

Extension of Development Plan

On August 19, 2020, the Downtown Development Authority Extended the below Development Plan with the following resolution:

20-08-22: Moved by Decaire and supported by Kieltyka, to extend the City of Melvindale Downtown Development Authority Development Plan with the addition of 10 years for Stage 4 and 10 years for Stage 5, with an end date of March 31, 2039.

YEAS: Marsee, Decaire, Elhasan, Kieltyka, Winkles, Khalil

NAYS: None

ABSENT: Mackey, Abdulla

VI. DEVELOPMENT PLAN

CITY OF MELVINDALE

DOWNTOWN DEVELOPMENT AUTHORITY

D E V E L O P M E N T P L A N

LEGAL DESCRIPTION
OF
DOWNTOWN DEVELOPMENT DISTRICT

Beginning at a point in the SE corner of Lot 31 Assessor's Melvindale Plat No. 1, thence S across Allen Road to the westerly corner of Lot 10c1 of Assessor's Melvindale Plat No. 1, thence SE 250.95 feet; thence East 600 feet to the Southern corner of Lot 10b Assessor's Melvindale Plat No. 1, thence ENE 666.44 to the Southern corner of Lot 7C Assessor's Melvindale Plat No. 1, thence NE 344.11, thence NW 668.23 feet, thence NE 1406 feet to the North corner of Lot 49, Oakborn-Rouge Subdivision; thence SE 713.75 feet to the middle of Prospect Street; thence NE 305.39 feet, thence NW 146.93 feet to the Southern corner of Lot 150 Allen Park subdivision, thence SW 40 feet, thence NW 162 feet, thence SW 72 feet, thence NW 226 feet to the Western corner of Lot 22 Oakborn-Rouge Subdivision, thence NE 130 feet, thence NW 170 feet, thence NE 2154.44 feet, thence NW 120.71 feet to the NE corner of Lot 1, Allen Blvd. Heights Subdivision, thence NE 2299.78 feet, thence West 210.04 feet to the East corner of Lot 1550, Oakwood Heights Subdivision #3, then SW 4354.27 feet to the East Corner of Lot 1098 Oakwood Heights Subdivision #1; thence NW 110

feet to the North corner of Lot 1098 Oakwood Heights Subdivision #1, thence SW 81.60 feet to the West corner of Lot 1099 Oakwood Heights Subdivision #1; thence NW 900 feet to the Western Corner of Lot 815 Oakwood Heights Subdivision #1; thence SW 340 feet to the North corner of Lot 464, Oakwood Heights Subdivision, thence Southeast 1,010 feet to the Eastern corner of Lot 110, Oakwood Heights Subdivision; thence SW 2749.31 feet, thence SE 118.94 feet to the point of beginning.

MELVINDALE DOWNTOWN DEVELOPMENT PLAN

The Downtown Development District is located in the commercial center of Melvindale. Two (2) main streets run through the district. Allen Road is a five (5) lane highway with a turn lane and blacktop surface. This road is maintained by Wayne County. Oakwood Blvd., is a four (4) lane highway with a black top surface. It is also maintained by Wayne County.

The district also includes portions of fourteen (14) residential streets, from the commercial alley to the county road.

Specifically the following residential streets:

Roycroft	Coleman
Gough	Prospect
Ruth	Reed
Henry	Wood
Hanna	Harman
Cora	Clarence
Elizabeth	Martel

The district contains commercial alleys which run through the district behind each parcel. With the exception of the alley behind the Mel Plaza, all surfaces are unpaved within the district.

The entire area is provided with water and sewer services by the City of Melvindale. Within the district, there are two (2) water mains. Specifically a 16" which runs the length of Allen Road from Oakwood to Greenfield and a 16" which runs the length of Oakwood Blvd.

Current Zoning for the district is provided by the attached map.
(see Appendix A)

MELVINDALE DOWNTOWN DEVELOPMENT PLAN

IT IS THE INTENT OF THE AUTHORITY TO:

1. Pave all commercial alleys within the district.
2. Remove and replace existing sidewalk facilities.
3. Replace where necessary, existing water supply lines.
4. Install storm lines in alleys, where necessary.
5. Install trees and decorative lighting.
6. Install new water supply lines, where necessary.
7. Construct public parking facilities.
8. Acquire and demolish the following buildings
and properties:

- a. Melvindale Radiator Repair, 19555 Allen Rd.
- b. Mel Transmission, 19505 Allen Rd.
- c. Downriver Glass Block, 19123 Allen Rd.
- d. Property described as Lot# and Subdivision
- e. Advertees, 18891 Allen Rd.
- f. Book Store, 18601 Allen Rd.
- g. C. Johnston & Sons, 19270 Allen Rd.
- h. Nassar, 4000 Oakwood Blvd.
- i. Building, 4010 Oakwood Blvd.
- j. Building, 4026 Oakwood Blvd.
- k. Building, 4044 Oakwood Blvd.
- l. Dairy Queen/Mini Golf, 17743 Allen Rd.
- m. Farmer Al's, 17705 Allen Rd.

IT IS THE INTENT OF THE DISTRICT to have all facets of development occur simultaneously. However, since we will be working with limited funds, we are forced to do these improvements in stages.

Approximate completion time 30 Years.

MELVINDALE DOWNTOWN DEVELOPMENT PLAN

IT IS THE INTENT OF THE AUTHORITY TO:

1. Install, repair and/or replace all alleys and sidewalks in the development area.
2. Improve water mains and sewers where necessary.
3. Acquire and demolish target property.

The following is a breakdown of the anticipated costs of all improvements.

SIDEWALKS	\$ 250,000
ALLEYS	725,000
SEWERS	100,000
TREES	20,000
DEMOLITION	400,000
LIGHTS	50,000
AQUISITION	<u>500,000</u>
	<u>\$2,045,000</u>

MELVINDALE DOWNTOWN DEVELOPMENT PLAN

STAGE 1 ZONE C1 10 YEARS

IT IS THE INTENT OF THE AUTHORITY TO:

1. Pave alleys with 6" concrete.
2. Repair and replace all sidewalks in the development area.
3. Repair and replace water mains and sewers, where necessary.
4. Acquire target buildings.
5. Demolish target buildings.
6. Install decorative and improved lighting.
7. Plant trees where necessary.

STAGE 2 ZONE C2 10 YEARS

IT IS THE INTENT OF THE AUTHORITY TO:

1. Pave alleys with 6" concrete.
2. Repair and replace all sidewalks in the development area.
3. Repair, replace or install water mains and sewers where necessary.
4. Acquire target buildings.
5. Demolish target buildings.
6. Install decorative and improved lighting.
7. Plant trees where necessary.

STAGE 3 ZONE 10 YEARS

IT IS THE INTENT OF THE AUTHORITY TO:

1. Pave alleys with 6" concrete.
2. Repair and replace all sidewalks in the development area.
3. Repair and replace water mains and sewers, where necessary.
4. Acquire target buildings.
5. Demolish target buildings.
6. Install decorative and improved lighting.
7. Plant trees where necessary.

Stage 1 10 Years

Stage 2 10 Years

Stage 3 10 Years

30 Years Downtown Development

- F -

MELVINDALE DOWNTOWN DEVELOPMENT PLAN

IT IS NOT THE INTENT OF THE AUTHORITY to leave any area vacant at this time.

The Authority recognizes, however, that as development occurs, it may become necessary to provide open parcels.

MELVINDALE DOWNTOWN DEVELOPMENT PLAN

IT IS THE INTENT OF THE DOWNTOWN DEVELOPMENT AUTHORITY BOARD, that the City conveys to the DDA all property owned by the City contained within the district. Specifically:

1. cc98 Oakwood Heights Subdivision
2. aa 5-10 Oakwood Rouge
3. eel202B Oakwood Heights #2
4. y38A Allen Park Subdivision
5. W1504A Oakwood Heights #3
6. WE62 Oakwood Heights #3
7. Parking Lot/Mel Plaza

MELVINDALE DOWNTOWN DEVELOPMENT PLAN

Z O N I N G C H A N G E S

To change zoning of parcels to C1 Commerical:

7b, 7c, 8, 9, 10A, 10b to C1

1. 7b Assessor's No. 1
2. 7c Assessor's No. 1
3. 8 Assessor's No. 1
4. 9 Assessor's No. 1
5. 10A Assessor's No. 1
6. 10b Assessor's No. 1

MELVINDALE DOWNTOWN DEVELOPMENT PLAN

The planned development will cost an estimated \$2,100,000.

At this time, it is the intent of the Authority to use Tax Increment Financing to achieve the goals of the Development Plan.

As provided for by this Act, the Authority may, with governing body approval, use Tax Increment Financing as a revenue tool.

MELVINDALE DOWNTOWN DEVELOPMENT PLAN

At this time, it is not the intent of the Authority to either lease, sell or convey any property within the district to a specific person or corporation.

However, the Authority does acknowledge that it is probable at some point in the future, that aquired property will be leased, sold, or conveyed to an individual or corporation.

MELVINDALE DOWNTOWN DEVELOPMENT PLAN

PROCEDURES for bidding for lease, purchase, or to convey property within the development area will be as follows:

1. Prospective developers will present to the DDA a comprehensive proposal that describes the development and both a target date to begin, and target date to end construction.
2. The DDA Board will review all proposed developments and make a determination as to which proposal is most consistent with the overall plan for the district.
3. The DDA Board will offer to the chosen developer the property requested by sale, lease or conveyance, at the Boards discretion, with the following conditions:

A. IF BY CONVEYANCE:

1. The developer pays an appraiser, of the Boards choice, to determine FMV of the property.
2. The developer must post a bond equal to 110% of the appraised value of the property. This bond will be forfeited if installation of footings/foundation or abasement are not complete within 180 days of the targeted beginning date.

3. The bond shall be forfeited if the development does not substantially conform to the plan approved by the Board.

B. IF BY SALE:

1. The developer must pay an appraiser, of the Boards choice, to determine the FMV of the property.
2. The developer must post or bond equal to the difference between 110% of FMV and the sale price. This bond will be forfeited if the installation of footings or a basement are not completed within 180 days of the target date.
3. The bond shall be forfeited if the development does not substantially conform to the plan approved by the Board.

C. IF BY LEASE:

1. The Board will determine what is the current rate for buildings or property in the development area.
2. The Board will offer the property to the chosen developer for a term not to exceed ninety-nine (99) years. Further, the lease price must be no less than 15% of FMV and not greater than 100% of FMV.

3. The lease shall provide the board the option of unilaterally canceling the lease if the development:

3a. Does not begin within 180 days.

3b. Does not substantially conform to the plan approved by the Board.

MELVINDALE DOWNTOWN DEVELOPMENT PLAN

The City estimates the current number of residents residing within the district at forty-eight (48).

The development plan calls for no displacement of any residents.

VII. TAX INCREMENT FINANCING PLAN

CITY OF MELVINDALE
DOWNTOWN DEVELOPMENT AUTHORITY
F I N A N C E P L A N

MELVINDALE FINANCE PLAN

The Board of the Downtown Development Authority, finds that in order to achieve the purposes of P.A. 1975 No. 197, it is necessary to implement the use of Tax Increment Financing. In accordance with the act, the Board has developed a Financing and Development Plan outlining our proposed improvements, and our means of financing the improvements.

It is estimated, that by using Tax Increment Finance scheduled development in the area will provide revenues of approximately \$50,000 in the first year, and should increase at a rate of about 3% per year. This would provide for approximately \$2.6 million over the 30 year period. We feel that this is sufficient revenue to accomplish the objectives of our plan.

It is not our intent, at this time, to incur any bonded indebtedness, but we do acknowledge that the issuance of bonds is a future possibility. Should the Board choose to issue bonds, the following restrictions shall apply:

1. The term of the bonds may not exceed the remaining time outlined in the development plan.
2. Debt shall not be incurred that will result in the use of more than 75% of the current projected revenue.
3. In any event, the Board shall not incur bonded indebtedness in excess of what is deemed necessary to complete all remaining items contained in the development plan.

MELVINDALE FINANCE PLAN

As required by statute, the Financing Plan must provide procedures for utilizing Tax Increment Finance.

The Tax Increment Financing procedures shall be as follows:

1. The Authority shall capture 100% of the taxes based on the captured assessed value, as provided by statute, and shall capture this portion for all subsequent years of the Authority's existence. This portion shall be captured from all taxing authorities.
2. The City Treasurer shall retain from each taxing authority the portion of taxes attributed to the captured asset value and submit those revenues to the Downtown Development Authority.
3. These revenues shall be submitted, as collected, on a regular basis.

The financing plan shall continue in effect as long as the development plan continues in effect. (The current plan calls for development to continue for 30 years).

Revenue generated by Tax Increment Financing shall only be used for the following purposes:

1. To pay any expenses for a project outlined within the development plan.
2. To be held in reserve for a future expense outlined in the development plan.

MELVINDALE FINANCE PLAN

3. To pay administrative, financial, or legal costs associated with the authority.
4. To pay any engineering or consulting costs associated with any development outlined in the development plan.
5. To pay any personnel as outlined within the statute MCL 125.1655.
6. To pay any other costs or fees deemed necessary by the Board.
7. To pay any debt service from any bond issued by the Board.

Any surplus funds not used in accordance with the above provisions shall be returned to the respective taxing authorities.

This plan may not be abolished until all fees and interest on any bond has been paid in full.

As part of this plan, the Authority shall submit, to the Common Council, an annual report on the status of the Tax Increment Financing Account.

The Board may accept revenue or property from other sources, provided the Board deems no conflict exists.