Michigan Antique Fire Equipment Museum at 100 W. Cross Street is private museum use that attracts visitors to the area and offers reception space for private and community functions. A passive open space area is located at the southwest corner of N. Hamilton and W. Cross Streets and is owned by St. John the Baptist Catholic Church. These land uses are highlighted on Map 2.

d. QUASI-PUBLIC USES

Quasi-public uses in the Development Area include the St. John the Baptist Catholic Church at 410 W. Cross Street as shown on Map 2.

e. VACANT

There are currently several vacant commercial spaces in the West Cross Street Development Area. The properties at 308 Perrin and 301 W. Cross Streets are currently under construction as new restaurants. The space adjacent to LaFiesta Mexicana Restaurant at 529 W. Cross is anticipated for an expansion of the restaurant pending approval of a state liquor license. The storefront space at 517 W. Cross was recently vacated by Bohemian Rhapsody, a coffee café, and is planned for a new restaurant. In addition, the Sunoco Station at 317 N. Washington and the Liquor is Quicker retail business are also currently vacant.

3. LOCATION AND EXTENT OF PROPOSED PUBLIC AND PRIVATE LAND USES.

(Section 17(2) of P.A. 197 of 1975, as amended.)

The Cross Street Neighborhood Improvement Plan serves as the foundation for proposed public and private land uses and redevelopment in the West Cross Street Development Area. Completed in spring 2002, this study established goals and strategies for the revitalization of both the commercial district that comprises the Development Area as well as the surrounding residential neighborhoods. The proposed Development Pattern for the area is shown in Map 4. In general terms, the plan supports the development of mixed commercial and residential uses along the Cross Street corridor with the majority of commercial activities located between Ballard and Normal Streets. East of Ballard Street, the frontage properties are proposed to have a stronger residential presence with some commercial activities interspersed with the residential uses.

The plan supports strengthening the residential neighborhoods adjacent to the commercial corridor through reducing residential density levels and encouraging more homeownership opportunities. New residential development is also contemplated for the frontage of the St. John the Baptist Catholic Church parking lot to maximize the use of that property and provide additional residential opportunities. No further expansions of the University's institutional properties are proposed.

A copy of the plan is incorporated by reference into this West Cross Street TIF and Development Plan and is on file at the City of Ypsilanti Community and Economic Development Department, One South Huron Street, Ypsilanti, Michigan and at the Ypsilanti Downtown Development Authority, 30 N. Washington Street, Ypsilanti, Michigan.

4. LEGAL DESCRIPTION OF THE DEVELOPMENT AREA.

(Section 17(2) of P.A. 197 of 1975, as amended.)

Beginning at a point on the east line of N. Huron St. and the north line of W. Cross St., said point also known as the southwest corner of Parcel No. 11-11-40-105-003; thence

east 234.96 ft. along the north line of W. Cross St. to the southeast corner of Parcel No. 11-11-40-105-002; thence north 70 ft. to the northwest corner of Parcel No. 11-11-40-105-001; thence east 90 ft. to the northeast corner of said parcel; thence northwesterly approximately 65 ft. along the west bank of the Huron River to the northeast corner of Parcel No. 11-11-40-105-003; thence west 640 ft. crossing N. Huron St. and N. Washington St. to a point located on the west line of N. Washington St. approximately 132 ft. north of the north line of W. Cross St.; thence north 416 ft. along the west line of N. Washington St. to the northeast corner of Parcel No. 11-11-40-187-001; thence west 168.5 ft. to the northeast corner of Parcel No. 11-11-40-187-007; thence south 66 ft. to the southeast corner of said parcel; thence west 163 ft. to the southwest corner of Parcel No. 11-11-40-187-005; thence south 346 ft. along the east line of N. Adams St.; thence west 313 ft. to the northwest corner of Parcel No. 11-11-40-109-015; thence south 47 ft. to the northeast corner of Parcel No. 11-11-40-109-014; thence west 148.5 ft. to the west line of N. Hamilton St. approximately 85 ft. north of the north line of W. Cross St.; thence north 153.74 ft. along the west line of N. Hamilton St. to the south line of Florence St.; thence west 382.4 ft. along the south line of Florence St. to the east line of Ballard St.; thence south approximately 94 ft. along the east line of Ballard St.; thence west 198 ft. to the southwest corner of Parcel No. 11-11-40-113-015; thence north 15 ft. to the northernmost point of the alley behind Parcel No. 11-11-40-113-012; thence southwesterly approximately 130 ft. along the south line of Parcel Nos. 11-11-40-113-007 and 11-11-40-113-008 to a point on the north line of Parcel No. 11-11-40-113-009 and continuing west 84.4 ft. along the northern line of said parcel to the west line of Perrin St.; thence south approximately 110 ft. along the west line of Perrin St. to the north line of W. Cross St.; thence west 764.6 ft. along the north line of W. Cross St. to the west line of Normal St. at the north line of W. Cross St.; thence south 66 ft. to the south line of W. Cross St. at the northeast corner of Parcel No. 11-11-40-132-001; thence east 66 ft. to the northwest corner of Parcel No. 11-11-40-131-009; thence south 72 ft. along the east line of Normal St. to the southwest corner of said parcel; thence east 50 ft. to the southeast corner of said parcel; thence south 42.84 ft. to the southwest corner of Parcel No. 11-11-40-131-008; thence east 246.93 ft. along the north line of the alley to the west line of College Place; thence south 105.96 ft. along the west line of College Place; thence east 148.2 ft. to the northeast corner of Parcel No. 11-11-40-180-007; thence north 103 ft. to the northwest corner of Parcel No. 11-11-40-180-008; thence east 200.8 ft. to the southeast corner of Parcel No. 11-11-40-180-002; thence north 14.5 ft. to the southwest corner of Parcel No. 11-11-40-180-001; thence east 50.2 ft. to the southeast corner of said parcel; thence south 14.5 ft. along the west line of Perrin St.; thence east 301.7 ft. to the southeast corner of Parcel No. 11-11-40-183-003; thence north 71 ft. to the southwest corner of Parcel No. 11-11-40-183-002; thence easterly 132 ft. to a point on the east line of Ballard St.; thence north approximately 10 ft. along the east line of Ballard St. to the southwest corner of Parcel No. 11-11-40-184-003; thence east 57.17 ft. to the southeast corner of said parcel; thence south 54 ft. to the southwest corner of Parcel No. 11-11-40-184-002; thence east 57.17 ft. to the southeast corner of said parcel; thence north approximately 5 ft. to the southwest corner of Parcel No. 11-11-40-184-001; thence east 73.17 ft. to the east line of the alley adjacent to Parcel No. 11-11-40-184-018; thence south approximately 5 ft. to the southwest corner of said parcel; thence east 50 ft. to the southeast corner of said

parcel; thence north 50 ft. to the southwest corner of Parcel No. 11-11-40-184-017; thence east 187.51 ft. to a point on the east line of N. Hamilton St.; thence north approximately 5 ft. to the southwest corner of Parcel No. 11-11-40-185-003; thence east 82.5 ft. to the southeast corner of said parcel; thence south 82 ft. to the southwest corner of Parcel No. 11-11-40-185-017; thence east 172.75 ft. to the southeast corner of Parcel No. 11-11-40-185-015; thence north 43 ft. to the southwest corner of Parcel No. 11-11-40-185-014; thence east 140.25 ft. to the east line of N. Adams St.; thence north approximately 30 ft. to the southwest corner of Parcel No. 11-11-40-186-014; thence east 59.2 ft. to the southeast corner of said parcel; thence south 42.7 ft.; thence east 30.48 ft.; thence south approximately 40 ft.; thence east 69 ft. to the southeast corner of Parcel No. 11-11-40-186-013; thence north 63 ft. along the west line of the alley adjacent to said parcel; thence east 168.5 ft. to the southeast corner of Parcel No. 11-11-40-186-012; thence south 66 ft. along the west line of N. Washington St. to the northeast corner of Parcel No. 11-11-40-186-010; thence east approximately 412 ft. to a point on the east line of N. Huron Street; thence north approximately 220 ft. along the east line of N. Huron St. to the point of beginning.

5. EXISTING IMPROVEMENTS IN THE DEVELOPMENT AREA TO BE DEMOLISHED, REPAIRED, OR ALTERED AND TIME REQUIRED FOR COMPLETION.

(Section 17(2) of P.A. 197 of 1975, as amended.)

The City of Ypsilanti and the DTDDA propose significant improvements and alterations in the West Cross Street Development Area based on the recommendations of the Cross Street Neighborhood Improvement Plan completed in 2002. The DTDDA will primarily be involved in the implementation of streetscape design improvements and other related public facility improvements to improve the appearance, image, convenience, and safety of the Development Area.

As part of its improvements to the public areas of the Development Area, the DTDDA proposes to replace the existing pedestrian street lights with new pedestrian-scaled street lights that visually link the West Cross Street district with the Depot Town business district and provide improved pedestrian convenience and safety. The DTDDA also proposes to alter the public sidewalk, crosswalks, and curb areas to accommodate decorative sidewalk paving, landscaping and street furnishings intended to create a more aesthetically pleasing and functional pedestrian environment. The Cross Street Neighborhood Improvement Plan and this Development Plan also contemplates short and long-range modifications to on-street parking arrangements and a return to two-way traffic that will require alterations to the road rights-of-way and adjacent public areas and facilities. Traffic signalization changes may be required as part of these comprehensive improvements. The DTDDA anticipates that it may assist the City of Ypsilanti in the implementation of such improvements through the use of its TIF revenues as funds are available.

These alterations are described in detail in the Cross Street Neighborhood Improvement Plan and illustrated on Maps 5, 6, and 7 of this Development Plan.

It is proposed that these alterations and subsequent improvements will be implemented in a phased approach, as funding is available, over a 25-year period from 2003 to 2028.

6. THE LOCATION, EXTENT, CHARACTER, AND ESTIMATED COST OF IMPROVEMENTS CONTEMPLATED FOR THE DEVELOPMENT AREA AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.

(Section 17(2) of P.A. 197 of 1975, as amended.)

The City of Ypsilanti and the DTDDA propose significant improvements and alterations in the West Cross Street Development Area based on the recommendations of the Cross Street Neighborhood Improvement Plan completed in 2002. The DTDDA will primarily be involved in the implementation of streetscape design improvements and other related public facility improvements to improve the appearance, image, convenience, and safety of the Development Area.

In general, these improvements will include the replacement and provision of decorative streetlights; enhancement of pedestrian areas and crosswalks with decorative sidewalk paving, landscaping, lighting, and street furnishings; common dumpster facilities; signage improvements; and other improvements to the public rights-of-way and facilities within the Development Area. These streetscape design treatments will serve to visually and functionally link the West Cross Street business district to the vibrant Depot Town business district and improve linkages to EMU's campus, adjacent neighborhoods, and the Downtown business district. These improvements are described in detail in the Cross Street Neighborhood Improvement Plan and illustrated on Maps 5, 6, and 7 of this Development Plan. The estimated cost of these improvements is \$3,188,875 as further described in Section 11 of this Development Plan. It is anticipated that the DTDDA will contribute its projected TIF revenues over the life of this TIF and Development Plan, a total of \$1,602,428, to support these project improvements.

It is proposed that these alterations and subsequent improvements will be implemented in a phased approach, as funding is available, over a 25-year period from 2003 to 2028.

7. A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION.

(Section 17(2) of P.A. 197 of 1975, as amended.)

It is intended that the comprehensive improvements proposed for the West Cross Street Development Area will be implemented over a 25-year period in coordination with the implementation of the Cross Street Neighborhood Improvement Plan and as funding is available through the DTDDA TIF revenues, grants, loans, partnerships, or other resources.

The first priority for the Development Area is anticipated to be the return of on-street parking on the south side of Cross Street between Normal and N. Huron Streets. This project will provide critical customer parking for district businesses in support of efforts to revitalize this commercial area. It is anticipated that this project will be implemented

in partnership with the City of Ypsilanti and others. While this project is programmed for completion in 2003, DTDDA participation is phased between 2004 and 2008 as TIF revenue collection is initiated and reserves accumulate to support such projects.

The next priorities will be the design and implementation of streetscape improvements along the West Cross Street corridor. The first priority area will be the section between Normal and Ballard Streets that serves as the primary commercial district adjacent to EMU's campus. The second priority area will be the section between Ballard and N. Huron Streets that serves to link the heart of the West Cross Street business district to the Depot Town district to the east. This project is programmed to occur during the period from 2004 to 2013 in the first 10 years of the development program as funds become available.

Also during this first 10-year period, it is proposed that improvements will be made to several pedestrian crossings to improve pedestrian linkages and safety within the Development Area. At a minimum, such improvements will be implemented at the intersections of West Cross with N. Huron and Perrin Streets. Other intersections may also be included in this effort as warranted.

The later phases of the development program will include improvements to the Depot Town gateway entrance on East Cross Street at N. Huron Street. This project serves as a link between the Depot Town and West Cross DDDA Development Areas and provides the opportunity to calm traffic and signal an attractive entrance at the crossroads of the two areas. It is contemplated that this project would involve the design and construction of a paved or landscaped median. This project is proposed for completion during the later phases of this development program between 2014 and 2028.

Finally, the development program also includes the general repair, maintenance, and upgrading of public streetscape and facility improvements throughout the Development Area to address such needs as they may arise during the effective period of this plan. These activities are scheduled to be ongoing from 2004 through 2028.

A more detailed description of the project phasing is provided in Section 11 of this Development Plan.

8. PARTS OF THE DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND CONTEMPLATED USE.

(Section 17(2) of P.A. 197 of 1975, as amended.)

The passive park area at the southwest corner of W. Cross and N. Hamilton Streets, owned by St. John the Baptist Catholic Church, is proposed to remain as an open space area. No other open space areas are contemplated by the Cross Street Neighborhood Improvement Plan or this Development Plan.

9. PORTIONS OF THE DEVELOPMENT AREA THAT THE AUTHORITY DESIRES TO SELL, DONATE, EXCHANGE, OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS.

(Section 17(2) of P.A. 197 of 1975, as amended.)

The Authority has no plans at the present time to sell, donate, exchange, or lease to or from the City of Ypsilanti any land in the Development Area.

10. DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS AND UTILITIES.

(Section 17(2) of P.A. 197 of 1975, as amended.)

No zoning changes are required at the present time to accommodate the proposed public improvements contemplated by the DTDDA. However, the Cross Street Neighborhood Improvement Plan does identify the need to rezone certain areas of the Development Area and adjacent properties as part of comprehensive strategy for revitalization of the commercial district and surrounding neighborhoods. Generally, existing zoning designations promote a more intense development pattern than envisioned for the area. The Cross Street plan recommends pursuing rezoning actions to lessen both the commercial intensity and the residential densities in the area.

The primary sections of the commercial district on W. Cross Street between Normal and Ballard Streets would remain in the B-3 Central Business District designation. This is consistent with the Depot Town and Downtown districts and allows for a variety of commercial and residential uses appropriate for downtown areas. However, the frontage properties on W. Cross Street from Ballard Street to N. Huron Street are proposed for rezoning from B-2 Community Commercial District to RC Residential – Commercial District. This will lessen the commercial intensity of this area and encourage a mix of commercial and residential uses in this transitional area between the West Cross Street business district and the Depot Town business districts. The Cross Street Village senior apartment complex will remain in the R-4 Multiple Family High Density Residential District designation. Other rezonings are also proposed in the neighborhoods south of the Development Area in an effort to reduce densities and strengthen neighborhood stability.

The Cross Street Neighborhood Improvement Plan also recommends a number of traffic circulation improvements as shown on Maps 5, 6 and 7. The primary change is the return of W. Cross Street and Washtenaw Avenue to two-way traffic to improve linkages of this district to other areas of the community. This modification is proposed as part of a two-phased approach to traffic circulation improvements and would occur in the second phase as funding is available. Map 6 illustrates the first phase improvements that include the addition of on-street parking along the south lane of W. Cross Street between Normal and Washington Streets. On-street parking is also added to several side streets that enter onto W. Cross Street. The first phase also includes modifications to traffic signalization.

In addition to returning W. Cross Street and Washtenaw Avenue to two-way traffic, the phase two plan includes the removal of on-street parking from W. Cross Street between Perrin and Washington Streets. This is necessary to accommodate the additional right-of-way needed for a center turn lane. The second phase also includes the possibility of College Place being vacated from Washtenaw Avenue north through campus. Traffic signalization and flow modifications would also be considered at key intersections along the corridor. These improvements are illustrated on Map 7. Further detailed engineering will be required to finalize the scope and extent of these improvements proposed by the Cross Street Neighborhood Improvement Plan.

11. AN ESTIMATE OF THE COST OF THE DEVELOPMENT, PROPOSED METHOD OF FINANCING AND ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING.

(Section 17(2) of P.A. 197 of 1975, as amended.)

The estimated total cost of the public improvement program in the Development Area is \$3,188,875 as proposed by the Cross Street Neighborhood Improvement Plan and shown on Map 5 and as otherwise defined by the DTDDA. This includes the following costs for streetscape improvements in the Development Area as described below.

On-Street Parking Improvements <i>(Normal to N. Huron Street)</i>	\$ 50,000
Streetscape Improvements in Commercial District <i>(W. Cross Street from Normal to Ballard Street)</i>	\$1,744,400
Streetscape Improvements for Depot Town Link <i>(W. Cross Street from Ballard to N. Huron Street)</i>	\$ 590,625
Pedestrian Crossing Improvements <i>(W. Cross/N. Huron, W. Cross/Perrin, and other locations)</i>	\$ 227,610
Depot Town Gateway Entrance Median <i>(E. Cross east of N. Huron Street)</i>	\$ 451,240
Repair/Maintain/Upgrade Public Improvements <i>(Throughout Development Area)</i>	<u>\$ 125,000</u>
Total Estimated Cost of Public Improvements	\$3,188,875

A detailed breakdown of the cost estimates for these projects recommended by the Cross Street Neighborhood Improvement Plan are provided in Attachment B and illustrated on Map 8 of this Development Plan and were established for projects located within the Development Area as part of the Cross Street Neighborhood Improvement Plan. Additional design planning and engineering will be needed to finalize the scope, extent and final costs of these projects.

It is anticipated that these projects will be paid for with tax increment financing revenues and such other funds that might be made available to the DTDDA and the City of Ypsilanti for the improvements. Under P.A. 197 of 1975, the DTDDA has the authority to carry out a public improvement program utilizing tax increment financing, may receive donations for the performance of the functions, and may also finance its activities from money provided from other sources approved by the City Council. The DTDDA also contemplates coordinating with the City of Ypsilanti in pursuing available state and federal grant and other financial resources that may be available or pursued from time to time to assist in financing needs for the implementation of this Plan and the Cross Street Neighborhood Improvement Plan. Given the extent of public improvements established by the Cross Street Neighborhood Improvement Plan and this Plan it will be essential that City and DTDDA utilize partnerships to effectively secure sufficient funding to implement all prioritized projects.

Section 5(B) of the TIF Plan provides a detailed description of each proposed project along with project costs and phasing. This section also describes the extent of TIF revenues that the DTDDA anticipates designating to support each project.

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.

(Section 17(2) of P.A. 197 of 1975, as amended.)

All public improvement projects undertaken as part of this TIF and Development Plan will remain in public ownership for the public benefit.

13. PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING OR CONVEYING IN ANY MANNER OF ALL OR A PORTION OF THE DEVELOPMENT UPON ITS COMPLETION.

(Section 17(2) of P.A. 197 of 1975, as amended.)

The DTDDA does not currently own any property in the Development Area. Should the DTDDA lease, purchase or convey property or all or a portion of the development in the future, the DTDDA would utilize those procedures established by the Ypsilanti City Council for the bidding, leasing, purchasing, or conveying of any development. These procedures are described in Chapter 2, Article VI of the Ypsilanti City Code.

14. ESTIMATES OF THE NUMBER OF PERSONS RESIDING IN THE DEVELOPMENT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED.

(Section 17(2) of P.A. 197 of 1975, as amended.)

It is estimated that approximately 289 people reside in the Development Area. No families or individuals are to be displaced and the DTDDA designates no occupied residences for acquisition or clearance.

- 15. PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA; PROVISION FOR COSTS OF RELOCATION DISPLACED PERSONS; PLAN FOR COMPLIANCE WITH ACT NO. 227 OF 1972 OF MICHIGAN COMPILED LAWS.**
(Section 17(2) of P.A. 197 of 1975, as amended.)

Not applicable.

**WEST CROSS STREET
DEVELOPMENT AREA**

TAX INCREMENT FINANCING PLAN

WEST CROSS STREET DEVELOPMENT AREA TAX INCREMENT FINANCING PLAN

1. EXPLANATION OF THE TAX INCREMENT PROCEDURE

(Section 14(2) of P.A. 197 of 1975, as amended.)

As provided for in P.A. 197 of 1975, as amended, tax increment financing (TIF) is a financing tool for the redevelopment of downtown business districts in which a Development Authority has been established. The TIF concept provides that tax dollars generated from new private property development and improvements within a designated tax increment district or development area can be “captured” by the Authority. These funds can be utilized by the Authority to finance public improvements within the TIF District or Development Area, which further supports and encourages continued private investment within the area. This is the process that the DTDDA intends to utilize to finance the proposed public improvements within the West Cross Street Development Area.

To utilize TIF revenues, the DTDDA must prepare and submit to the City governing body a TIF and Development Plan that the City Council must approve by ordinance. Following the adoption of the ordinance, municipal and county treasurers must, according to the Act, transfer to the DTDDA that portion of the tax levy of all taxing bodies paid each year on real and personal property in the development area on the captured assessed value, including that portion of a 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. Such funds transmitted are termed “tax increment revenues.”

“Captured assessed value” is defined in the Act as the amount, in any one year, by which the current assessed value in the development area exceeds the initial assessed value. The 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 TIF and Development Plan is approved. The Authority may not capture tax revenues from State, local and intermediate school district tax levies.

Increases in assessed values within a development area that result in the generation of TIF revenues can be generated by any of the following actions:

- Construction of new developments occurring after the date establishing the “initial assessed value”.
- Construction of new rehabilitation, remodeling alterations, or additions accruing after the date establishing the “initial assessed value”.
- Increases in property values that occur for any other reason.

TIF revenues transmitted to the DTDDA can be used as they accrue annually, can be held to accumulate amounts necessary to make the improvements described in this Plan, or can be pledged for debt service on general obligation tax increment bonds issued by the municipality.

For this plan, the initial assessed value is the 2002 assessed value of all real and personal property in the development area as set on December 31, 2001, and equalized by the State of Michigan in May 2002. Attachment C includes a list of properties in the Development Area along with the 2002 assessed valuations for each property.

The DTDDA may expend TIF revenues only in accordance with this TIF and Development Plan; surplus revenues revert proportionately to the respective taxing jurisdictions. The TIF and Development Plan may be modified upon approval of the City Council after proper public notification and hearings as required by Public Act 197, as amended. When the City Council finds that the purposes for which the Plan was established have been accomplished, the City Council may abolish the Plan.

2. MAXIMUM AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED.

(Section 14(1) of P.A. 197 of 1975, as amended.)

The maximum amount of bonded indebtedness to be incurred under this Development Plan is \$1,602,428, sufficient to pay the estimated costs of the development undertaken by the DTDDA and the City of Ypsilanti, plus any associated costs of engineers, architects, attorneys, bond printing costs, costs of publication of required notice, and other financing costs.

3. DURATION OF THE PROGRAM.

(Section 14(1) of P.A. 197 of 1975, as amended.)

The duration of this TIF and Development Plan is 25 years, commencing upon its adoption by the City Council in May 2003 and ending December 31, 2028.

4. STATEMENT OF THE ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON ALL TAXING JURISDICTIONS.

(Section 14(1) of P.A. 197 of 1975, as amended.)

Adoption of this TIF and Development Plan will initially result in the use of all revenues derived from increases in assessed value of the real and personal property of the West Cross Street Development Area for purposes of the Development Plan. Table 1 demonstrates the anticipated capture of revenues by the DTDDA on each taxing jurisdiction.

The DTDDA proposes to strengthen the West Cross Street Development Area and district and to arrest the current stagnation and deterioration in property values. This is to be accomplished by using the additional tax revenues

generated in the Development Area to make public improvements and induce private redevelopment.

As provided for by Act 197, tax revenues generated from within the Development Area prior to the adoption of this TIF and Development Plan will continue to be distributed to all taxing jurisdictions during the duration of this Plan. It is anticipated that the public improvements proposed for the Development Area and the private improvements they induce will provide long-term stability and growth in the West Cross Street district. This will greatly benefit all taxing jurisdictions that to a significant degree are dependent upon the well being of the West Cross Street district for stability and growth. This benefit will result from increases in property valuations surrounding the Development Area; increases in property valuations in the Development Area at the time the TIF and Development Plan is completed; and increases in property valuation throughout the entire community.

Several of the taxing units within the Development Area levy additional millage to pay the debt service on voted debt. The DTDDA will not capture and use the TIF revenues derived from the debt millage levied on captured assessed value. The estimated impact on taxing jurisdictions is based on the 2002 millage rates and is shown below on Table 1 for the 25-year period of this plan.

**TABLE 1
DEPOT TOWN DOWNTOWN DEVELOPMENT AUTHORITY
WEST CROSS STREET DEVELOPMENT AREA
IMPACT ON TAXING JURISDICTIONS**

Fiscal Year Ended	Captured Assessed Valuation	City of Ypsilanti	Washtenaw Community College	Ypsilanti District Library	Huron-Clinton Metropolitan Authority	Washtenaw County	Washtenaw Intermediate School District	0.00 mills	0.00 mills	0.00 mills	Total Estimated Captured Revenue
6-30-	Valuation	23.6603 mills	3.4559 mills	1.5337 mills	0.2186 mills	5.4586 mills	0.00 mills	0.00 mills	0.00 mills	34.3271 mills	
2003	0	0	0	0	0	0	0	0	0	0	0
2004	111,561	2,640	386	171	24	609	0	0	0	0	3,830
2005	226,469	5,358	783	347	50	1,236	0	0	0	0	7,774
2006	344,825	8,159	1,192	529	75	1,882	0	0	0	0	11,837
2007	466,731	11,043	1,613	716	102	2,548	0	0	0	0	16,022
2008	592,294	14,014	2,047	908	129	3,233	0	0	0	0	20,332
2009	721,624	17,074	2,494	1,107	158	3,939	0	0	0	0	24,771
2010	854,834	20,226	2,954	1,311	187	4,666	0	0	0	0	29,344
2011	992,041	23,472	3,428	1,521	217	5,415	0	0	0	0	34,054
2012	1,133,363	26,816	3,917	1,738	248	6,187	0	0	0	0	38,905
2013	1,278,925	30,260	4,420	1,961	280	6,981	0	0	0	0	43,902
2014	1,428,854	33,807	4,938	2,191	312	7,800	0	0	0	0	49,048
2015	1,583,281	37,461	5,472	2,428	346	8,642	0	0	0	0	54,349
2016	1,742,341	41,224	6,021	2,672	381	9,511	0	0	0	0	59,810
2017	1,906,173	45,101	6,588	2,923	417	10,405	0	0	0	0	65,433
2018	2,074,919	49,093	7,171	3,182	454	11,326	0	0	0	0	71,226
2019	2,248,728	53,206	7,771	3,449	492	12,275	0	0	0	0	77,192
2020	2,427,751	57,441	8,390	3,723	531	13,252	0	0	0	0	83,338
2021	2,612,145	61,804	9,027	4,006	571	14,259	0	0	0	0	89,667

2022	2,802,070	66,298	9,684	4,298	613	15,295	0	0	0	96,187
2023	2,997,694	70,926	10,360	4,598	655	16,363	0	0	0	102,902
2024	3,199,186	75,694	11,056	4,907	699	17,463	0	0	0	109,819
2025	3,406,723	80,604	11,773	5,225	745	18,596	0	0	0	116,943
2026	3,620,486	85,662	12,512	5,553	791	19,763	0	0	0	124,281
2027	3,840,662	90,871	13,273	5,890	840	20,965	0	0	0	131,839
2028	4,067,443	96,237	14,057	6,238	889	22,203	0	0	0	139,624
Totals		\$1,104,489	\$161,325	\$71,595	\$10,204	\$254,814	\$0	\$0	\$0	\$1,602,428

SOURCE: Stauder Barch Associates, Inc., January 2003.

Projected over the duration of this Plan, the average annual potential taxes captured by the DTDDA from each taxing jurisdiction would be as follows:

TAXING JURISDICTION	ESTIMATED ANNUAL AVERAGE TAXES PROJECTED FOR DTDDA CAPTURE
City of Ypsilanti	\$44,180
School District	\$0
Washtenaw County	\$10,193
Community College	\$6,453
Intermediate School District	\$0
State School Education	\$0
Ypsilanti District Library	\$2,864
Huron Clinton Metropolitan Authority	\$408

These calculations have been based on the 2002 millage rates as shown in Table 2 below.

**TABLE 2
CITY OF YPSILANTI 2002 MILLAGE RATES**

	Operating or Charter	Voted Debt	Total Millage	Millage Subject to Capture
City				
Operating	19.0109		19.0109	19.01
Sanitation	2.8332		2.8332	2.83
Police/Fire Pension	1.8162		1.8162	1.82
Debt		3.7482	3.7482	0.00
Sub-total City	23.6603	3.7482	27.4085	23.6603
Ypsilanti DDA	1.8885		1.8885	
District Library	1.5337	0.8600	2.3937	1.53
<u>Washtenaw County</u>				
County Operating	4.7174		4.7174	4.72
County Parks	0.7400		0.7400	0.74
Drain Assessment	0.0012		0.0012	0.00
HCMA	0.2186		0.2186	0.22

Community College	3.4559	0.4000	3.8559	3.46
Sub-Total Millages	36.2156	5.0082	41.2238	34.3271
School Millages				
Ypsilanti Operating	17.7018		17.7018	
Ypsilanti Debt		7.0000	7.0000	0.00
Washtenaw ISD	3.0738		3.0738	0.00
State Education Tax	6.0000		6.0000	0.00
Sub Total School Millage	26.7756	7.0000	33.7756	0.0000
Total All Millage	62.9912	12.0082	74.9994	34.3271
Homestead	45.2894	12.0082	57.2976	
Non-Homestead	62.9912	12.0082	74.9994	

SOURCE: City of Ypsilanti Treasurer's Office, January 2003.

It should be emphasized that at the expiration of this TIF and Development 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.

5. **PLAN FOR THE EXPENDITURE OF CAPTURED ASSESSED VALUATION BY THE DTDDA.**

(Section 14(1) of P.A. 197 of 1975, as amended.)

A. Estimate of Tax Increment Revenues

The DTDDA estimates that it will receive an average of \$64,097 in TIF revenues each year during the duration of this plan for a total estimated TIF revenue capture of \$1,602,428 between 2003 and 2028. This is based on a growth rate of 3 percent each year in property valuations. However, this ranges from a total of \$3,830 in the first year of collections to a total of \$139,624 in the final year of capture in 2028.

The DTDDA anticipates that additional increases in the assessed valuations for the development area will result from other rehabilitation, property transfers, appreciation, and inflation. These increases are beyond those projected in this plan, but if such increases result, TIF revenues will be spent according this plan in order to accelerate the implementation of the proposed public improvement program outlined in this Plan. Table 3 provides the projected TIF revenues for the West Cross Street Development Area from 2003 through 2028.

**TABLE 3
DEPOT TOWN DOWNTOWN DEVELOPMENT AUTHORITY
WEST CROSS STREET DEVELOPMENT AREA
SCHEDULE OF PROJECTED TAX INCREMENT REVENUES**

PROJECTED TAX INCREMENT REVENUES								
Fiscal Year Ended	Projected DDA Property Valuation				Projected Captured Assessed Valuation	Captured Local Revenue @ 34.3271 Mills	Captured School Revenue @ 0.0000 Mills	Total Projected Capture Revenue
	Anticipated New Construction	Current Assessed Value	Growth Rate	Initial Assessed Valuation				
2003		\$3,718,710		\$3,718,710	\$0	\$0	\$0	\$0
2004		3,830,271	3.00%	3,718,710	111,561	3,830	0	3,830
2005		3,945,179	3.00%	3,718,710	226,469	7,774	0	7,774
2006		4,063,535	3.00%	3,718,710	344,825	11,837	0	11,837
2007		4,185,441	3.00%	3,718,710	466,731	16,022	0	16,022
2008		4,311,004	3.00%	3,718,710	592,294	20,332	0	20,332
2009		4,440,334	3.00%	3,718,710	721,624	24,771	0	24,771
2010		4,573,544	3.00%	3,718,710	854,834	29,344	0	29,344
2011		4,710,751	3.00%	3,718,710	992,041	34,054	0	34,054
2012		4,852,073	3.00%	3,718,710	1,133,363	38,905	0	38,905
2013		4,997,635	3.00%	3,718,710	1,278,925	43,902	0	43,902
2014		5,147,564	3.00%	3,718,710	1,428,854	49,048	0	49,048
2015		5,301,991	3.00%	3,718,710	1,583,281	54,349	0	54,349
2016		5,461,051	3.00%	3,718,710	1,742,341	59,810	0	59,810
2017		5,624,883	3.00%	3,718,710	1,906,173	65,433	0	65,433
2018		5,793,629	3.00%	3,718,710	2,074,919	71,226	0	71,226
2019		5,967,438	3.00%	3,718,710	2,248,728	77,192	0	77,192
2020		6,146,461	3.00%	3,718,710	2,427,751	83,338	0	83,338
2021		6,330,855	3.00%	3,718,710	2,612,145	89,667	0	89,667
2022		6,520,780	3.00%	3,718,710	2,802,070	96,187	0	96,187
2023		6,716,404	3.00%	3,718,710	2,997,694	102,902	0	102,902
2024		6,917,896	3.00%	3,718,710	3,199,186	109,819	0	109,819
2025		7,125,433	3.00%	3,718,710	3,406,723	116,943	0	116,943
2026		7,339,196	3.00%	3,718,710	3,620,486	124,281	0	124,281
2027		7,559,372	3.00%	3,718,710	3,840,662	131,839	0	131,839
2028		7,786,153	3.00%	3,718,710	4,067,443	139,624	0	139,624
	<u>\$0</u>					<u>\$1,602,428</u>	<u>\$0</u>	<u>\$1,602,428</u>

The DDA expires after the 2027 tax levy.

SOURCE: Prepared by Stauder Barch Associates, Inc., January 2003.

B. Expenditure of Tax Increment Revenues

Table 4 provides a description of the DTDDA's anticipated program and schedule for the expenditure of revenues to accomplish the proposed public improvements for the West Cross Street Development Area.

**TABLE 4
DEPOT TOWN DOWNTOWN DEVELOPMENT AUTHORITY
WEST CROSS STREET DEVELOPMENT AREA
EXPENDITURE OF TAX INCREMENT REVENUES**

Priority	Project Description	Estimated Cost	Estimated DTDDA TIF Contribution	Phasing
1	On-Street Parking Improvements <i>(Normal to N. Huron Street)</i> <i>Striping, signage, other related public transportation improvements for addition of on-street parking.</i>	\$50,000	\$25,000	2004 to 2008
2	Streetscape Design Improvements for Commercial District <i>(Normal to Ballard Street)</i> <i>Lighting, sidewalks, landscaping, street trees, benches, trash receptacles, dumpster enclosures, signage, parking, bike racks, and other public streetscape design and transportation/pedestrian features.</i>	\$1,744,400	\$800,000	2004 to 2013
3	Streetscape Design Improvements for Depot Town Connection <i>(Ballard to N. Huron Street)</i> <i>Lighting, sidewalks, landscaping, street trees, benches, trash receptacles, dumpster enclosures, signage, parking, bike racks, and other public streetscape design and transportation/pedestrian features.</i>	\$590,625	\$400,000	2004 to 2013
4	Pedestrian Crossing Improvements <i>(Cross/N. Huron, Cross/Perrin, and other key locations)</i> <i>Paving, striping, lighting, signage and other related public transportation and pedestrian improvements.</i>	\$227,610	\$150,000	2004 to 2013
5	Depot Town Gateway Entrance <i>(On E. Cross at N. Huron Street)</i> <i>Landscaped/paved median island at gateway entrance to Depot Town District. Intended as partnership project with main Depot Town DDA Development Area.</i>	\$451,240	\$100,000	2014 to 2028
6	Repair/Maintain/Upgrade Streetscape and other Public Facility Improvements/Areas <i>(Throughout Development Area)</i>	\$125,000	\$125,000	2004 to 2028

The projected costs noted do not include fees for design, engineering, or other professional services and additional detailed design work will be necessary to finalize both the scope and costs of projects. As noted previously, the total projected costs exceed the projected TIF revenues for the Development Area. It is the DTDDA's intention to partner with the City of Ypsilanti and other resources to pursue additional funding sources including federal and state grant or loan programs, private foundations, and other partnerships to fully implement the proposed development program. Table 4 outlines both the total projected project costs as well as the anticipated DTDDA contributions from TIF revenues. These cost estimates and project phases are provided for general planning purposes. The DTDDA may alter the project priorities and scopes to best utilize available funds, within the parameters of this TIF and Development Plan, while satisfying public goals for improvement and revitalization of the Development Area.