

Y P S I L A N T I



**D O W N T O W N
D E V E L O P M E N T
A U T H O R I T Y**

**WATER STREET DEVELOPMENT AREA
DEVELOPMENT PLAN AND
TAX INCREMENT FINANCING PLAN**

Approved by the Ypsilanti Downtown Development Authority on January 18, 2001 for submittal to the City Council of the City of Ypsilanti.

Approved by the City Council of the City of Ypsilanti on _____, 2001, subsequent to a public hearing held on _____, 2001.

ACKNOWLEDGEMENTS

CITY COUNCIL

Mayor Cheryl Farmer
Mayor Pro-Tem Trudy Swanson
John Gawlas
Barry LaRue
William Nickels
Lois Richardson
Sandie Schulze

DOWNTOWN DEVELOPMENT AUTHORITY

James Nelson, Chairperson
James Campbell
Mayor Cheryl Farmer
Anna Heater
William Kinley
Ed McEachern
Steve Pierce
Eric Williams

Jennifer Goulet, Director

CITY OF YPSILANTI

Ed Koryzno, Jr., City Manager
Megan Gibb, Director – Community and Economic Development Department

TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENTS	2
TABLE OF CONTENTS	3
LIST OF MAPS	4
LIST OF TABLES	4
INTRODUCTION	5
DEVELOPMENT PLAN	7
Introduction	8
Designation of Boundaries	8
Location and Extent of Existing Public and Private Facilities	12
Existing Improvements in the Development Area to be Altered	19
Location, Extent, Character, Time, and Cost of Estimated Improvements	20
Stages of Construction and Estimated Time of Each Stage	22
Parts of Development to be Left as Open Space	23
Portions of Development Area to be Sold, Leased, or Conveyed	24
Proposed Changes in Zoning, Streets, Street Levels, Intersections, and Utilities	24
Estimated Cost of Development and Ability to Arrange Financing	25
Designation of Person(s) to Whom Portions of Development will be Conveyed	29
Procedures for Conveying or Leasing Portions of Development	29
Estimated Number of Persons Residing in the Development Area	30
Plan for Establishing Priority for Relocation of Displaced in Development	30
Provision for Costs of Relocating Displaced	30
Plan for Compliance with Act 227 of 1972 as Amended	31
TAX INCREMENT FINANCING PLAN	32
Introduction	33
Tax Increment Procedure	33
Maximum Indebtedness and Duration of Plan	36
Impact on Taxing Jurisdictions	36

LIST OF MAPS

Map 1:	DDA District Boundary	10
Map 2:	Water Street Development Area Boundary	11
Map 3:	Existing Streets and Public Facilities	15
Map 4:	Water Street Development Area: Current Land Uses	16
Map 5:	Water Street Development Area: Proposed Land Uses	17
Map 6:	Water Street Development Area: Concept Plan	18

LIST OF TABLES

Table 1:	Project Description	21
Table 2:	Anticipated Tax Increment Revenues	27
Table 3:	Initial Assessed Value	35
Table 4:	Impact on Taxing Jurisdictions	38
Table 5:	2000 Millage Rates for Water Street Development Area	39

INTRODUCTION

The Ypsilanti Downtown Development Authority (the "DDA") was established by Ordinance No. 472 adopted by the Ypsilanti City Council on March 1, 1976. As authorized by P.A. 197 of 1975 as amended (the "Act"), a DDA District was defined and a Board appointed to carry out the purposes of the enabling legislation. After assisting with the construction of an initial streetscape project, the Washington Promenade, the DDA became inactive in 1979. In the fall of 1980, interest was rekindled and the DDA Board began the process of establishing goals and preparing a Master Development Study. The Master Development Study, prepared by City staff, was completed in June 1981, and proposed a development program to meet identified needs and goals. In March of 1981 the City Council authorized the DDA to levy two mills on real and personal property in the DDA District as authorized by the Act to be used for operating expenses.

In the fall of 1982, the DDA received a proposal for the development of a commercial center within the DDA District. Spurred by this opportunity, the DDA Board decided to move ahead with the preparation of a Tax Increment Financing and Development Plan (the "Original Plan") to provide assistance to this project and to undertake other public improvements within the downtown. In the Fall of 1984 and again in the Spring of 1993, the DDA Board decided to amend the Original Plan to extend its term and to support additional projects of the same nature as the projects listed in the Original Plan. The Amended and Restated Tax Increment Financing and Development Plan for the Downtown Development Area was approved by the City Council in June of 1993. The most visible project identified in this document that has been completed, is Phase I of planned streetscape improvements in the Downtown Development Area.

In August of 1995, the City Council amended the boundaries of the Downtown Development Authority District. This amendment altered the DDA district boundaries to include the Gilbert House and Chidester Place, two assisted living facilities that are the southernmost properties included in the DDA district.

In 2000, the City Council expanded the boundaries of the Downtown Development Authority District to include land located southeast of the existing Downtown District referred to as the Water Street Development Area. The purpose of this Tax Increment Financing and Development Plan is to provide for the acquisition, construction and financing of the necessary street, sidewalk, streetscaping, recreational amenities, water, sewer and other facilities for the Water Street Development Area located in the Downtown District to carry out the objectives of the DDA so as to prevent further deterioration of the Development Area while preserving its historical character and promoting economic growth of the benefit of all taxing units located within and benefited by the Downtown District.

DEVELOPMENT

PLAN

This Development Plan contains the information required by Section 17(2) of Act 197 of 1975 as amended. Record of action on this plan is available from the City Clerk.

INTRODUCTION

This portion of the document specifically describes the existing conditions and improvements, identifies the anticipated improvements and alterations to halt deterioration in the development area, and discusses some of the mechanisms to accomplish the development goals.

DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO HIGHWAYS, STREETS, STREAMS OR OTHERWISE (Section 17 (2) (a) of P.A. 197 of 1975 as amended).

The boundaries of the Ypsilanti Downtown Development Authority District are shown on Map 1. The District is bounded generally by Pearl Street to the north, Ferris and Catherine Streets to the south, Park Street to the east, and the Michigan Avenue-Congress Street intersection on the west. A large portion of the area is within a designated Historic District.

The existing Development Area was approved by the City Council on June 28, 1993. This document was an amendment to the original Development Plan adopted in 1984.

This document proposes a second development plan encompassed within the Downtown Development Authority Boundaries and referred to in this document as the "Water Street Development Area." The Water Street Development Area includes that property located within a boundary described as:

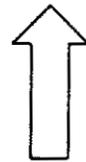
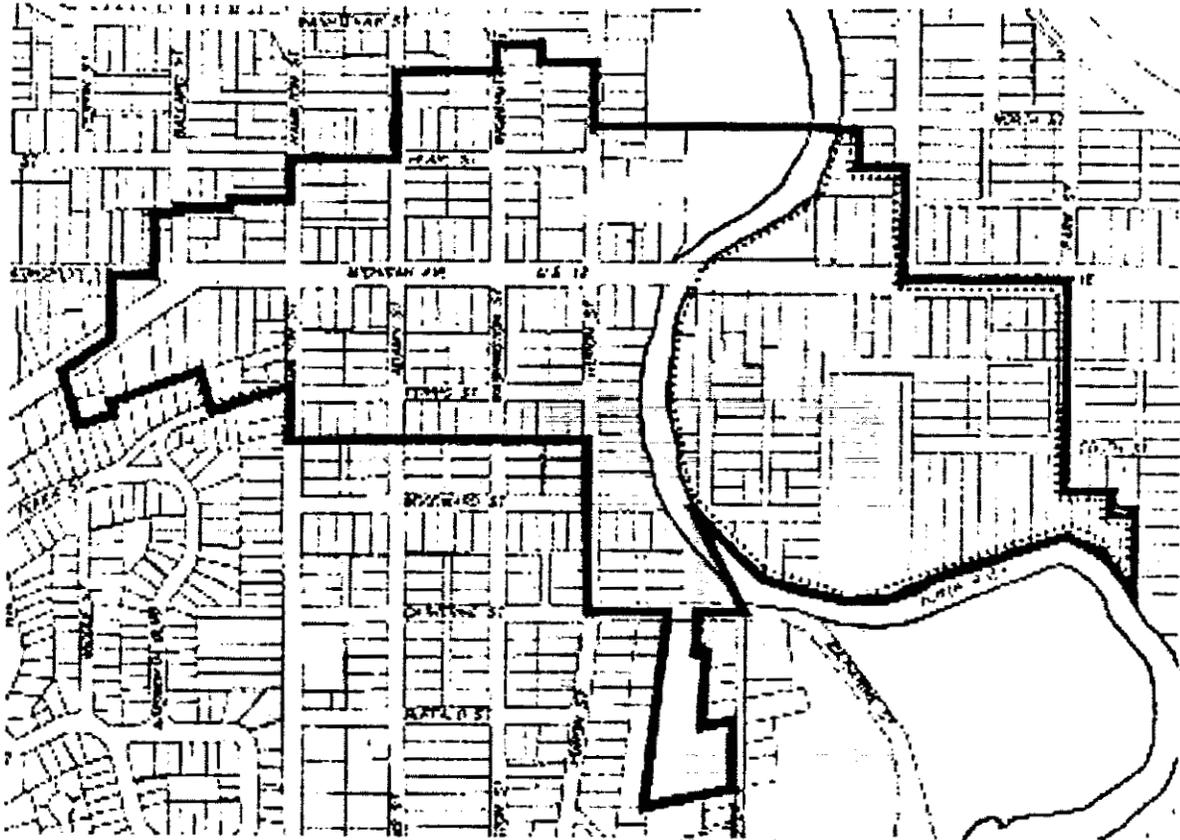
Commencing at a point at the intersection of the east bank of the Huron River and the centerline of North Street; thence east along the centerline of North Street to the intersection of the centerline of North River Street excluding the east 147.5' of Lots 186 and 187 Original Town; thence south along the centerline of North River Street to the intersection of the centerline of Michigan Avenue; thence east along the centerline of Michigan Avenue to the intersection of the eastern line of Park Street; thence south along the eastern line of Park Street to the intersection of the south line of South Street; thence east along the south line of South Street to the intersection of the east line of Lot 237 Original Plat excluding the north 132' of Lots 234 and 235 Original Plat, and also excluding the north 239' of Lots 236 and 237 Original Plat; thence south along the east line of Lot 237 Original Plat to the intersection of the north bank of the Huron River; thence

west along the north bank of the Huron River and following the same bank of the Huron River North to the point of beginning.

The Water Street Development Area is further described on Map 2. All areas of the proposed Water Street Development Area are located within the boundaries of the Development District.

MAP #2

WATER STREET DEVELOPMENT BOUNDARY



————— Ypsilanti Downtown Development Authority District

••••• Ypsilanti Downtown Development Authority District

Map Revision 1/12/01

LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES WITHIN THE DEVELOPMENT AREA, LOCATION, CHARACTER AND EXTENT OF CATEGORIES OF PUBLIC AND PRIVATE LAND USES EXISTING AND PROPOSED FOR THE DEVELOPMENT AREA, INCLUDING LEGAL DESCRIPTION OF THE DEVELOPMENT AREA (Section 17 (2) (b) of P.A. 197 of 1975 as amended).

A. Existing Streets and Public Facilities

Existing streets and public facilities in the Water Street Development Area are shown on Map 3. Public streets in the Development Area include all or portions of the following public streets: Michigan Avenue (U.S. 12), River Street, Water Street, Parsons Street, South Street, and Park Street.

Other public facilities in the Development Area include: Gilbert Park and River's Edge Park.

B. Land Uses

A summary of existing land uses in the Water Street Development Area is provided on Map 4.

(1) Residential

There are four (4) residential structures in the Water Street Development Area. All of the residential structures are privately owned and are single-family houses. Two commercial buildings also include one (1) residential apartment each.

(2) Commercial

Commercial development is the major land use in the Water Street Development Area. The commercial core of the Water Street Development Area includes those properties addressed to Michigan Avenue between the Huron River and River Street, in addition to those properties addressed to Michigan Avenue on the south side of Michigan Avenue between River and Park Streets.

(3) Manufacturing/Industrial

The manufacturing/industrial land uses in the Water Street Development Area are principally located in the interior of the Development Area. There are approximately six (6) industrial/manufacturing properties in the Water Street Development Area.

(4) Recreational Uses

Gilbert Park and River's Edge Park are passive recreational lands in the Water Street Development Area that are owned by the City of Ypsilanti.

(5) Quasi-Public Uses

High Scope is an Educational Foundation that utilizes one building in the Water Street Development Area as a publishing warehouse. Although this is an organization with widespread impact, no direct public access to this facility is encouraged.

(6) Vacant Land

There are approximately six (6) vacant parcels of land in the Water Street Development Area. Additionally, there are approximately three (3) vacant structures in the Water Street Development Area.

C. Legal Description

The Water Street Redevelopment Area is described as follows:

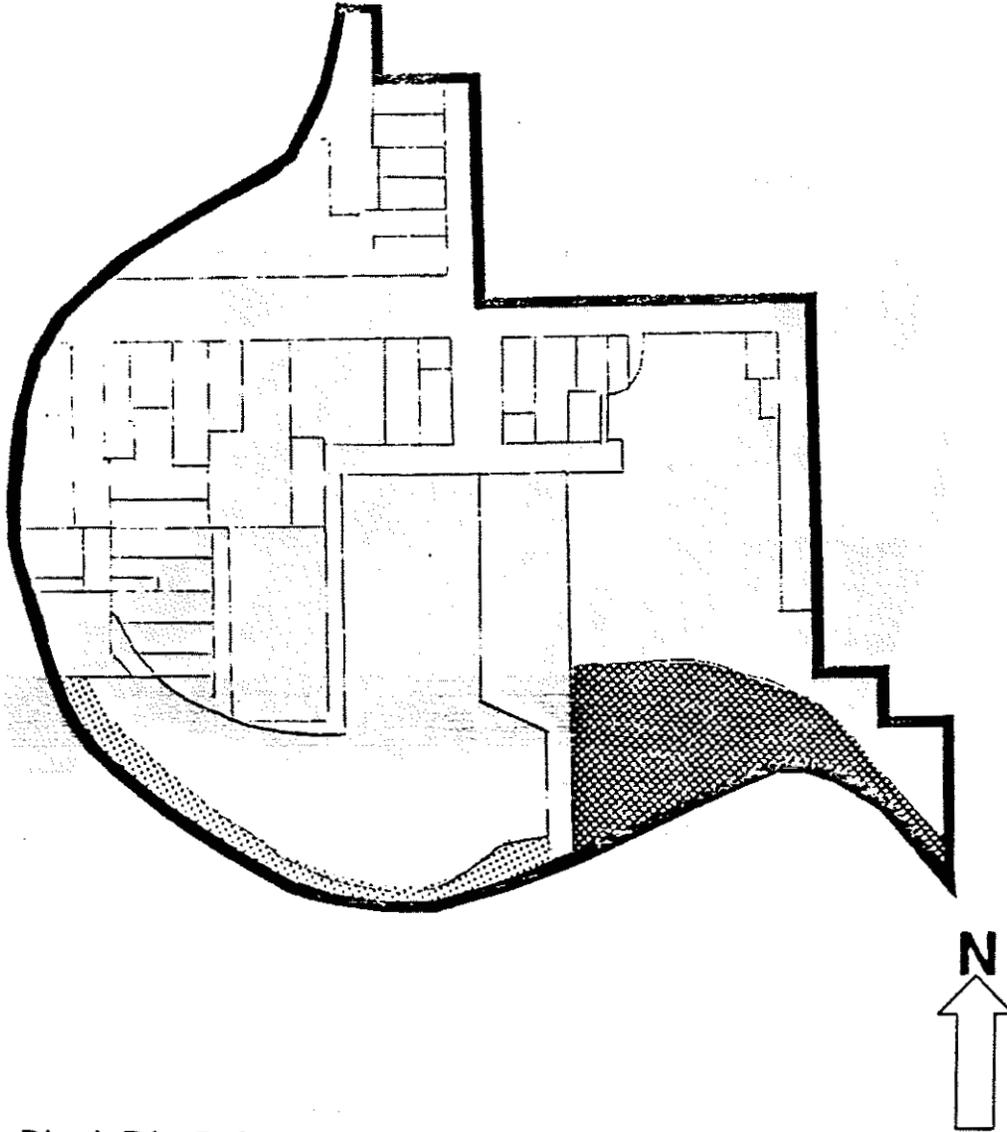
Commencing at a point at the intersection of the east bank of the Huron River and the centerline of North Street; thence east along the centerline of North Street to the intersection of the centerline of North River Street excluding the east 147.5' of Lots 186 and 187 Original Town; thence south along the centerline of North River Street to the intersection of the centerline of Michigan Avenue; thence east along the centerline of Michigan Avenue to the intersection of the eastern line of Park Street; thence south along the eastern line of Park Street to the intersection of the south line of South Street; thence east along the south line of South Street to the intersection of the east line of Lot 237 Original Plat excluding the north 132' of Lots 234 and 235 Original Plat, and also excluding the north 239' of Lots 236 and 237 Original Plat; thence south along the east line of Lot 237 Original Plat to the intersection of the north bank of the Huron River; thence west along the north bank of the Huron River and following the same bank of the Huron River North to the point of beginning.

D. Proposed Land Use

Proposed land use for the Water Street Development Area is shown on Map 5. Such uses are different from the existing land uses both in type of use and location. It is the goal of the Downtown Development Authority to encourage the redevelopment of the Water Street Development Area as identified in this document. The concept plan shown on Map 6 is used to illustrate the character of the development, but does not necessarily reflect the final development design.

MAP #3

EXISTING STREETS AND
PUBLIC FACILITIES



River's Edge Park

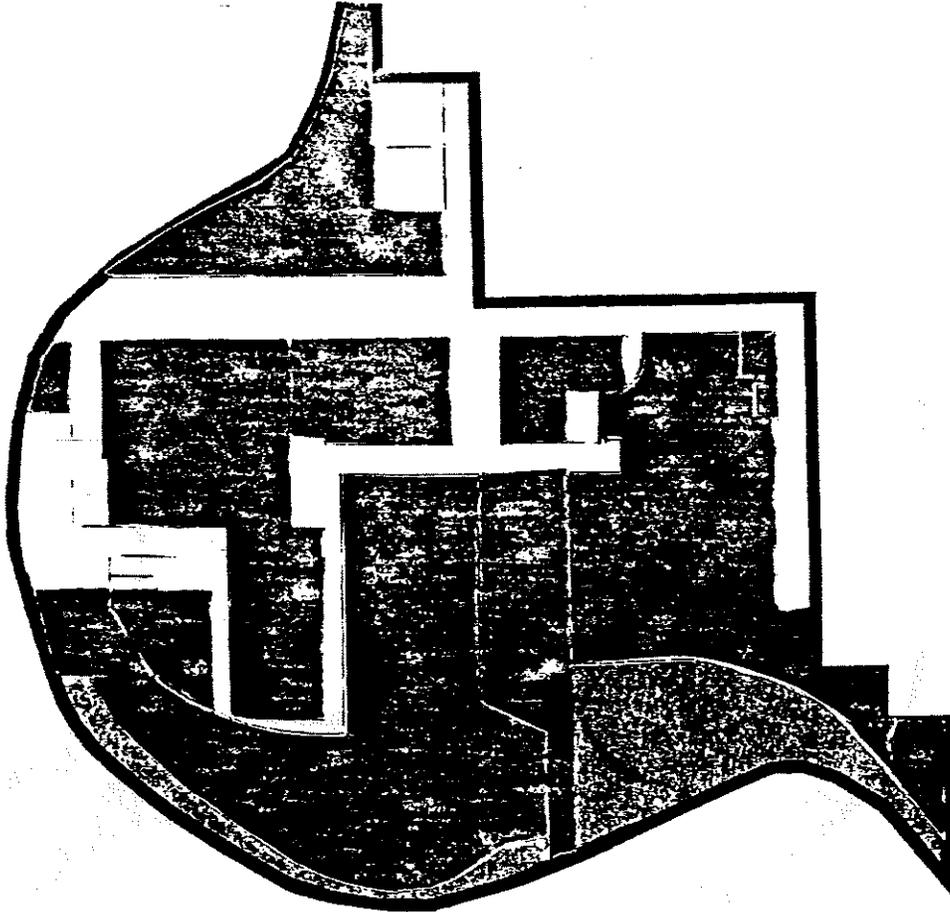


Gilbert Park

 Ypsilanti Downtown Development Authority District

MAP #4

EXISTING LAND USES



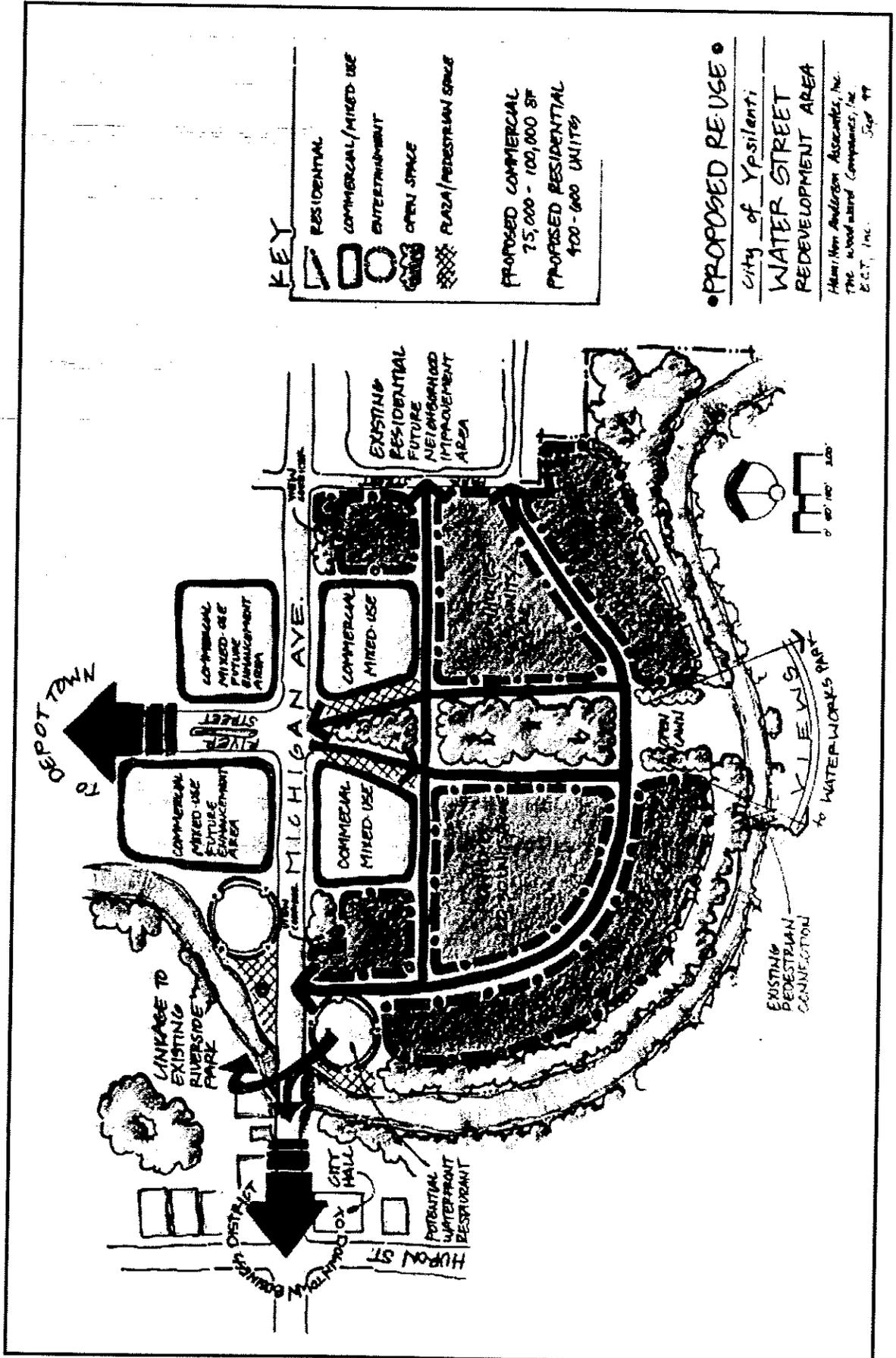
- | | | |
|--|---|---|
|  Commercial |  Industrial |  Institutional |
|  Public |  Residential |  Vacant |

 Water Street Development Boundary

Revision date: 1/12/01

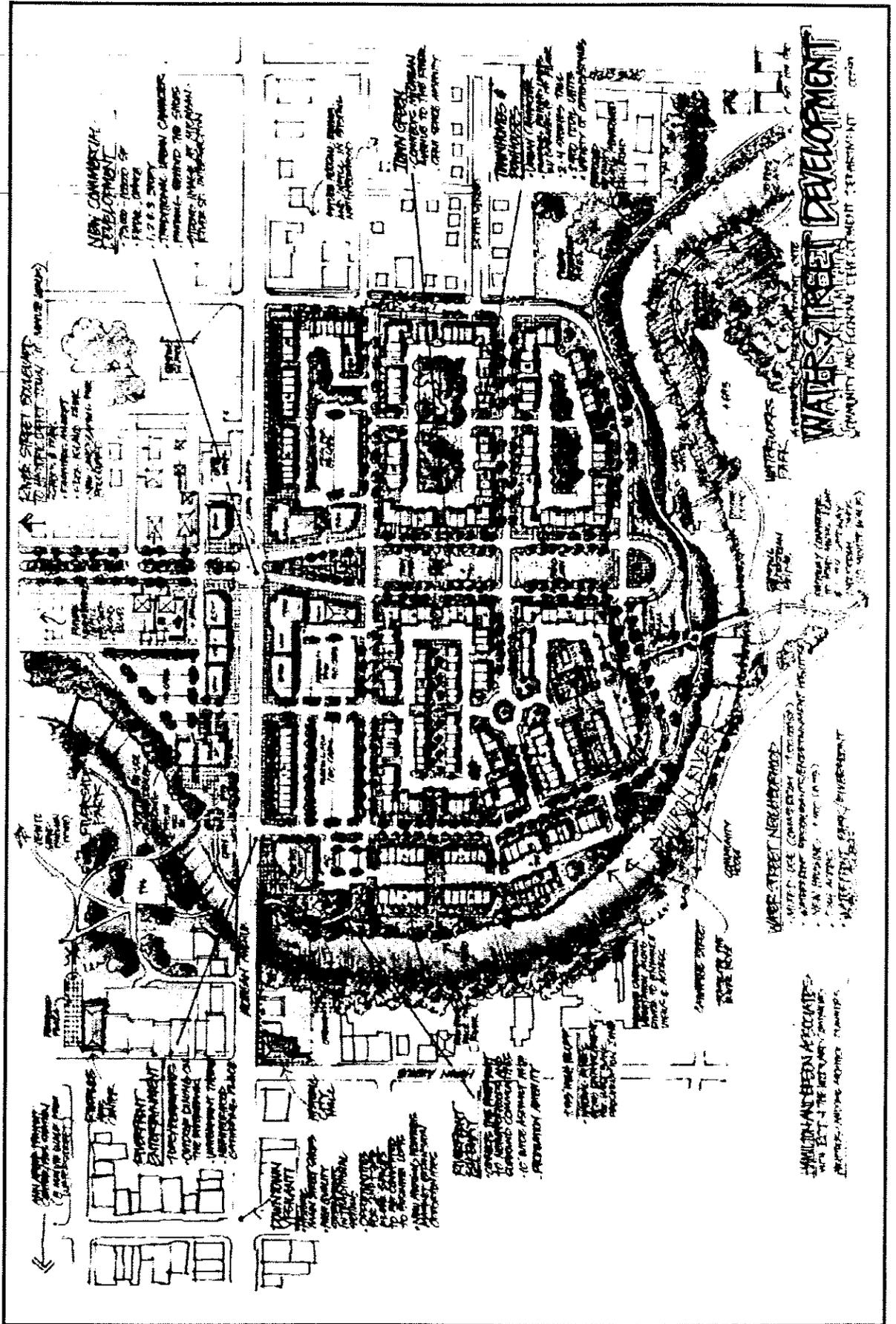
MAP 5

PROPOSED LAND USE



MAP 6

WATER STREET CONCEPT PLAN



DESCRIPTION OF EXISTING IMPROVEMENTS TO BE DEMOLISHED, REPAIRED OR ALTERED, INCLUDING DESCRIPTION OF REPAIRS AND ALTERATIONS, AND ESTIMATE OF THE TIME REQUIRED FOR COMPLETION (Section 17 (2) (c) of P.A. 197 of 1975 as amended).

It is anticipated that the entire Water Street Project Area will be redeveloped. This will include the demolition of the majority or all of the existing structures and facilities, and construction of new improvements that reflect the desired character of the area. It is anticipated that all portions of the Water Street Development Area South of Michigan Avenue will be demolished and reconstructed utilizing the guidelines set forth in the Water Street Development Strategy, a document on file with the Community and Economic Development Department of the City of Ypsilanti.

Reconstruction of the area will include public and private improvements. Public improvements may consist of, but not be limited to the provision of a linear park along the north bank of the Huron River, the extension of River Street in a boulevard configuration, the provision of adequate utilities to serve the development area, and the construction of other portions of the project area that are determined to be in the public interest to construct.

Private improvements will include the development of residential and commercial structures, and the provision of any necessary, non-public infrastructure associated with this development. In addition, it is anticipated that the public/private partnership utilized south of Michigan Avenue will result in the redevelopment of those properties north of Michigan Avenue in the Water Street Development Area.

It is anticipated that the demolition of existing improvements will be completed within 3 years of the adoption of this plan.

LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF IMPROVEMENTS AND ESTIMATED TIME FOR COMPLETION (Section 17 (2) (d) of P.A. 197 of 1975 as amended).

Map 6 describes the anticipated location of the Water Street Redevelopment Project. It is anticipated that the new development will feature commercial spaces mixed with upper level residential and/or office units on Michigan Avenue that complement the existing downtown commercial district to the west. It is anticipated that the interior of the Water Street Redevelopment Area will be residential in nature, with a clear emphasis on owner-occupied multiple family residential development. The initial focus of the Water Street Development Area will be the completion of improvements south of Michigan Avenue. Although Map 6 does not represent the final development plan, improvements of the area will generally reflect the concept described.

A principal goal of the redevelopment of the Water Street Area will be to continue the City of Ypsilanti Huron River Parks Corridor system. This will be accomplished through the creation of a linear park with non-motorized pathways along the River from Michigan Avenue to Water Works Park to the south.

Generally the extent of development will include the demolition of the existing structures, the reconfiguration of the lots into appropriate configurations, and the provision of appropriate infrastructure to accommodate the new development.

The development will generally be urban in character. Emphasis will be placed on the pedestrian experience along with the clear delineation of public and private spaces. The residential development will be focused toward owner-occupied, multiple-family housing at urban density levels. The commercial component will be configured to provide for mixed uses including entertainment and residential facilities in addition to commercial spaces that complement the commercial building stock available in the existing downtown business district.

A principle public role in this project will be land acquisition and preparation for redevelopment. A variety of public improvements will also be constructed to provide amenities for the general public. In addition to the public linear park identified previously in this section, a variety of infrastructure projects will be undertaken by the DDA and the City of Ypsilanti. The construction of new roads, the provision of adequate utilities, and other improvements will be provided to the development area and the residents of the City of Ypsilanti.

It is anticipated that complete redevelopment of the project area will occur within 8 years and will cost an estimated \$97, 933,000. It is anticipated that of this total project cost, \$30,700,000 will be through DDA TIF Capture, \$63,155,000 of private investment, and \$4,078,000 from other public sources. A summary of projects with estimated costs is provided below in Table 1.

TABLE 1
PROJECT DESCRIPTION

Project	Projected Year	Estimated Cost*
Water Street Redevelopment Land Acquisition	2001	\$9,000,000
Relocation Assistance	2001	\$300,000
Demolition of Water Street Redevelopment Area	2002	\$2,200,000
Environmental Remediation of Water Street Redevelopment Area	2003	\$1,500,000
Infrastructure for Water Street Project	2003-2005	\$10,700,000
<i>New Street and Sidewalk</i>		\$3,600,000
<i>New Streetscape on Existing Streets</i>		\$1,200,000
<i>Public Lighting</i>		\$1,200,000
<i>Boulevard Treatment</i>		\$840,000
<i>Water Main</i>		\$960,000
<i>Sanitary Sewer</i>		\$1,320,000
<i>Storm Sewer</i>		\$1,080,000
<i>Landscaping/Street Trees</i>		\$500,000
Water Street Linear Park Development	2003-2010	\$2,000,000
Michigan Avenue Streetscape Improvements	2005-2006	\$4,000,000
Pedestrian connection to Riverside Park	2007-2008	\$1,000,000
	Total	\$30,700,000

*Funding for these projects may be in partnership with other public or private agencies.

STAGES OF CONSTRUCTION AND ESTIMATED TIME OF EACH STAGE (Section 17 (2) (e) of P.A. 197 of 1975 as amended).

It is anticipated that the development of the Water Street Redevelopment Area will occur as follows:

A. Land Acquisition

Public acquisition of land is anticipated for completion within one year of the adoption of development plan. It is anticipated that this stage will be completed in 2001.

B. Developer Solicitation

Within six (6) months of the completion of site preparation, it is anticipated that the City will complete a developer selection process. This process will involve the qualification and ultimate selection of the appropriate developer(s) to complete the project as described through the concept plan and other documents that describe the project.

C. Demolition/Site Preparation

Upon acquisition of the property it is anticipated that demolition will occur within one year of the completion of land acquisition. This will be undertaken publicly by the DDA or other public agencies with an anticipated completion in 2002.

D. Development Agreement

Within six (6) months of the selection of a developer, it is anticipated that the City will complete and execute a development agreement and conveyance of all or a portion of the property to the selected developer.

E. Commercial and Residential Unit Construction

Upon the execution of a development agreement the selected developer(s) will secure the necessary approvals and permits to construct new residential and commercial structures in the Water Street Project Area. The construction of these units will be primarily supported by private

sector investment. It is anticipated that construction of the residential and commercial components of the development will be completed by 2006.

F. Infrastructure Construction/Environmental Remediation

Within one (1) year of the execution of a development agreement, it is anticipated that the City will commence the construction of any infrastructure identified in a development agreement to be the responsibility of the City. At this time it is anticipated that any necessary environmental remediation will also be addressed. This work will be completed prior to, during, and on completion of the private sector investment as necessary.

G. Michigan Avenue Commercial

Within one (1) year of the commencement of development construction for that area South of Michigan Avenue, it is anticipated that private parties will begin the redevelopment of the those properties north of Michigan Avenue within the Water Street Development Area as described in Map 6. Public partnership will initially be focused to that area south of Michigan Avenue. The redevelopment north of Michigan Avenue may be augmented by public/private partnerships as identified in this document.

The City of Ypsilanti will lead all portions of the development process south of Michigan Avenue. The DDA will be a financing partner and act in a supportive role to the City of Ypsilanti. It is the intent of the City of Ypsilanti to convey the property to a private developer to complete the project.

PARTS OF DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND USE CONTEMPLATED FOR SUCH SPACE (Section 17(2) (f)).

It is anticipated that open space will be provided along the east bank of the Huron River along those portions of the Water Street Redevelopment Area that lie south of Michigan Avenue. As part of the infrastructure of any new development, attention shall be paid to the provision of open space through the creation of boulevards on the main north/south access roads and through

design guidelines for the treatment of public spaces. It is also anticipated that a public gathering plaza shall be a feature of a newly constructed Water Street Redevelopment Area.

PORTIONS OF THE DEVELOPMENT AREA WHICH THE DDA DESIRES TO SELL, DONATE, EXCHANGE OR LEASE TO OR FROM THE MUNICIPALITY AND PROPOSED TERMS (Section 17 (2) (g) of P.A. 197 of 1975 as amended).

The DDA desires to partner with the City of Ypsilanti in acquiring the necessary property to accomplish the redevelopment of Water Street. The purchase of any property for the purposes of Water Street will be donated to the City of Ypsilanti in order that it can be developed in conformance with the design guidelines established for the Water Street Redevelopment Project.

ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES (Section 17 (2) (h) of P.A. 197 of 1975 as amended).

To accommodate the proposed land use, zoning changes will be necessary in the Water Street Redevelopment Area. It is anticipated that the area will be rezoned to accommodate the land uses identified in Map 5. These rezoning changes are supported by the Community Master Plan. A Planned Unit Development designation may be utilized to provide flexibility in development of the area.

A complete reconfiguration of streets and street levels will be conducted to support the proposed use and character of development. Intersections with the adjacent street network will also be addressed to ensure compatibility both with the design of new construction and the surrounding established areas.

Although utilities are all provided in the area currently, it is anticipated that these will be reconfigured to accommodate the scope and character of redevelopment. Currently some of the

utilities do not meet current standards, which will be improved as a component of any redevelopment of the Area.

The reconfiguration of utilities and streets will primarily occur in the Water Street project area. There is no anticipated change to Michigan Avenue or River Street other than how they relate to the Water Street Project Area.

ESTIMATE OF COST OF DEVELOPMENT, STATEMENT OF PROPOSED METHOD OF FINANCING THE DEVELOPMENT AND THE ABILITY OF THE DDA TO ARRANGE THE FINANCING (Section 17 (2) (i) of P.A. 197 of 1975 as amended).

The total cost of the development, including administrative costs associated with design of the development and financing costs is estimated to be \$97, 933,000. Pursuant to Act 197, the costs of development may be financed by donations received by the DDA, proceeds of a tax imposed pursuant to Section 12 of Act 197, revenue bonds issued pursuant to Act 94 of 1933, as amended, general obligation bonds issued by the City in amounts limited in amount by a percentage of the anticipated tax increment revenues available for payment of debt service on such bond, tax increment bonds issued by the DDA pledging solely the tax increments and other revenues of the DDA, proceeds of a special assessment district created as provided by law and from money obtained from other sources approved by the governing body. The DDA may use any and all methods of financing available to it.

Table 2 indicates the sources of income available to the DDA to pay the costs of the development and the estimated amounts of each source for the next 30 years, based on captured assessed value of real and personal property within the Development Area.

The projects may be financed from the proceeds of various types of bond issues either separately or in combination and either immediately or in phases, depending on the type of financing used.

Following Table 2 are descriptions of the various available methods of financing the DDA may seek to use.

TABLE 2

ANTICIPATED TAX INCREMENT REVENUES

Year	N. of Michigan ¹	S. of Michigan ²	Taxable Value ³	Capture Value ⁴	Annual Captured Funds ⁵	Cumulative Balance
2000	\$584,835	\$2,149,971	\$2,734,806	\$0	\$0	\$0
2001	\$599,456	\$0	\$599,456	\$0	\$0	\$0
2002	\$614,442	\$0	\$614,442	\$0	\$0	\$0
2003	\$629,803	\$0	\$629,803	\$0	\$0	\$0
2004	\$645,548	\$10,911,450	\$11,556,998	\$8,822,192	\$300,979	\$300,979
2005	\$661,687	\$21,822,900	\$22,484,587	\$19,749,781	\$673,786	\$974,764
2006	\$678,229	\$33,065,000	\$33,743,229	\$31,008,423	\$1,057,886	\$2,032,651
2007	\$695,185	\$33,891,625	\$34,586,810	\$31,852,004	\$1,086,666	\$3,119,317
2008	\$712,565	\$34,738,916	\$35,451,480	\$32,716,674	\$1,116,165	\$4,235,482
2009	\$730,379	\$35,607,389	\$36,337,767	\$33,602,961	\$1,146,402	\$5,381,884
2010	\$748,638	\$36,497,573	\$37,246,211	\$34,511,405	\$1,177,395	\$6,559,279
2011	\$767,354	\$37,410,013	\$38,177,367	\$35,442,561	\$1,209,162	\$7,768,441
2012	\$786,538	\$38,345,263	\$39,131,801	\$36,396,995	\$1,241,724	\$9,010,164
2013	\$806,202	\$39,303,894	\$40,110,096	\$37,375,290	\$1,275,099	\$10,285,263
2014	\$826,357	\$40,286,492	\$41,112,848	\$38,378,042	\$1,309,309	\$11,594,573
2015	\$847,015	\$41,293,654	\$42,140,670	\$39,405,864	\$1,344,374	\$12,938,947
2016	\$868,191	\$42,325,995	\$43,194,186	\$40,459,380	\$1,380,316	\$14,319,263
2017	\$889,896	\$43,384,145	\$44,274,041	\$41,539,235	\$1,417,157	\$15,736,420
2018	\$912,143	\$44,468,749	\$45,380,892	\$42,646,086	\$1,454,918	\$17,191,338
2019	\$934,947	\$45,580,468	\$46,515,414	\$43,780,608	\$1,493,624	\$18,684,962
2020	\$958,320	\$46,719,979	\$47,678,300	\$44,943,494	\$1,533,297	\$20,218,258
2021	\$982,278	\$47,887,979	\$48,870,257	\$46,135,451	\$1,573,962	\$21,792,220
2022	\$1,006,835	\$49,085,178	\$50,092,014	\$47,357,208	\$1,615,643	\$23,407,863
2023	\$1,032,006	\$50,312,308	\$51,344,314	\$48,609,508	\$1,658,367	\$25,066,230
2024	\$1,057,806	\$51,570,116	\$52,627,922	\$49,893,116	\$1,702,159	\$26,768,389
2025	\$1,084,251	\$52,859,368	\$53,943,620	\$51,208,814	\$1,747,045	\$28,515,434
2026	\$1,111,358	\$54,180,853	\$55,292,210	\$52,557,404	\$1,793,054	\$30,308,487
2027	\$1,139,142	\$55,535,374	\$56,674,516	\$53,939,710	\$1,840,213	\$32,148,700
2028	\$1,167,620	\$56,923,758	\$58,091,378	\$55,356,572	\$1,888,550	\$34,037,250
2029	\$1,196,811	\$58,346,852	\$59,543,663	\$56,808,857	\$1,938,097	\$35,975,347
2030	\$1,226,731	\$59,805,524	\$61,032,254	\$58,297,448	\$1,988,882	\$37,964,228

NOTES:

¹Properties projected to increase at rate of inflation through duration of plan.

²Properties projected to decrease during site preparation, before increasing post-development.

³Total estimated taxable value of Water Street Development Area.

⁴Difference between taxable value and initial assessed value.

⁵Revenues captured by DDA.

Estimates assume sale of land to developer by 12/31/02.

Estimates assume property becoming taxable for year 2003.

Estimates assume 33% completion in 2004, 66% completion in 2005, and 100% completion in 2006.

Value projections based on 2.5% rate of inflation.

Values based on Market Study projections of Water Street taxable value after redevelopment (\$33,065,000).

Capture rate based on .0341282 of assessed value.

Initial Assessed Value: \$2,734,806

A. City of Ypsilanti Limited Tax General Obligation Bonds Issued Pursuant to Section 16 of Act 197.

Section 16 of the Act 197 permits the City to issue general obligation bonds payable from tax increment revenues of the DDA.

B. Special Assessment/General Obligation Bonds

The City may also issue special assessment bonds alone or in combination with general obligation bonds to finance all or part of the street and alley improvements, the sidewalks, lighting and the parking improvements. The size of such bond issues would depend on the projects included within such bond issues and the portion of each such project to be financed from special assessments and the portion, if any, to be financed from general funds. Payment of such special assessment bonds would be from the proceeds of the special assessment rolls consisting of the lands specially benefited by the project. Payment of the general obligation bonds would be from general funds of the City derived from the proceeds of taxes levied upon all property within the City.

C. Michigan Transportation Fund Bonds

For purposes of paying the costs of major and local street improvements, including paving, widening and street lighting the City may also borrow an amount not to exceed an amount which equals 50% of the City's receipts from the Michigan Transportation Fund for the State fiscal year immediately preceding such a bond issue would support in annual debt service.

D. Installment Purchase Agreements

The City may purchase real and personal property on an installment basis pursuant to Act 99, ~~Public Acts of Michigan, 1933 as amended, to finance the cost of the property over a period not~~ to exceed 15 years.

DESIGNATION OF PERSON OR PERSONS, NATURAL OR CORPORATE, TO WHOM ALL OR A PORTION OF THE DEVELOPMENT IS TO BE LEASED, SOLD OR CONVEYED (Section 17 (2) (j) of P.A. 197 of 1975 as amended).

Portions of the development may be conveyed to the City of Ypsilanti to ensure public use. Other portions of the development area may be conveyed to private interests subject to a development agreement that guarantees development and use in conformance with specified standards.

PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING OR CONVEYING ALL OR ANY PORTION OF THE DEVELOPMENT (Section 17 (2) (k) of P.A. 197 of 1975 as amended).

The DDA will support the City of Ypsilanti in the process of conveying any or all of the property in the Water Street Development Area under public ownership. It is anticipated that land will be sold to a developer after a selection process.

It is anticipated that the City Council will issue a request for qualifications to developers to gauge interest and ability of respondents to execute the project satisfactorily. The land will be conveyed to the selected developer(s) based on the execution of a satisfactory development agreement between the City Council of Ypsilanti and the selected developer(s).

ESTIMATES OF THE NUMBERS OF PERSONS RESIDING IN THE DEVELOPMENT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED (Section 17 (2) (l) of P.A. 197 of 1975 as amended).

Approximately twenty (20) people reside in the development area. An estimated (5) families and/or individuals will be displaced by the development.

A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA (Section 17 (2) (m) of P.A. 197 of 1975 as amended).

The DDA and City will comply with the Federal Uniform Relocation Act in regards to displaced persons in the Development Area.

PROVISION FOR THE COSTS OF RELOCATING DISPLACED BY THE DEVELOPMENT AND FINANCIAL ASSISTANCE AND REIMBURSEMENT OF EXPENSES, INCLUDING LITIGATION EXPENSES AND EXPENSES INCIDENT TO THE TRANSFER OF TITLE, IN ACCORDANCE WITH THE STANDARDS AND PROVISIONS OF THE FEDERAL UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970, BEING PUBLIC LAW 91-646, 42 U.S.C. SECTIONS 4601, ET SEQ (Section 17 (2) (n) of P.A. 197 of 1975 as amended).

All persons displaced by this Development Plan will receive the appropriate financial and other assistance as provided for in the Federal Uniform Relocation Act. Such expenses may be financed through the issuance of bonds or through other means.

PLAN FOR COMPLIANCE WITH ACT 227 OF 1972, BEING SECTIONS 213.321 - 213.332 OF MICHIGAN COMPILED LAWS (Section 17 (2) (o) of P.A. 197 of 1975 as amended).

Any persons being displaced by this development plan will receive assistance from the City of Ypsilanti and/or DDA as provided for in the Federal Uniform Relocation Act. This assistance will be financed through the issuance of bonds or other means.

**TAX INCREMENT
FINANCING PLAN**

INTRODUCTION

This portion of the document specifically describes the tax increment procedure, the maximum indebtedness to be enabled by this plan, and the estimated impact on other taxing jurisdictions in the Water Street Development Area.

TAX INCREMENT PROCEDURE (Section 14 (2) of P.A. 197 of 1975 as amended).

Tax increment revenue to be transmitted to the DDA is generated when the current assessed value of all properties within a development area exceeds the initial assessed value of the properties. The initial assessed value is defined in Act 197 as the assessed value, as equalized, of all taxable property within the boundaries of the development area at the time the ordinance establishing the development area is approved. For the purposes of this plan, the initial assessed value is described in Table 3. The current assessed value refers to the assessed value of all properties, real and personal, within the development area as established each year subsequent to the adoption of the tax increment financing plan. The amount in any one year by which the current assessed exceeds the initial assessed value, including real and personal property is defined as the "captured assessed value."

For the duration of the tax increment financing plan, the local taxing jurisdictions will continue to receive tax revenues based upon the Initial Assessed Value. The DDA, however, (subject to the provisions of any agreements for the sharing of Captured Assessed Value) receives that portion of the tax levy of all taxing jurisdictions paid each year on the Captured Assessed Value of the taxable property included in the tax increment financing plan, other than the State, local school district and intermediate school district tax levies.

Increases in assessed values within a development area which result in the generation of tax increment revenues, can result from any of the following:

- a. Construction of new developments occurring after the date establishing the "initial assessed value."
- b. Construction of new rehabilitation, remodeling alterations, or additions accruing after the date establishing the "initial assessed value."
- c. Increases in property values which occur for any other reason.

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

The DDA may expend tax increment revenues only in accordance with the tax increment financing plan; surplus revenues revert proportionally to the respective taxing jurisdictions. The tax increment financing plan may be modified upon approval of the governing body after notification and hearings as required by Act 197. When the governing body finds that the purposes for which the plan was established have been accomplished, they may abolish the plan.

TABLE 3

INITIAL ASSESSED VALUE

TAX CODE ID	ADDRESS	LAND USE	2000 TAXABLE VALUE
11-09-155-007	37 E. Michigan Ave.	commercial	\$244,356
11-09-155-008	9 N. River Street	residential	\$47,167
11-09-155-009	15 N. River Street	residential	\$55,300
11-09-155-010	31 E. Michigan Avenue	commercial	\$13,768
11-09-155-011	101 N. River Street	vacant	\$8,592
11-09-155-012	103 N. River Street	vacant	\$8,592
11-09-155-016	15 E. Michigan Avenue	commercial	\$207,060
11-09-160-001	2 and 4 Water Street	industrial	\$49,440
11-09-160-002	14-22-28 Water Street	vacant	\$7,076
11-09-160-003	30 Water Street	vacant	\$3,605
11-09-160-004	32 Water Street	residential	\$12,695
11-09-160-005	24-36-40 Water Street	institutional	\$0
11-09-161-001	40 E. Michigan Ave.	commercial	\$60,596
11-09-161-002	14 S. River Street	commercial	\$95,765
11-09-161-003	36-38 E. Michigan Ave.	commercial	\$47,077
11-09-161-004	32-34 E. Michigan Ave.	commercial	\$103,115
11-09-161-005	Vacant River Street	vacant	\$3,726
11-09-161-006	20 E. Michigan Ave.	commercial	\$115,954
11-09-161-007	14 E. Michigan Ave.	commercial	\$41,278
11-09-161-008	10 E. Michigan Ave.	commercial	\$105,874
11-09-161-009	6 -8 E. Michigan Ave.	commercial	\$59,632
11-09-161-010	2 E. Michigan Ave.	commercial	\$46,357
11-09-161-011	19 Water Street	commercial	\$22,672
11-09-161-012	23 Water Street	commercial	\$4,279
11-09-161-013	27 Water Street	residential	\$14,941
11-09-161-014	31 Water Street	vacant	\$5,572
11-09-161-015	33 Water Street	residential	\$13,450
11-09-161-016	35 Water Street	industrial	\$6,625
11-09-161-017	Vacant Water Street	industrial	\$3,830
11-09-161-018	41 Water Street	industrial	\$22,700
11-09-161-019	47 Water Street	industrial	\$3,312
11-09-161-020	202 S. River Street	industrial	\$74,000
11-09-161-021	Vacant River Street	institutional	\$0
11-09-170-001	101 and 103 S. River St.	industrial	\$112,800
11-09-170-002	102 Parsons St.	industrial	\$46,600
11-09-170-003	102 E. Michigan Ave.	commercial	\$60,324
11-09-170-004	17 S. River Street	commercial	\$39,133
11-09-170-006	109 S. Parsons St.	residential	\$11,683
11-09-170-008	160 E. Michigan Ave.	commercial	\$28,022
11-09-170-009	170 E. Michigan Ave.	commercial	\$43,817
11-09-170-012	216 E. Michigan Ave.	commercial	\$51,765
11-09-170-014	River's Edge Park	park	\$0
11-09-170-015	Gilbert Park	park	\$0
11-09-170-025	144 E. Michigan Ave.	commercial	\$49,523
11-09-170-026	208 E. Michigan Ave.	industrial	\$782,733
Initial Assessed Value			\$2,734,806

MAXIMUM INDEBTEDNESS AND DURATION OF PLAN (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 \$25,000,000, sufficient to pay the estimated costs of the development undertaken by the DDA 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. The maximum duration of the plan is 30 years, and the Plan will expire on December 31, 2030.

ESTIMATED IMPACT ON ALL TAXING JURISDICTIONS (Section 14 (1) of P.A. 197 of 1975 as amended).

Adoption of this Tax Increment Financing Plan will initially result in the use of all revenues derived from increases in assessed value of the real and personal property of the Downtown District for purposes of the Development Plan. Table 4 demonstrates the anticipated capture of revenues by the DDA on each taxing jurisdiction.

The DDA proposes to strengthen the Downtown District and 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 tax increment financing 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 Downtown District. This will greatly benefit all taxing jurisdictions, which to a significant degree are dependent upon the well being of the Downtown 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 tax increment financing 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 DDA will not capture and use the tax increment revenues derived from the debt millage levied on captured assessed value. The estimated impact on taxing jurisdictions is based on the 2000 millage rates summarized in Table 5 on page 39.

TABLE 4

IMPACT ON TAXING JURISDICTIONS

Year	N. of Michigan ¹	S. of Michigan ²	Taxable Value ³	Funds Captured by DDA from Taxing Jurisdictions											Annual DDA Revenues ⁴	Cumulative DDA Balance	
				Washtenaw County	City of Ypsilanti	City of Ypsilanti Debt	WISD	WGL	WGS Debt	School Debt	Library	Library Debt	State Bd	State Operating			
2000	\$584,835	\$2,149,971	\$2,734,806	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2001	\$599,456	\$0	\$599,456	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2002	\$614,442	\$0	\$614,442	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2003	\$629,803	\$0	\$629,803	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2004	\$645,548	\$10,911,450	\$11,556,998	\$48,309	\$208,326	\$0	\$0	\$30,387	\$0	\$0	\$13,956	\$0	\$0	\$300,979	\$300,979	\$300,979	\$300,979
2005	\$661,687	\$21,822,900	\$22,484,587	\$108,148	\$466,369	\$0	\$0	\$68,026	\$0	\$0	\$31,242	\$0	\$0	\$673,786	\$974,764	\$673,786	\$974,764
2006	\$678,229	\$33,065,000	\$33,743,229	\$169,799	\$732,230	\$0	\$0	\$106,805	\$0	\$0	\$49,052	\$0	\$0	\$1,057,886	\$2,032,651	\$1,057,886	\$2,032,651
2007	\$695,185	\$33,891,625	\$34,586,810	\$174,418	\$752,150	\$0	\$0	\$109,711	\$0	\$0	\$50,387	\$0	\$0	\$1,086,666	\$3,119,317	\$1,086,666	\$3,119,317
2008	\$712,565	\$34,738,916	\$35,451,480	\$179,153	\$772,568	\$0	\$0	\$112,689	\$0	\$0	\$51,755	\$0	\$0	\$1,116,165	\$4,235,482	\$1,116,165	\$4,235,482
2009	\$730,379	\$35,607,389	\$36,337,767	\$184,006	\$793,497	\$0	\$0	\$115,742	\$0	\$0	\$53,157	\$0	\$0	\$1,146,402	\$5,381,884	\$1,146,402	\$5,381,884
2010	\$748,638	\$36,497,573	\$37,246,211	\$188,981	\$814,949	\$0	\$0	\$118,871	\$0	\$0	\$54,594	\$0	\$0	\$1,177,395	\$6,559,279	\$1,177,395	\$6,559,279
2011	\$767,354	\$37,410,013	\$38,177,367	\$194,080	\$836,937	\$0	\$0	\$122,078	\$0	\$0	\$56,067	\$0	\$0	\$1,209,162	\$7,768,441	\$1,209,162	\$7,768,441
2012	\$786,538	\$38,345,263	\$39,131,801	\$199,306	\$859,475	\$0	\$0	\$125,366	\$0	\$0	\$57,576	\$0	\$0	\$1,241,724	\$9,010,164	\$1,241,724	\$9,010,164
2013	\$806,202	\$39,303,894	\$40,110,096	\$204,663	\$882,576	\$0	\$0	\$128,735	\$0	\$0	\$59,124	\$0	\$0	\$1,275,099	\$10,285,263	\$1,275,099	\$10,285,263
2014	\$826,357	\$40,286,492	\$41,112,848	\$210,154	\$906,255	\$0	\$0	\$132,189	\$0	\$0	\$60,710	\$0	\$0	\$1,309,309	\$11,594,573	\$1,309,309	\$11,594,573
2015	\$847,015	\$41,293,654	\$42,140,670	\$215,783	\$930,526	\$0	\$0	\$135,730	\$0	\$0	\$62,336	\$0	\$0	\$1,344,374	\$12,938,947	\$1,344,374	\$12,938,947
2016	\$868,191	\$42,325,995	\$43,194,186	\$221,552	\$955,404	\$0	\$0	\$139,358	\$0	\$0	\$64,003	\$0	\$0	\$1,380,316	\$14,319,263	\$1,380,316	\$14,319,263
2017	\$889,896	\$43,384,145	\$44,274,041	\$227,465	\$980,903	\$0	\$0	\$143,078	\$0	\$0	\$65,711	\$0	\$0	\$1,417,157	\$15,736,420	\$1,417,157	\$15,736,420
2018	\$912,143	\$44,468,749	\$45,380,892	\$233,526	\$1,007,040	\$0	\$0	\$146,890	\$0	\$0	\$67,462	\$0	\$0	\$1,454,918	\$17,191,338	\$1,454,918	\$17,191,338
2019	\$934,947	\$45,580,468	\$46,515,414	\$239,738	\$1,033,831	\$0	\$0	\$150,798	\$0	\$0	\$69,257	\$0	\$0	\$1,493,624	\$18,684,962	\$1,493,624	\$18,684,962
2020	\$958,320	\$46,719,979	\$47,678,300	\$246,106	\$1,061,291	\$0	\$0	\$154,803	\$0	\$0	\$71,096	\$0	\$0	\$1,533,297	\$20,218,258	\$1,533,297	\$20,218,258
2021	\$982,278	\$47,887,979	\$48,870,257	\$252,633	\$1,089,438	\$0	\$0	\$158,909	\$0	\$0	\$72,982	\$0	\$0	\$1,573,962	\$21,792,220	\$1,573,962	\$21,792,220
2022	\$1,006,835	\$49,085,178	\$50,092,014	\$259,323	\$1,118,288	\$0	\$0	\$163,117	\$0	\$0	\$74,914	\$0	\$0	\$1,615,643	\$23,407,863	\$1,615,643	\$23,407,863
2023	\$1,032,006	\$50,312,308	\$51,344,314	\$266,181	\$1,147,860	\$0	\$0	\$167,431	\$0	\$0	\$76,895	\$0	\$0	\$1,658,367	\$25,066,230	\$1,658,367	\$25,066,230
2024	\$1,057,806	\$51,570,116	\$52,627,922	\$273,210	\$1,178,171	\$0	\$0	\$171,852	\$0	\$0	\$78,926	\$0	\$0	\$1,702,159	\$26,768,389	\$1,702,159	\$26,768,389
2025	\$1,084,251	\$52,859,368	\$53,943,620	\$280,414	\$1,209,240	\$0	\$0	\$176,384	\$0	\$0	\$81,007	\$0	\$0	\$1,747,045	\$28,515,434	\$1,747,045	\$28,515,434
2026	\$1,111,358	\$54,180,853	\$55,292,210	\$287,799	\$1,241,085	\$0	\$0	\$181,029	\$0	\$0	\$83,141	\$0	\$0	\$1,793,054	\$30,308,487	\$1,793,054	\$30,308,487
2027	\$1,139,142	\$55,535,374	\$56,674,516	\$295,368	\$1,273,727	\$0	\$0	\$185,790	\$0	\$0	\$85,327	\$0	\$0	\$1,840,213	\$32,148,700	\$1,840,213	\$32,148,700
2028	\$1,167,620	\$56,923,758	\$58,091,378	\$303,127	\$1,307,185	\$0	\$0	\$190,670	\$0	\$0	\$87,569	\$0	\$0	\$1,888,550	\$34,037,250	\$1,888,550	\$34,037,250
2029	\$1,196,811	\$58,346,852	\$59,543,663	\$311,080	\$1,341,479	\$0	\$0	\$195,672	\$0	\$0	\$89,866	\$0	\$0	\$1,938,097	\$35,975,347	\$1,938,097	\$35,975,347
2030	\$1,226,731	\$59,805,524	\$61,032,254	\$319,231	\$1,376,630	\$0	\$0	\$200,800	\$0	\$0	\$92,221	\$0	\$0	\$1,988,882	\$37,964,228	\$1,988,882	\$37,964,228
Totals	\$6,093,555	\$26,277,432	\$0	\$0	\$3,832,911	\$0	\$0	\$1,760,331	\$0	\$0	\$0	\$0	\$37,964,228				

NOTES:

- ¹Properties projected to increase at 2.5% rate of inflation through duration of plan.
- ²Properties projected to decrease during site preparation, before increasing post-development.
- ³Total estimated taxable value of Water Street Development Area.
- ⁴Revenues captured by DDA.
- ⁵Based on 2000 millage rates.

Values based on Market Study projections of Water Street valuation after redevelopment (\$33,065,000).
Initial Assessed Value: \$2,734,806

TABLE 5

2000 MILLAGE RATES FOR WATER STREET DEVELOPMENT AREA

Taxing Jurisdiction	Operating Millage	Debt Millage	Total Millage
Washtenaw County	5.4759		5.4759
City of Ypsilanti	23.6139	.8436	24.4575
WISD	3.1311		3.1311
WCC	3.4444	.55	3.9944
School Debt	7		7
Library	1.5819	.89	2.4719
State Ed	6		6
State Operating	17.7267		17.7267
		Total Millage	70.2575