

Adopted February 4, 2010

ORDINANCE NO. 548
APPROVING AMENDMENT TO THE
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING OF THE
DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF BRIGHTON

WHEREAS, the Downtown Development Authority of the City of Brighton (the "Authority") has previously prepared and recommended for approval a Development Plan and Tax Increment Financing Plan (the "Original Plan") which was approved by the City Council of the City of Brighton (the "City") pursuant to Ordinance 327 adopted on December 15, 1988; and

WHEREAS, the City Council has approved amendments to the Original Plan pursuant to Ordinance No. 379 adopted on May 5, 1994 and Ordinance No. 536 adopted on December 6, 2007 (together with the Original Plan, the "Amended Plan"); and

WHEREAS, in accordance with the provisions of Act 197, Public Acts of Michigan, 1975, as amended (the "Act"), the Authority has prepared and recommended for approval further amendments to the Amended Plan for the Development Area in the Downtown District within the City and has filed said amendments with the City Clerk, a copy of which is attached hereto as Exhibit A (the "Plan Amendment"); and

WHEREAS, on December 3, 2009, the City Council held a public hearing on the Plan Amendment pursuant to the Act; and

WHEREAS, the City Council has given the taxing jurisdictions in which the Development Area is located an opportunity to meet with the City Council and to express their views and recommendations regarding the Plan Amendment, as required by the Act; and

WHEREAS, after consideration of the Plan Amendment, the City Council has determined to approve the Plan Amendment.

NOW, THEREFORE, THE CITY OF BRIGHTON ORDAINS:

1. Findings.
 - (a) The Plan Amendment meets the requirements set forth in the Act.
 - (b) The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.
 - (c) The development is reasonable and necessary to carry out the purposes of the Act.
 - (d) The land included within the Development Area to be acquired, if any, is reasonably necessary to carry out the purposes of the Plan Amendment and the purposes of the Act in an efficient and economically satisfactory manner.
 - (e) The Plan Amendment is in reasonable accord with the master plan of the City.
 - (f) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.
 - (g) Changes in zoning, streets, street levels, intersections, and utilities, to the extent required by the Plan Amendment, are reasonably necessary for the project and for the City.

2. Public Purpose. The City Council hereby determines that the Plan Amendment constitutes a public purpose.

3. Best Interest of the Public. The City Council hereby determines that it is in the best interests of the public to proceed with the Plan Amendment in order to halt property value deterioration, to increase property tax valuation, to eliminate the causes of the deterioration in property values, and to promote growth in the Downtown District.

4. Approval and Adoption of Plan Amendment. The Plan Amendment is hereby approved and adopted. A copy of the Plan Amendment and all later amendments thereto shall be maintained on file in the City Clerk's office.

5. Amendment to Ordinance Nos. 327, 379 and 536; Conflict and Severability. Ordinance Nos. 327, 379 and 536 are hereby amended by this Ordinance. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of the Ordinance are to the extent of such conflict hereby repealed, and each section of the Ordinance and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of the Ordinance.

6. Paragraph Headings. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be a part of the Ordinance.

7. Publication and Recordation. The Ordinance shall be published in full promptly after its adoption in the *Livingston County Press & Argus*, a newspaper of general circulation in the City, qualified under State law to publish legal notices, and shall be recorded in the Ordinance Book of the City, which recording shall be authenticated by the signature of the City Clerk.

8. Effective Date. The Ordinance is hereby determined by the City Council to be immediately necessary for the interests of the City and shall be in full force and effect from and after its passage and publication as required by law.

Exhibit A (the "Plan Amendment"); and

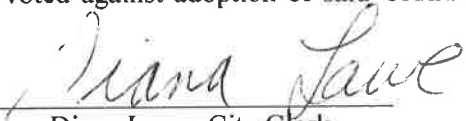
CERTIFICATES

I hereby certify that the foregoing is a true and complete copy of Ordinance 548, duly adopted by the City Council of the City of Brighton, County of Livingston, State of Michigan, at a regular meeting held on February 4, 2010, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by such Act.

I further certify that the following Members were present at said meeting Schillinger, Cooper, Bohn, Bandkau, Muzzin, Roblee, Pipoly and that the following Members were absent - none.


I further certify that Member Roblee moved adoption of said Ordinance and Member Muzzin supported said motion.

I further certify that the following Members voted for adoption of said Ordinance Cooper, Bohn, Bandkau, Muzzin, Roblee, Pipoly and that the following Members voted against adoption of said Ordinance - Schillinger.



Diana Lowe, City Clerk

I hereby certify that the foregoing ordinance received legal publication in the *Livingston County Press & Argus* on February 12, 2010.



Diana Lowe, City Clerk

EXHIBIT A

[Attach Plan Amendment Here]

Supplements to the DDA Plan Amendment as Recommended by Miller Canfield Paddock & Stone.

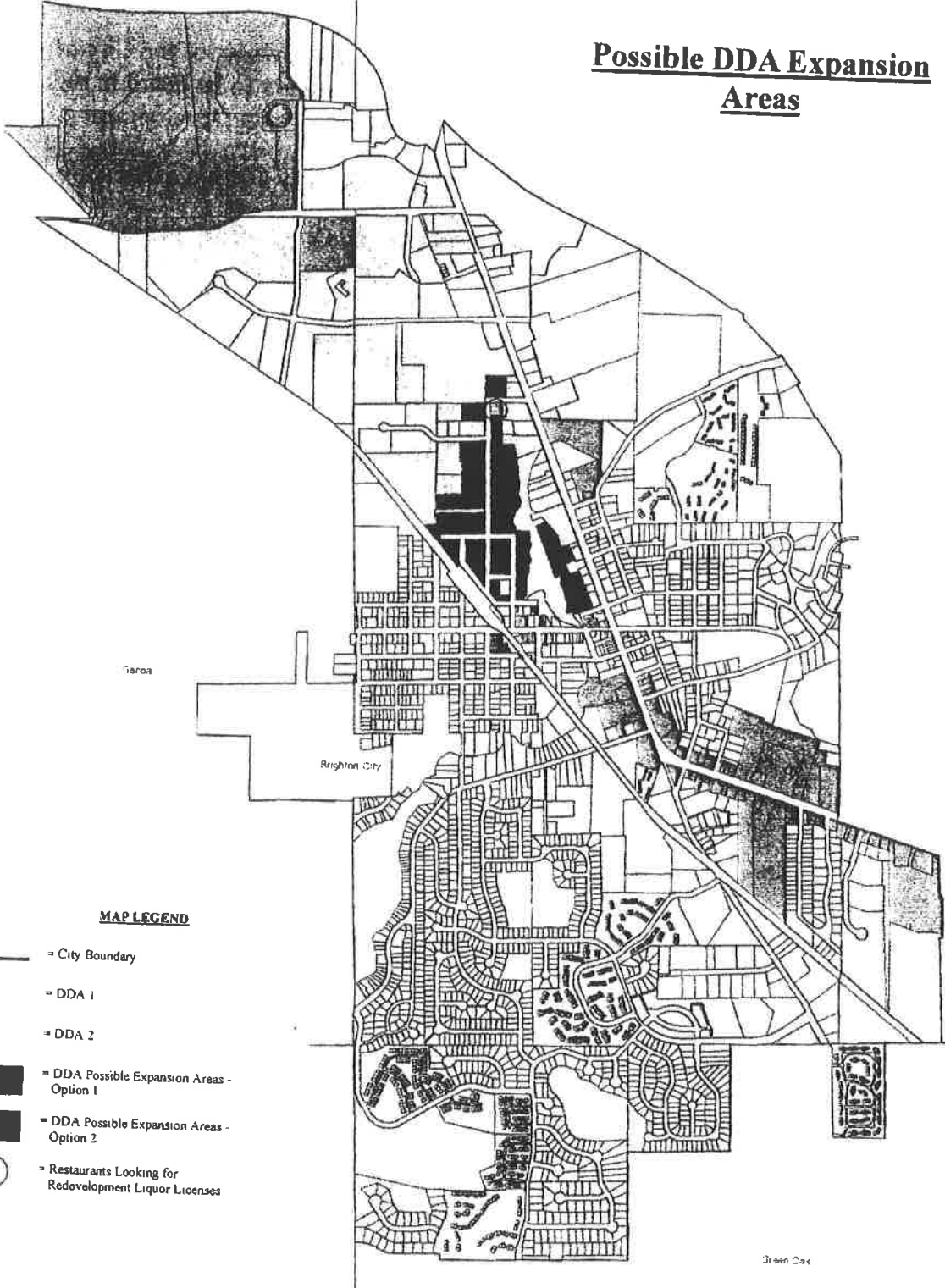
Amendment Read in Concert with Existing Plan

The 2010 Plan Amendment is an update and addition to the existing Downtown Development Plan and Tax Increment Financing Plan and must be read in concert with the existing plan.

Capture of Tax Increment Revenues

That portion of the captured assessed value used by the plan in any given year shall be the current assessed value of the entire development area less the current assessed value attributable to the property added to the development area pursuant to the 2010 plan amendment. This effectively results in the DDA capturing tax increment revenues attributable to the pre-2010 development area boundaries only.

Possible DDA Expansion Areas



MAP LEGEND

- City Boundary
- DDA 1
- DDA 2
- DDA Possible Expansion Areas - Option 1
- DDA Possible Expansion Areas - Option 2
- Restaurants Looking for Redevelopment Liquor Licenses

Green Oak

Revised August 13, 2009

DDA DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN
AMENDMENT – AUGUST 18, 2009

INTRODUCTION

For a number of years, the Brighton City Council and business and community leaders in Brighton have shared a concern about the physical and economical deterioration of the business district in the City of Brighton's Downtown Development Authority (DDA). These same leaders have also been concerned about the City's ability to continue as a viable regional commercial center for a larger regional community. The deterioration has generally manifested itself in the forms of actual physical public infrastructure problems, and commercial vacancies in the DDA business corridors. The City of Brighton Board of Review and Assessors Office has/will in fact received and approved lowered assessed valuations on properties within the entire business district of the DDA due to demonstrated hardship and the physical deterioration noted above (NOTE: Dave Gajda to prepare list of properties to be reduced in value for 2009).

The City has previously attempted to stem deterioration and encourage revitalization of its various commercial districts. These efforts have resulted in some physical improvements in the commercial districts. However, it has been deemed that additional efforts are necessary.

The commercial corridors of the DDA are essentially the heart of Brighton. The businesses and related activities along these corridors represent the main commercial center of southeast Livingston County. The appearance and image of these corridors are therefore important to the larger region.

In order to prevent deterioration in the past, the City of Brighton previously established the DDA, pursuant to Act 197 of 1975 ("Act 1998") and an ordinance adopted by the Brighton City Council on March 6, 1986. The DDA was created to halt property value deterioration and increase property valuation, where possible, in the Business District of the City, and to eliminate the causes of that deterioration and promote economic growth. The City's DDA has established a Development Plan and Tax Increment Financing Plan to provide for the acquisition, construction and financing of the necessary infrastructure and related public benefit facilities to meet the objectives of the City's DDA. In addition, the purpose of the City's DDA Plan is to provide for long-term business and economic retention as well as to provide a public-private sector partnership to facilitate continued regional commercial viability of the major business corridors in the City of Brighton. The DDA was subsequently amended in 1993 to expand its boundaries to include the northwest Grand River Avenue Corridor and Challis Road, add Projects and extend its life. The 1993 amendment was necessary to keep the DDA solvent, in light of the significant loss of tax increment revenue

from the Brighton Area Schools opting out, per Proposal A. The attached map reflects the current DDA District boundaries (DDA 1 and DDA 2) and the proposed expansion areas under this Amendment to the Plan.

The City and the DDA also have retained since that time and concurrently with the writing of this amended plan, certain consultants to prepare definitive physical improvement and related revitalization project plans and proposals. The DDA has also on previous occasions since its establishment, developed and enacted specific implementation and related financing plans to implement the majority of these same said plans and proposals.

The primary purpose of this third amendment to the DDA Tax Increment Financing and Development Plan is to expand the DDA boundaries to include those areas shown in Exhibit A including: 1) East Grand River Avenue from Dutcher Street to the southeast city limits; and 2) commercial and mixed use area west of Murphy Drive and north of Challis Road; several parcels located on the east side of Grand River Avenue and north of Liberty Drive.

The third amendment to the DDA Tax Increment Financing and Development Plan may include the capture of increases in tax base within the amended district and will expressly permit the expenditure of DDA funds within the existing and expanded district boundaries. The third amendment to the DDA Tax Increment Financing and Development Plan identifies approved City of Brighton Capital Improvement Program projects located within the DDA district as eligible DDA Plan projects, in addition to police and public service costs attributable to the district. Specifically, the amended plan would:

1. Identify the East Grand River Improvement program as an eligible project. The East Grand River Improvement project consists of streetscape improvements including street lighting, pedestrian lighting, crosswalk upgrades, intersection upgrades including traffic signal mast arms, landscaping, street furniture, sidewalks and walking paths, sitting areas and sculpture bases, and other common pedestrian friendly improvements.
2. Allow expenditures for approved CIP projects within the DDA District, including maintenance, equipment and utilities.
3. Allow as eligible expenses Department of Public Services costs attributable to DDA district activities including street repair and maintenance, utility repair and maintenance, and other public infrastructure repair and maintenance. DPS costs attributable to the DDA District infrastructure repair and maintenance activities shall include manpower, equipment and overhead costs.

4. Allow as eligible expenses Department of Public Safety costs attributable to DDA District activities including traffic patrol, crime investigation, property surveillance, etc.
5. Allow as eligible expenses annual appropriations to fund the future Main Street Program.
6. Allow as eligible expenses Department of Public Safety and Department of Public Services costs attributable to Civic Events such as the Smokin' Jazz & Barbeque Blues Festival, Summerfest, and other downtown promotional events and activities.

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 Plan, as reflected from the attached Project List, is estimated to be about \$_____ million **(NOTE: Project list to be developed jointly by DDA and City)**. The total cost of total possible Projects as listed on the attached prioritized list may exceed total revenues, which the DDA anticipates to receive during the life of the amended plan (June 30, 2045). The DDA may, during this same period of time in which the plan is effective, receive other additional and unanticipated revenues. The DDA is not obligated to complete all of the projects on the attached list. The DDA is only obligated to pursue and implement the Projects on the attached Project list within revenue and cash balances available during each year of this plan's administration. The total tax increment revenue collected may exceed the total cost of total possible projects in the Development Plan. The DDA is not obligated to expend all the tax increment collected during the life of the Plan, and shall return to the taxing units all surplus tax increments collected during the life of the Plan.

The DDA may, pursuant to Act 197 finance the projects specified in the attached plan list in any combination of the following means or with any combination of the following sources:

1. Donations received by the DDA
2. Proceeds of a tax imposed pursuant to Section 12 of Act 197
3. Revenue bonds issued pursuant to Act 94 as amended
4. Tax Increment bonds issued by the DDA pledging solely the tax increments and other revenues of the DDA,
5. Proceeds of a special assessment district created as provided by the law and from money obtained from other sources as may be approved by the governing body.
6. Any allowable millages subject to capture

(NOTE: Attachments referenced in this paragraph will be developed by Finance Director with advice from Municipal Financial Advisor). The attached Estimated Statement of DDA Revenue, Expenditures and Changes in Fund Balance for the proposed DDA Plan Boundary Expansion describes the projected sources of income available to the DDA to pay for the Project costs in the attached Project List as known and projected at the time of this amended plan's writing. The "Tax Increment Financing Projection" tables are based on projected captured taxable values of real and personal property within the total Downtown Development District.

For any debt issuances, the debt service will be no greater than the tax increment revenue in the year in which the debt will be issued net of operating, capital, administrative expenses and existing debt service which the DDA may already be incurring. For any debt issued by the DDA for completion of any projects of this plan, all same said debt will mature or be retired by no later than the end of the last fiscal year of this amended plan.

Adoption and approval of this amended Development and Tax Increment Financing Plan will reserve the right and authority to the Brighton City Council and DDA Board of Directors to collectively change the prioritization of and or implementation order of the projects, including financing thereof, as estimated and described in the attached plan list.

Prepared on behalf of the Downtown Development Authority
by Community Planning & Development Department, City of Brighton
August 13, 2009

**CITY OF BRIGHTON, MICHIGAN
DDA FUND - PROPOSED AMENDED PLAN
FY 2010/11 - FY 2044/45**

<u>Future City of Brighton DDA Projects</u>	<u>Total</u>
Public Parking Structure	8,000,000
Pink Hotel/Railroad R.O.W. Improvements	100,000
Miscellaneous Parking Lot Opportunities	100,000
East Grand River Improvement Program	4,674,000
EGR Parking	500,000
EGR Park	600,000
First Street/Parking Lot Improvements	100,000
Parking Lot - Cemetery	600,000
West & Main Raised Crosswalk	290,000
Additional Parking Pierce Street Lot	50,000
West Street Streetscape Completion	500,000
Trail Extension Grand River to Flint Rd.	250,000
North Street Streetscape Completion	200,000
Grand River & St. Paul / North St. Intersections	1,000,000
Grand River Streetscape I-96 to Dutcher St.	5,300,000
Crosswalk - Grand River at Boardwalk	750,000
Civic Center Improvements - Phase IV	350,000
Challis Road Sidewalks & Street Lights	110,000
Property Acquisition - East Block	250,000
Improvement Loan Program	100,000
Mill Pond Turf Replacement	54,000
Second Street to Library Drive Walkway	300,000
Raised Median Turning Lane - Grand River	2,000,000
Park at Ore Creek - Pierce St. Lot	185,000
Security Camera Installation - Downtown	175,000
Downtown Gateway on Main	100,000
Raised Median / Portable Planters - Main St.	675,000
Bike Rack Station	10,000
Banner Posts	11,000
Replace Main St. Detroit Edison "Cobra" Street Lights	250,000
Cobb Hall Lot Development + Adj. Prop.	425,000
Mill Pond Park Renovation/Repairs	100,000
South Main Elec. Burial	750,000
<u>Approved City CIP Projects within the DDA District:</u>	
Streetscape	210,000
City Hall Land Acquisition	750,000
Village Cemetery Improvements	35,000
Grand River & Omdorf Mast Arm Update	200,000
Black Ornamental Lamp Cover Replacement	15,000
Downtown Grounds, Lights & Furniture Replace.	145,000
Millpond Park Power Washer	15,000
Millpond Water Circulator	50,000
Splash Pad	30,000
Millpond Fire Pit	10,000
Millpond Dredging	660,000
Challis Road Gateway	100,000
Street Tree Improvements	150,000
Miscellaneous - TBD	<u>630,000</u>
TOTAL	<u>31,859,000</u>