

CITY OF BRIGHTON  
DOWNTOWN DEVELOPMENT AUTHORITY  
DEVELOPMENT PLAN  
AND  
TAX INCREMENT FINANCING PLAN

NOV 14 1988

## INTRODUCTION

For a number of years business and community leaders in Brighton have shared a concern about the physical and economical deterioration of the historic Central Business District of the City of Brighton. The deterioration has manifested itself in the forms of deteriorated infrastructure (sidewalks, streets, parking lots, etc.) overtaxed facilities, e.g. parking facilities which are not capable of accommodating parking demand, movement of businesses out of the Central Business District to retail spaces in other commercial areas of the City and region due to declining physical attractiveness market draw and function of the Central Business District. The City of Brighton Board of Review has received and approved lowered assessed valuations on properties within the Central Business District due to demonstrated hardship, physical deterioration of properties and relative lower economic yield on retail space in the Central Business District.

The City has previously attempted to stem deterioration and encourage revitalization of the Central Business District through the application of such mechanisms as Commercial Facilities Tax Abatements. These efforts have resulted in improvements to the appearance and function of a number of buildings in the central business district. However, it has been deemed that additional efforts are required.

The Central Business District is the heart of Brighton. It represents the historic commercial center of southeast Livingston County. The appearance and image created by Downtown Brighton are important to the

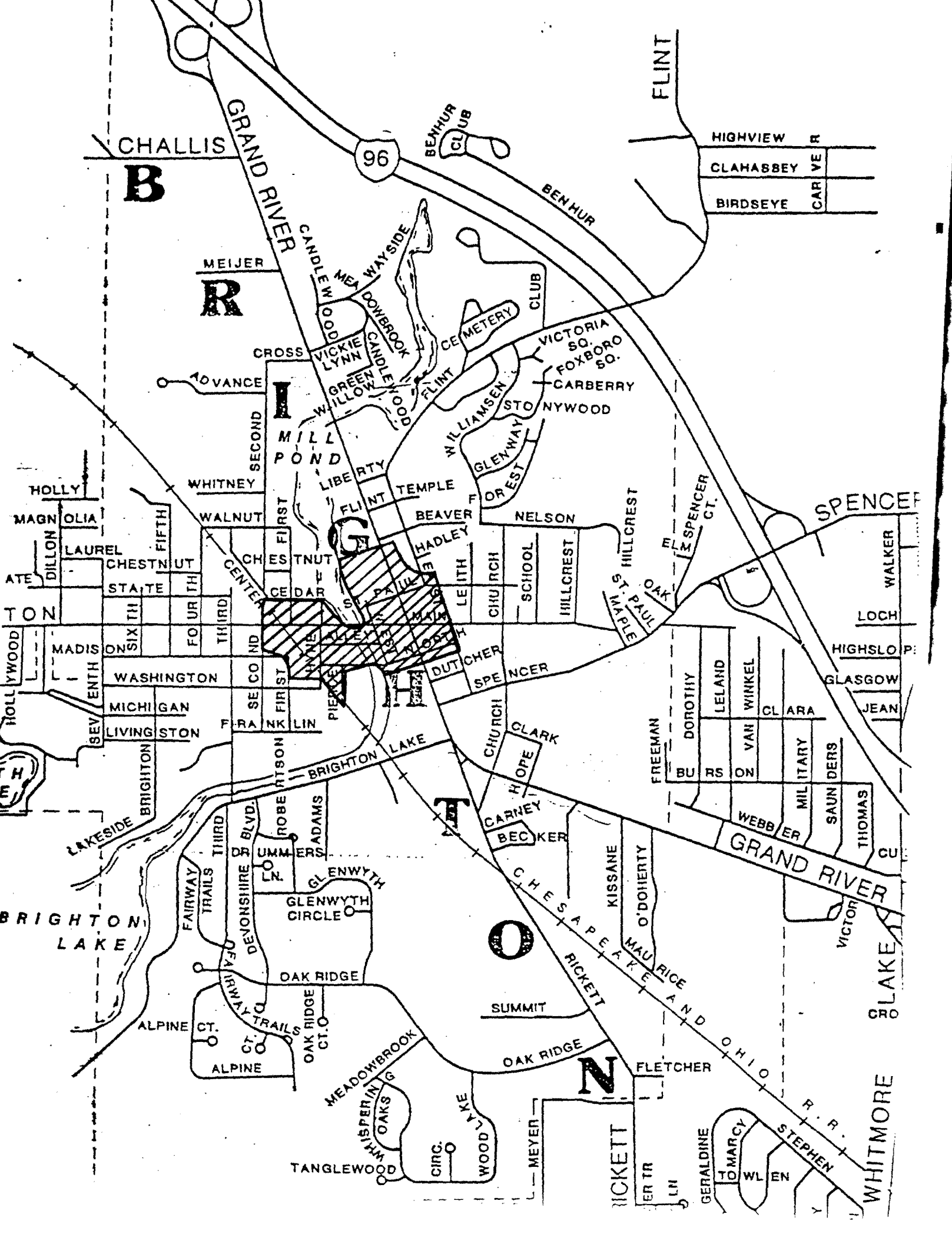
DEVELOPMENT  
PLAN

This Development Plan contains the information required by Section 17  
(2) of Act 197. Additional information is available from the City  
Manager.

SECTION 17(2)(a)

**DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO  
HIGHWAYS, STREETS, STREAMS OR OTHERWISE.**

The development area boundaries in relation to highways, streets and natural features is depicted on the map which follows, Exhibit A.



**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.**

Existing Streets and Public Facilities

The existing streets located in the Development Area are as follows:

- Main Street, between South Second Street to Leith Street.
- Grand River, between North and St. Paul Streets.
- St. Paul Street, between Grand River and West Streets.
- West Street, between St. Paul and North Streets.
- North Street, between Grand River and Hyne Street.
- Hyne Street, between Main and North Streets.
- First Street, between Main and Cedar Streets.
- Cedar Streets, between Second Street to dead end.
- Mill Street, between First Street to dead end.

Public facilities currently located in the Development Area include:

- City of Brighton Municipal Offices.
- City of Brighton Public Library.
- City of Brighton Police Department.
- The Mill Pond Theatre Building.
- The Boy Scout Building.
- The Old Town Hall.
- The 53rd District Court Building.
- City of Brighton potable water service mains.
- City of Brighton sanitary sewer mains.
- City of Brighton storm sewer mains.

The utilities owned and operated by the City and those maintained by Detroit Edison (electric) Consumers Power (natural gas) and Michigan Bell Telephone (telephone/communications) are located within dedicated easements.

The current private land uses are commercial retail and residential use. There are not anticipated changes in the categories of public and private uses.

A legal description of the development area is attached as Exhibit B of this Development Plan.



EXHIBIT -B-

LEGAL DESCRIPTION OF DISTRICT BOUNDARIES OF D.D.A. DISTRICT.  
ALL DISTANCES ARE APPROXIMATE.

SECTION 30/31 T2N, R6E, BEG. NE COR. OF LOT 59 OF NOBLE'S PLAT NO.  
2, TH SWLY 130 FT, TH NWLY 25 FT, TH SWLY 220 FT, TH SELY 25 FT,  
TH SWLY 200 FT, TH SWLY ON A CURVE 160 FT, TH W 500 FT, TH S 160  
FT, TH W 180 FT, TH N 160 FT, TH W 180 FT, TH S 700 FT, TH W 160  
FT, TH S 150 FT, TH E 160 FT, TH S 160 FT, TH E 110 FT, TH SLY  
ALG CURVE 100 FT, TH E 200 FT, TH SWLY ALG N LINE OF C.O.R.R.  
550 FT, TH N 420 FT, TH ELY 360 FT, TH SLY 310 FT, TH ELY 560 FT,  
TH SELY 80 FT, TH NELY 380 FT, TH NWLY 300 FT, TH ELY 20 FT, TH  
NLY 700 FT, TH WLY 150 FT, TH NLY 200 FT, TH WLY 130 FT, TH NLY  
460 FT TO POB.

Section 17(2)(c)

**DESCRIPTION OF EXISTING IMPROVEMENTS TO BE DEMOLISHED, REPAIRED OR ALTERED, INCLUDING DESCRIPTION OF REPAIRS AND ALTERATIONS, AND ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.**

The Plan calls for the demolished and replacement of existing sidewalk, curb, lighting, and other improvements in the Mill Pond Park and along Main Street in the central business district. The Development Plan will enable the installation of new paving, curbs, street trees, ornamental street lights, and such streetscape elements as park benches, tree guards and refuse containers. The Development Plan provides for the improvements to be accomplished within a six year period.

Section 17(2)(D)

LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF IMPROVEMENTS AND ESTIMATED TIME FOR COMPLETION.

PLANS FOR EXPENDITURE OF TIFA FUNDS

<u>Project</u>	<u>Fiscal Year</u>	<u>Cost</u>	<u>Beginning Balance</u>	<u>Ending Balance</u>
Phase One	1989-90		\$59,739	
Old Town Hall Area Improvements		\$52,000		
Downtown Promotion		\$ 6,000		\$ 1,739
Phase Two	1990-91		\$69,179	
First and Main Traffic Signals		\$31,360		
Squire Lot Redesign		\$11,200		\$26,619
Phase Three	1991-92		\$103,098	
Main Streetscape (Hyne/West) 1st half		\$62,000		\$41,098
Phase Four	1992-93		\$126,797	
Main Streetscape (Hyne/West) 2nd half		\$66,000		\$60,797
Phase Five	1993-94		\$155,901	
Mill Pond Park Walkway - Overwork		\$100,000		\$55,901
Phase Six	1994-95		\$160,597	
Main Streetscape (RR to Hyne)		\$108,000		
Main Streetscape (West to Grand River)		\$ 33,000		
Main Streetscape (Grand River to Leith)		\$ 19,000		
				\$ 597

675,311

**STAGES OF CONSTRUCTION AND ESTIMATED TIME OF EACH STAGE.**

Assuming financing is in place for each Phase of construction, Phase 1 will be completed during the 1989-90 construction seasons. Phase 2 during the 1990-91 construction seasons, Phase 3 during the 1991-92 construction seasons, Phase 4 during the 1992-93 construction seasons, Phase 5 during the 1993-94 construction seasons, and Phase 6 during the 1994-95 construction seasons.

Section 17(2)(f)

PARTS OF DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND USE CONTEMPLATED FOR SUCH SPACE.

The Mill Pond Park, see attachment "C" for legal description of property, will remain as open space under the Development Plan. The park will be used for recreational purposes.

MILL POND PARK

SECTION 30, T2N, R6E

COMMENCING AT THE NW COR OF LOT 19 OF NOBLE'S PLAT NO. 2, THENCE W'LY  
40 FT FOR POINT OF BEGINNING, THENCE CONTINUING W'LY 450 FT, THENCE  
S'LY 210 FT, THENCE W'LY 130 FT ALONG THE S'LY LINE OF LOT 80 OF  
SMITH & McPHERSON'S ADDITION, THENCE E 110 FT, THENCE N'ELY 230 FT,  
THENCE S'LY 400 FT, THENCE E'LY ALONG N LINE OF MAIN STREET 200 FT,  
THENCE N'WLY 200 FT, THENCE W 60 FT, THENCE N'WLY 50 FT, THENCE  
N'LY 510 FT TO POINT OF BEGINNING.

Section 17(2)(g)

PORTIONS OF THE DEVELOPMENT AREA WHICH THE DDA DESIRES TO SELL, DONATE, EXCHANGE, OR LEASE TO OR FROM THE MUNICIPALITY AND PROPOSED TERMS.

None

Section 17(2)(h)

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

None are anticipated.



**ESTIMATE OF COST OF DEVELOPMENT, STATEMENT OF PROPOSED METHOD OF FINANCING THE DEVELOPMENT AND THE ABILITY OF THE DDA TO ARRANGE THE FINANCING.**

The total cost of the development, including \$6,000 for promotion and marketing of the Downtown District to encourage new businesses to locate in the Downtown District and to retain existing businesses and encourage their expansion in the Downtown District, and administrative costs associated with design of the development and financing costs is estimated to be \$488,560. 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. Table 1 below indicated 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 6 years, based on captured assessed value of real and personal property within the Downtown District, assuming annual growth in the District at a rate of 2% on real property. Although the DDA will capture any tax increments resulting from taxes levied on increased personal property value, the DDA estimates those increments for proposes of this Plan to be minimal, assuming an overall maintenance of personal property value in the Downtown District to remain at its current level of approximately \$ 997,700.

Table 1  
 City of Brighton  
 Downtown Improvement Plan  
 Tax Increment Financing Projection

Base SEV \$6,202,000

<u>Fiscal Year</u>	<u>SEV</u>	<u>Increment</u>	<u>Summer Revenue</u>	<u>Winter Revenue</u>	<u>Total Proceeds</u>
1989-90	\$7,146,800	\$944,800	\$32,841	\$26,898	\$59,739
1990-91	\$7,289,736	\$1,087,736	\$36,983	\$30,457	\$67,440
1991-92	\$7,435,531	\$1,233,531	\$41,940	\$34,539	\$76,479
1991-92	\$7,584,242	\$1,382,242	\$46,996	\$38,703	\$85,699
1992-93	\$7,733,927	\$1,533,927	\$52,154	\$42,950	\$95,104
1993-94	\$7,890,645	\$1,688,645	\$57,414	\$47,282	\$104,696
<b>TOTAL</b>					<b>\$489,157</b>

**MILLAGE RATES**

1989	Total	36.9417	30.7570
	Debt	2.1800	2.2905
	Net	34.7600	28.4700
1990	Total	37.00	31.00
	Debt	3.00	3.00
	Net	34.00	28.00
1991	Total	37.00	31.00
	Debt	3.00	3.00
	Net	34.00	28.00
1992	Total	37.00	31.00
	Debt	3.00	3.00
	Net	34.00	28.00
1993	Total	37.00	31.00
	Debt	3.00	3.00
	Net	34.00	28.00

Assuming at December 31, 1988, the "initial assessed value" of the real property located in the District of \$6,202,000.

The \$6,000 marketing and promotional costs may be financed solely from revenues received by the DDA. The remaining 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 vehicle used. Below are described the various available methods of financing the DDA may seek to use.

#### City 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 specifically benefited by the project. Payment of the general obligation bonds would be for general funds of the City derived from the proceeds of taxes levied upon all property within the City.

#### City Michigan Transportation Fund Bonds

For purposes of paying the costs of major and local street improvements, including paving, widening and lighting the City may also borrow an amount not to exceed an amount which 45% of the Village's receipts from the Michigan Transportation Fund for State fiscal year immediately preceding such a bond issue would support in annual debt service.

Refunding of Special Assessment/General Obligation  
and Michigan Transportation Fund Bonds With  
General Obligation/Tax Increment Refunding Bonds

If the City issues special assessment/general obligation bonds, bonds in anticipation of the Village's receipt from the Michigan Transportation Fund, or a combination of both, the City may be able to at a later date to issue its limited tax general obligation bonds pursuant to Section 16 of Act 197 to refund the prior issues.

Section 17(2)(j)

DESIGNATION OF PERSON OR PERSONS, NATURAL OR CORPORATE, TO WHOM ALL OR A PORTION OF THE DEVELOPMENT IS TO BE LEASED, SOLD OR CONVEYED.

None

Section 17(2)(k)

PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING OR CONVEYING ALL OR ANY PORTION OF THE DEVELOPMENT.

Does not apply.

Section 17(2)(1)

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

Approximately 50 people are estimated to reside in the development  
area.

Section 17(2)(m)

A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS  
DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT  
AREA.

Does not apply.



Section 17(2)(n)

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.

Does not apply.

Section 17(2)(o)

PLAN FOR COMPLIANCE WITH ACT 227 OF 1972, BEING SECTIONS 213.321 -  
231.332 OF MICHIGAN COMPILED LAWS.

Does not apply.

TAX INCREMENT  
FINANCING PLAN

TAX INCREMENT PROCEDURE

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 most recently assessed value of all taxable property within the boundaries of the development area at the time the ordinance establishing the development area is approved." 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." The tax increment revenue transmitted to the DDA results from applying the total tax levy of all taxing units within the development area to the captured assessed value.

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.

If bonds are to be sold, the municipality may not pledge for annual debt service requirements in excess of 80% of the estimated tax increment revenue to be received from a development area for that year. Should actual tax increment revenues fall below projections, any previously accumulated revenue would be devoted to retirement of the bonds. Any tax increment revenues collected in excess of the 80% measure described in Table 2 of the Development Plan will be used to pay current debt service on any bonds issued under the Plan and to pay or provide for payment by deposit into an improvement fund of development costs described in the Development Plan. The bonds are subject to the Michigan Municipal Finance Act and may not mature in more than thirty years. If tax increment revenues are insufficient for any reason, the Michigan Municipal Finance Act provides that if the bond issue has been approved by the electors of the municipality, the municipality must meet debt service requirements from its general fund and, if necessary, levy whatever additional taxes are required. If the bond issue has not been approved by the electors, meeting debt service requirements becomes a first budget obligation of the general fund.

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.

#### ESTIMATED IMPACT ON ALL TAXING JURISDICTIONS

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. As soon as adequate increments have been generated to pay debt service on bonds and to pay for the remaining development projects, excess tax increment will be returned to the taxing jurisdictions. Table 2 below demonstrates the current millage levied by each taxing jurisdictions, the anticipated growth in SEV and the resulting tax increment revenues to be derived from the Development Plan.

Table 2

#### IMPACT ON TAXING JURISDICTIONS

The DDA has analyzed the impact that the implementation of the proposed Tax Increment Financing Plan will have on the other taxing bodies. This impact is depicted in Table 3.

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. Upon completion of this tax increment financing plan, all additional tax revenues having been captured by the DDA will be distributed proportionately to the taxing jurisdictions.

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.

JES:tf

TABLE THREE

"IMPACT ON TAXING JURISDICTIONS"

FISCAL YEAR	SEV REAL	SEV* P.P.	TOTAL SEV	INITIAL A.V.	C.A.V.	LIV. COUNTY 5.5955	*MILLAGE RATE x C.A.V.		CITY
							BRIGHTON SCHOOLS 37.5200	I.S.D. 3.3654	
1989/90	7,146,800	997,700	8,144,500	7,199,700	944,800	5,286.63	35,448.90	3,179.63	15,825.40
1990/91	7,289,700	997,700	8,287,400	7,199,700	1,087,700	6,086.23	40,810.50	3,660.55	18,218.98
1991/92	7,435,590	997,700	8,433,200	7,199,700	1,233,500	6,902.05	46,280.92	4,151.22	20,661.13
1992/93	7,584,200	997,700	8,581,900	7,199,700	1,382,200	7,734.10	51,860.14	4,651.66	23,151.85
1993/94	7,735,900	997,700	8,733,600	7,199,700	1,533,900	8,582.94	57,551.93	5,162.19	25,692.83
1994/95	7,890,600	997,700	8,888,300	7,199,700	1,688,600	9,448.56	63,356.27	5,682.81	28,284.05
					TOTAL	\$44,040.51	\$295,308.66	\$26,488.06	\$131,834.24
					TAX INCREMENT REVENUES PER TAXING BODIES		\$497,671.47		

\* PERSONAL PROPERTY INCREASES WILL BE MINIMAL DUE TO RAPID DEPRECIATION

\* USE CURRENT MILLAGE LESS DEBT SERVICE THRU - OUT TERM OF PROJECT



TABLE FOUR

MILLAGE RATES OF TAXING BODIES WITHIN D.D.A. DISTRICT

TOTAL 1988 MILLAGE RATE 67.7014

TOTAL SUMMER 1988 MILLAGE 36.9417

CITY OF BRIGHTON	16.75
BRIGHTON AREA SCHOOLS	19.4617
Less Debt Service	<u>-2.180</u>
	17.2817
L.I.S.D.	.7300

TOTAL 1988 WINTER MILLAGE 30.7597

LIVINGSTON COUNTY	5.7060
Less Debt Service	<u>-.1105</u>
	5.5955
BRIGHTON AREA SCHOOLS	22.4183
Less Debt Service	<u>2.180</u>
	20.2383
L.I.S.D.	2.6354