

# 2016

City of Berkley  
Downtown Development Authority  
3338 Coolidge Highway  
Berkley, Michigan 48072



## **DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN AMENDED AND RESTATED**

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## ***1.0 Introduction***

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## **City of Berkley Downtown Development Authority**

Development Plan & Tax Increment Financing Plan Amended and Restated  
Adopted May 20, 1996, Amended May 18, 2009, Amended xxx xx, 2016

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### **1.1 Purpose of the Downtown Development Authority Act**

Public Act 197 of 1975, as amended, of the State of Michigan, commonly referred to as the Downtown Development Authority Act (the “Act”), was created in part to correct and prevent deterioration of business districts; to promote economic growth and revitalization; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation of downtown development authorities; to authorize the levy and collection of taxes, the issuance of bonds and the use of tax increment financing in the accomplishment of specific downtown development activities contained in locally-adopted development plans.

The Act seeks to reverse historical trends that have led to the loss of population, jobs, businesses and the quality of life in our cities by attacking the problems of urban decline, strengthening existing areas and encourage new private developments in the downtown districts of Michigan communities. It seeks to accomplish this goal by providing communities with the necessary legal, monetary and organizational tools to revitalize downtown districts either through public-initiated projects or in concert with privately motivated development projects.

### **1.2 Creation of the Berkley Downtown Development Authority**

On October 18, 1993, the City of Berkley City Council adopted an ordinance that created the Downtown Development Authority of the City of Berkley (“DDA”). The Downtown Development Authority District created by this Ordinance is illustrated on Map M1 and a copy of the respective Ordinance, as amended on March 5, 2001, is included in Appendix A.

The DDA was given all the powers and duties prescribed for a downtown development authority pursuant to Public Act 197 of 1975. Further, the operational structure of the DDA was approved pursuant to its By-Laws.

### **1.3 Determination of Necessity for the Berkley DDA as Amended**

The need for establishing the development district described in Section 2.2 (referred to as “Development Area”) is founded on the basis that the future success of Berkley’s current effort to revitalize its commercial area will depend, in large measure, on the readiness and ability of its public corporate entity to initiate public improvements that strengthen the commercial area and to encourage and participate where feasible in the development of new private uses that clearly demonstrate the creation of new jobs, the attraction of new businesses, and the generation of additional tax revenues.

In order to accomplish the aforementioned, the DDA has implemented a number of projects since 1996. Past projects have included:

- Twelve Mile Road Streetscape Program
- Berkley Public Library Roof Replacement
- Berkley Public Library Building Enhancements
- Twelve Mile Road and Coolidge Highway Intersection
- Municipal Parking Lot Improvements

In order to continue making progress in promoting economic growth within the DDA, the DDA has determined it necessary to update the Development Plan and Tax Increment Financing Plan (together, the “Plan”) to allow the Board to better address the needs of the district. As the DDA has developed over the last 10 years, it has determined that its original Plan, as amended is insufficient in adequately addressing the needs of the City and the DDA. This Amended and Restated Plan adds new projects that the DDA feels are necessary for the continuation of its purpose, as well as allowing enough flexibility to adapt with the changing needs of the DDA district and City of Berkley.

The General Development Plan referenced herein suggests the following functions:

- To strengthen and expand Berkley’s reputation as a shopping, dining, and entertainment destination through promotion, retention, and recruitment activities.
- To continue to encourage new development/ redevelopment in the DDA district through the establishment of special financing programs that assist property owners with appropriate exterior renovations and improvements.
- To continue addressing the aesthetics and usability of the downtown district through streetscape, parking, wayfinding, and other improvements designed to enhance Downtown Berkley’s environment for commerce and civic activity.

The DDA has determined that tax increment revenues from new private developments, when coupled with other public and private sector funds such as grants, gifts, special assessment districts, etc., will over time, produce revenues needed to finance the development of these new public facilities and improvements.

#### **1.4 Purpose of the Tax Increment Financing Plan for the DDA, as Amended**

The City of Berkley’s Downtown Development District was established because the downtown area had experienced notable property value deterioration. In order to halt property tax value deterioration, increase property tax valuations and facilitate the overall economic growth of its business district, it is deemed to be beneficial and necessary to continue the operation of a downtown development authority in the City under the provisions of the Act.

The DDA has determined that tax increment financing is necessary for the achievement of the purposes of the Act and it is authorized to prepare and submit a Tax Increment Financing Plan to the governing body. The purpose of the Tax Increment Financing Plan is to establish procedures, requirements, and methods for the collection and use of tax increment revenues, in order to carry out the implementation of projects outlined in the City of Berkley DDA Development Plan.

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## ***2.0 Development Plan***

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**City of Berkley Downtown Development Authority**

Development Plan & Tax Increment Financing Plan Amended and Restated  
Adopted May 20, 1996, Amended May 18, 2009, Amended xx x, 2016

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**2.1 Designation of Boundaries of the Development Area**

The Development Area boundary is located within the jurisdictional limits of the City of Berkley and the City of Berkley Downtown Development Authority. The Development Area boundary is contiguous with the Authority’s District as illustrated in Map M1 and can be generally described as incorporating the properties along both sides of Twelve Mile Road from Coolidge Highway to Greenfield and Coolidge Highway from Eleven Mile Road to Twelve Mile Road as outlined in section 2.2.

**2.2 Legal Description of the Development Area**

The boundary of the Development Area over which the DDA will exercise its power is as follows:

- The west side of Coolidge Highway between Eleven Mile Road and Twelve Mile Road consisting of the following parcels of real estate:
  - **Denler Acres Subdivision**  
Lots 1-5; the east 110 feet of lot 6, lots 7-18; the east 120 feet of lot 19, lots 20-23, and lots 94 and 95 of Denler Acres Subdivision;
  - **Brookline Hills Subdivision**  
Lots 169-234, and the north 20 feet of lot 235 of Brookline Hills Subdivision;
  
- The east side of Coolidge Highway from Eleven Mile Road to Twelve Mile Road consisting of the following parcels of real estate:
  - **Hannan’s West Royal Oak Subdivision**  
Lots 1-2, lots 61-64, lots 123-126, lots 185-188, the west 40 feet of lot 245, lots 246-271, and with the corner parcel known as Sidwell No. 25-17-357-019 of Hannan’s West Royal Oak Subdivision;
  - **Perry Mortenson Company’s Sunnyknoll Farms Subdivision**  
Lots 13-16, the west 138.76 feet of lot 40, and the west 138.95 feet of lot 41 (Sidwell Numbers 25-17-302-001, 002 & 003 only), and lots 71-74 of Perry Mortenson Company’s Sunnyknoll Farms Subdivision;
  - **Brookline Hills Subdivision**  
Lots 1-9, lots 14-30, lots 39-46, lots 61-69, lots 82-88, lots 103-104, the west 102.74 feet of lot 105, lots 106-109, lots 124-129, lots 144-150 and lots 165-168 of Brookline Hills Subdivision;
  
- The south side of Twelve Mile Road consisting of the following parcels of real estate:
  - **Berkley School Park Subdivision**  
Lots 1-53, 65, 77, 89, 90, 101 and the north ½ (20ft) of lot 113 of the Berkley School Subdivision;
  - **Thomas Brothers Beverly Park Subdivisions**  
Lots 182-193, the north ½ (20ft) of lot 306, lots 307-319, and the north 10 feet of lot 320, lots 431-442, lots 557-568, and lots 57-68 and the north 40 feet (+/-) of lot 69 of the Thomas Brothers Beverly Park Subdivision;
  - **Glen Ford Park Subdivision**  
Lots 1-41, 138, 139, 239-240, and the north 43.80 feet of lot 241, lots 337-342; the north 40 feet (+/-) of lot 343 of the Glen Ford Park Subdivision;



- **Brookline Hills Subdivision**  
The north 20 feet of lot 348, lots 349-355, lots 474-478, north 77 feet of lot 597, the north 85 feet of 598, lots 599-603, the north 20 feet of lot 604, the north 20 feet of lot 717, and lots 718-722 of Brookline Hills Subdivision;
- The north side of Twelve Mile Road consisting of the following parcels of real estate:
  - **Ellwood Heights Subdivision**  
Lots 1-50 and lot 145 of the Ellwood Heights Subdivision;
  - **Cottage Homes Subdivision**  
Lots 1-7, the south 32.60 feet of Lot 65, Lots 66-76 and the south ½ of lot 77, the south 40 feet of lot 136, lots 137-148, lots 205-221, lots 276-289, lots 349-361, lots 420-432, the south 40 feet of lot 490 and lots 491-496 of the Cottage Homes Subdivision;
  - **McGiverin Haldeman's Berkley Subdivision**  
Lots 64-82, and lots 193-210 of the McGiverin Haldeman's Berkley Subdivision;
  - **St. John Woods Subdivision**  
Lots 1-9, the south 18 feet of lot 10, lots 43-54, the south 20 feet (+/-) of lot 55, lots 90-100, lots 137-147, and lots 184-193 of the St. John Woods Subdivision.

All public or private alleys and other public rights of way abutting these lots are also included within the boundary of the proposed district.



Community Overview



Downtown Development Authority  
of the City of Berkeley

**Contact**  
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Berkeley, CA 94702  
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**Statistics**  
Authority: 58 acres  
Dev. Area: 58 acres  
Village: Yes



Legend

— Authority Boundary  
Development Capture Area  
See also 10/12/15/16/17/18/19/20/21/22/23/24/25/26/27/28/29/30/31/32/33/34/35/36/37/38/39/40/41/42/43/44/45/46/47/48/49/50/51/52/53/54/55/56/57/58/59/60/61/62/63/64/65/66/67/68/69/70/71/72/73/74/75/76/77/78/79/80/81/82/83/84/85/86/87/88/89/90/91/92/93/94/95/96/97/98/99/100



Map Date: August 1st, 2018  
Created by: Oakland County Planning and Economic Development Services  
The information provided hereon has been compiled from recorded deeds, plats, tax maps, surveys and other public records. It is not a legally recorded map or survey and is not intended to be used as one. Users should consult the authoritative source indicated above when conducting work.

Map: M1

## 2.3 Development Plan Objectives

In order to achieve the intent of the Act, the project list outlined in section 2.4 was developed with the intention of meeting the following objectives:

- To produce and maintain an aesthetically pleasing environment for businesses and commerce.
- To maintain current and future improvements implemented to achieve the above objective.
- To improve public accessibility through both parking and pedestrian improvements.
- To provide incentives to property owners to rehabilitate their properties making a more attractive downtown.
- To contribute to necessary public infrastructure improvements critical to facilitating business development in the DDA.
- To contribute to the availability of cultural, entertainment, and community gathering opportunities for Downtown Berkley’s patrons.
- To promote Downtown Berkley as a premier destination for business development and commerce.

## 2.4 Location, Character, Extent and Estimated Cost of Proposed Improvements

Based on the goals and objectives of the DDA, as outlined previously, and those presented in the City of Berkley Master Plan adopted in January 2007, the following list is a complete representation of the improvements the DDA intends to implement over the remainder of its life. Each project will include a description of the extent, character, and location of the project. The cost estimates associated with each improvement will be refined as design plans are completed for each individual improvement.

<b>Project</b>	<b>Location</b>	<b>Estimated Cost</b>
Streetscape Program: curbs, sidewalks, plants, street furniture, lighting	Twelve Mile from Greenfield to Tyler	\$900,000
Streetscape Program: curbs, sidewalks, plants, street furniture, irrigation, lighting, rehabilitate road surface, restripe	Coolidge Highway from Twelve Mile to Eleven Mile	\$3,500,000
Streetscape Program: curbs, sidewalks, plants, street furniture, irrigation, lighting	Business side streets abutting Twelve Mile and Coolidge	\$1,815,000
Robina Plaza (north and south sides)	Twelve Mile	\$1,500,000
Gateway: monument signs, lighting	District Wide	\$330,000
Façade Grant/Low Interest Loan Program to the extent authorized by law	District Wide	\$250,000
Maintenance: sweeping sidewalks, weed pulling, landscaping maintenance, flower planting	Coolidge Highway, Twelve Mile Road, and municipal parking lots	\$850,000
Municipal Parking Lots (existing): repaving, drainage, screenwalls, landscaping, lighting upgrades	Twelve Mile	\$650,000

Municipal Parking Lots (including City Hall and Library): repaving, drainage, screenwalls, landscaping, lighting upgrades	Coolidge Highway	\$300,000
Parking (leasing or purchasing of parking lots)	District Wide	\$1,100,000
Traffic Signals	District Wide	\$100,000
Pedestrian Accessibility: crosswalks and other efforts	District Wide	\$385,000
Property Assemblage, Purchase, Demolition or Renovation	District Wide	\$2,000,000
Wayfinding Signage	District Wide	\$71,500
Parking Structure	Twelve Mile	\$6,100,000
Street Closure: curbs, sidewalks, landscaping, street furniture, irrigation, lighting	Side streets abutting Twelve Mile or Coolidge	\$1,700,000
Other City facilities: including a plaza, farmers' market pavilion, other civic space, community center, public works department	Twelve Mile	\$8,800,000
Community Dumpsters: enclosures, dumpsters, and maintenance	Twelve Mile	\$100,000
Infrastructure: water and sewer line replacement under approved DDA projects	District Wide	\$1,100,000
Utility Lines: bury overhead lines	Twelve Mile	\$2,750,000
Utility Lines: bury overhead lines	Coolidge	\$2,750,000
Library: improvements and maintenance	Coolidge	\$2,750,000
Municipal building: improvements, maintenance, parking, and infrastructure	Coolidge	\$6,800,000
Administration	District Wide	\$180,000
DDA Promotion	District Wide	\$305,000
Business Recruitment	District Wide	\$60,000
Traffic Calming Pilot Projects (such as temporary street striping, parklet construction, etc)	Coolidge	\$150,000
Plans and Studies	District Wide	\$360,000

Project activities, including the ongoing activities, committed and planned listed in this Plan have an estimated total cost of \$47,656,500. The sources from which these costs have been, or will be financed, partially or wholly, include one or more of the following: tax increment revenues, tax increment bond proceeds, proceeds from grants or gifts from private or public sources, special assessment districts and/or any other source in compliance with the Act.

## **2.5 Location and Extent of Existing Streets and other Public Facilities**

Public land uses, within the Development Area, include rights-of-way under the jurisdiction of the City of Berkley and the Oakland County Road Commission. Included within the Development Area are alleys that run parallel to the major streets mentioned above and behind the retail and office land uses fronting on these streets.

## **2.6 Location, Character and Extent of Existing Public and Private Land Uses**

Existing land uses within the Development Area are composed of public and private land uses. The locations of these land uses are illustrated on Graphic/ Map M2.

### **2.6.1 Public Land Uses**

In addition to the streets and alleys described above, other public land uses within the Development Area include municipal parking, the City Hall, Public Safety Building, and Public Library.

### **2.6.2 Private Land Uses**

**Residential**—There are no longer any single family residential houses within the Development Area. There are several duplexes on Coolidge north of Eleven Mile Road. There are several apartment buildings on Coolidge and Twelve Mile. The remainder of the housing consists of second story apartments above first floor business uses. In all there are approximately twenty (20) residential properties in the district.

**Commercial**—The majority of property within the Development Area consists of commercial property. Due to the configuration of the DDA District, there exist three distinct commercial areas:

1. *Coolidge Highway.* Generally, Coolidge Highway consists of professional offices, convenience businesses and services.
2. *Twelve Mile between Coolidge and Tyler.* This portion of Twelve Mile is a mix of business and second story residential in a traditional downtown.
3. *Twelve Mile between Tyler and Greenfield.* The western portion of Twelve Mile is a mix of professional offices, convenience business and services.

**Industrial**—There are no industrial manufacturing facilities within the Development Area.

**Transportation**—There are no daily private transportation facilities such as railroad lines or truck terminals within the Development Area.

### **2.6.3 Institutional Uses**

The Berkley Public Library and the Lady of LaSalette Church and Crescent Academy are educational land uses located within the Development Area. Property owned by the Berkley Public Schools is located on Coolidge Highway between Dorothea and Catalpa. However, the school facilities are located to the east and outside of the Development Area.

## 2.6.4 Vacant Land

There are no significant parcels of land available for development within the Development Area.



**Map: M2**

## **2.7 Location, Character and Extent of Proposed Land Uses**

Since the adoption of the City's Master Plan in 2007, there have been subsequent changes made in regulations in order to require quality development and encourage mixed use development including residential uses (such as townhouses) along the western portion of the DDA District. There have also been subsequent small area studies such as the DDA Parking Plan (2009), Multi-Modal Transportation Plan (2012), Coolidge Traffic Study (2013), Wayfinding Study (2013), and Robina Plaza Study and Plan (2014 and 2015).

Future business uses in the DDA District will continue to be specialty retail and restaurants, as well as an appropriate mix of office and institutional uses in order to provide a healthy business mix.

## **2.8 Existing and Planned Open Space Areas**

The City's Master Plan calls for the development of a plaza near Robina and Twelve Mile within the Development Area. Such an improvement would require collaboration between public entities and private land owners.

## **2.9 Description of Existing Zoning and Proposed Changes**

There are six different zoning classifications within the DDA adopted in accordance with the City's Master Plan. There are no planned zoning changes at this time.

## **2.10 Description of Proposed Street and Utilities Changes**

Currently there are no proposed street or utilities changes other than the possible closure of all or a portion of Robina in the downtown area for the purpose of creating a civic plaza in the downtown.

## **2.11 Portions of the Development Area to Sell, Donate, Exchange or Lease**

Currently there are no properties that the DDA owns that it desires to sell, donate, exchange, or lease to or from the City of Berkley.

## **2.12 Designation of Person(s) to Benefit from Property Transactions**

The public improvements undertaken in the Development Plan will remain in public ownership for the public benefit. Although components of the projects outlined (e.g., streetscape and off-street parking facilities) benefit adjacent commercial property owners, they are public assets to be managed by the municipality.

## **2.13 Procedures for Bidding for the Leasing, Purchasing, or Conveyance of Property**

Currently there are no agreements for property conveyance between the City of Berkley, the DDA, or any person(s), natural or corporate for properties within the portion of the Downtown Area covered by the Development Plan. All land acquisitions would be done by mutual agreement between the seller and the DDA as property becomes available. Any such sale, lease, or exchange shall be conducted by the DDA pursuant to requirements specified in Public Act 197 of 1975, as amended, with the consent of the City Council. If needed, more detailed procedures will be developed before the transactions are executed, according to applicable City policy and Michigan state law.

## **2.14 Estimated Number of Persons Residing in the Development Area**

On the basis of a review of the properties within the Downtown Development Authority district and Development Area it is estimated that less than 100 individuals reside within the Development Area. The estimate was based on a physical inventory of dwelling units within the Development Area compared against population data provided through the 2010 U.S. Census. A recent report from the City Clerk regarding the number of DDA voters as compared to historic numbers determined that there has not been a significant increase in population that would put the Berkley DDA over the threshold of 100. As a result, there is no need to establish a Development Areas Citizen Council pursuant to Section 21 of Public Act 197 of 1975, as amended.

The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within that portion of the Development Area covered by the Development Plan.

## **2.15 Plan for Establishing Priority for the Relocation of Persons Displaced**

There is no plan to condemn property in conjunction with the Development Plan. As a result, this section is inapplicable.

## **2.16 Provision for the Costs of Relocation**

There is no plan to condemn property in conjunction with the Development Plan. As a result, this section is inapplicable.

## **2.17 A Plan for Compliance with PA 227 of 1972**

There is no plan to condemn property in conjunction with the Development Plan. As a result this section is inapplicable.

## **2.18 Stages of Construction and the Estimated Time of Completion**

The proposed projects are outlined above. The DDA has not adopted specific time frames for specific projects, but it is estimated that projects will be completed by June 30, 2040.



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### ***3.0 Tax Increment Financing Plan***

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### **3.1 Explanation of the Tax Increment Procedure**

As provided the Act, tax increment financing is an effective financing tool for the redevelopment of designated development areas within a Downtown Development Authority District. Tax increment financing is the process of expending new property tax dollars for improvements that generally benefit the source of the taxes. Tax dollars generated from new private property developments and from improvements and to existing private property within a designated development area are “captured” and utilized by the DDA to finance public improvements within the development area. This process supports and encourages continued private investment.

To utilize tax increment financing, the DDA must prepare a development plan and a tax increment financing plan. Both plans are submitted to the City Council. The Council must approve the plans. The plans specify the initial assessed value, estimate the captured assessed value, and provide for the expenditure of the funds. These plans may be amended to reflect changes desired by the DDA or the City. All amendments must follow the procedures of the Act.

*Captured assessed value* is defined in the Act, as the amount, in any one year by which the current assessed value of the development area exceeds the initial assessed value. *Initial assessed value* is defined as the most recently assessed value, as finally equalized by the State board of equalization, of all the value, as finally equalized by the State board of equalization, of all taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved. In the case of a change in the boundaries of a development area, the initial assessed value of those properties added is based upon the SEV in effect at the time of change. Unaffected properties maintain the same initial assessed valuations as originally determined. Properties deleted from a development area have the appropriate initial assessed valuation removed from the DDA base.

Beginning with the next tax collection following the approval of the plans and for each collection in years covered by the plans, the municipal treasurer(s) where the District resides must transmit directly to the DDA the applicable portion of the tax levy set by the taxing units on the real and personal property in the development area.

Such funds transmitted to a DDA are termed *tax increment revenues*. The tax increment revenue is computed as the levy on the captured assessed value, including that portion of any commercial facilities tax levied pursuant to Public Act 255 of 1978 and the portion on an industrial facilities tax levied pursuant to Public Act 198 of 1974 attributable to the captured assessed value.

Under this tax increment financing plan, the tax levy on the entire captured assessed valuation is to be collected by the DDA. The tax increment revenues will be expended in the manner as set forth in this plan. Projected estimates of the SEV growth and tax increment revenues to be received by the DDA are included in section 3.3.

### **3.2 Taxing Jurisdictions Agreements**

Tax increment revenues for the DDA result from the application of the general tax rates of the incorporated municipalities and all other political subdivisions that levy taxes in the development area applied to the captured assessed value. Since the Plan may provide for the use of all or part of the captured tax increment revenue, the DDA may enter into agreements with any of the taxing units to share a portion of the revenue of the District. Should the Authority find it necessary to use all of the captured revenue, it shall be clearly stated in the plan.

The DDA intends to utilize all captured revenue as referenced in TP-2 and TP-3 from the District until the projects addressed in the Development Plan are completed and until any bonded indebtedness is paid in full or the plan expires.

### 3.3 Property Valuations and Captured Revenue

The property valuation on which tax increment revenues will be captured is the difference between the Initial Assessed Valuation and the Current Assessed Valuation. The purpose of this section is to set forth the Initial Assessed Valuation, the projected Captured Assessed Valuation and the anticipated increment revenues to be received by the Authority from the local taxing jurisdictions including the City of Berkley, Oakland County, Oakland Community College, and any other authorities or special tax districts that may be eligible to levy property taxes within the boundaries of the Downtown Development Authority, herein collectively referred to as the *Local Taxing Jurisdictions*.

The Initial Assessed Valuation is established based on the 1995 state equalized valuations on real property and on all non-exempt parcels within that portion of the Development Area as of May 22, 1995. The Initial Valuation of the Authority is set forth below in Table TP-1.

<b>Initial Assessed Value</b>	<b>1996 (Base Year)</b>
Real Property	\$17,337,820
Personal Property	\$3,836,000
<b>Total Taxable Value</b>	<b>\$21,173,820</b>
<b>Initial Assessed Value</b>	<b>1996 (Base Year Adjusted) (1998)</b>
Real Property	\$17,568,800
Personal Property	\$3,549,000
<b>Total Taxable Value</b>	<b>\$21,117,800</b>
<b>Initial Assessed Value</b>	<b>1996 (Base Year Adjusted) (1999)</b>
Real Property	\$17,101,440
Personal Property	\$3,549,000
<b>Total Taxable Value</b>	<b>\$20,650,440</b>
<b>Initial Assessed Value</b>	<b>1996 (Base Year Adjusted) (2006)</b>
Real Property	\$17,127,910
Personal Property	\$3,549,000
<b>Total Taxable Value</b>	<b>\$20,676,910</b>

(Table: TP-1)

The anticipated Captured Assessed Value is equivalent to the annual total assessed value within the Development Area boundaries less the Initial Assessed Value as described above. The tax increment revenues are then the product of all millages levied by all taxing units in the Development Area on the Captured Assessed Value. The Captured Assessed Value is projected based on a number of factors including historical growth patterns, recent construction trends, economic indicators, housing trends and the impact of certain development projects anticipated to be undertaken by the Downtown Development Authority. A more detailed depiction of the Captured Assessed Valuations can be found in Tables TP-2 and TP-3 below.

The Authority will receive that portion of the tax levy of all taxing jurisdictions paid each year on the Captured Assessed Value of the eligible property included in the Development Area. The Authority may use the revenues for any legal purpose as is established under the Act and within their Plan including the payment of principal and interest on bonds.

The Berkley City Treasurer will collect the general property taxes from property owners in the DDA. After taxes are collected, the Berkley City Treasurer will deduct that portion of the total tax revenues that is derived from captured assessed value of the DDA and distribute them to the DDA to use for purposes outlined in the development plan.

**City of Berkley Downtown Development Authority**  
 Development Plan & Tax Increment Financing Plan Amended and Restated  
 Adopted May 20, 1996, Amended May 18, 2009, Amended X x, 2016

Year	Captured Real Property	Captured Personal Property	Captured Taxable Value	Captured Revenues Gross	Committed Debt Payments	Personal Property Tax Reimbursements from the State	Captured Revenues Net	Accumulated Gross Captured Revenues
Actual (\$)								
1997	163,250	269,560	432,810	10,195.15	-	-	10,195.15	10,195.15
1998	369,260.	531,000	900,260	20,855.83	-	-	20,855.83	31,050.98
1999	947,770	508,150	1,455,920	36,359.99	-	-	36,359.99	67,410.97
2000	1,447,890	649,020	2,096,910	45,541.53	-	-	45,541.53	112,952.50
2001	2,184,700	200,850	2,385,550	44,821.95	(16,380)	-	28,441.95	157,774.45
2002	2,969,200	(59,630)	2,909,570	66,729.46	(32,760)	-	33,969.46	224,503.91
2003	4,172,560	(18,430)	4,154,130	92,215.04	(75,520)	-	16,695.04	316,718.95
2004	5,410,350	231,820	5,642,170	125,729.38	(90,000)	-	35,729.38	442,448.33
2005	6,359,640	432,350	6,791,990	144,125.98	(98,700)	-	45,425.98	586,574.31
2006	8,718,540	723,120	9,441,660	202,474.62	(111,880)	-	90,594.62	789,048.93
2007	9,323,500	522,940	9,846,440	211,893.92	(338,280)	-	(126,386.08)	1,000,942.85
2008	10,274,750	241,350	10,516,100	228,033.20	(131,680)	-	96,353.20	1,228,976.05
2009	12,577,890	481,970	13,059,860	274,451.47	(142,780)	-	131,671.47	1,503,427.52
2010	11,063,150	269,030	11,332,180	260,125.24	(148,100)	-	112,025.24	1,763,552.76
2011	9,804,380	173,900	9,978,280	229,101.52	(172,900)	-	56,201.52	1,992,654.28
2012	9,163,780	297,080	9,460,860	206,044.96	(186,140)	-	19,904.96	2,198,699.24
2013	8,474,280	335,470	8,809,750	213,308.96	(188,340)	-	24,968.96	2,412,008.20
2014	8,352,290	(990,050)	7,362,240	193,972.21	(205,020)	25,683.46	14,635.67	2,605,980.41
2015	8,958,680	(1,106,170)	7,852,510	206,786.00	(210,400)	28,695.80	25,081.80	2,812,766.41
2016	9,079,590	(1,189,980)	7,889,610	198,878.00	-	29,996.53	228,874.61	3,011,644.49

(Table: TP-2)

**City of Berkeley Downtown Development Authority**  
 Development Plan & Tax Increment Financing Plan Amended and Restated  
 Adopted May 20, 1996, Amended May 18, 2009, Amended X x, 2016

Year	Captured Real Property	Captured Personal Property	Captured Taxable Value	Captured Revenues Gross	Committed Debt Payments	Personal Property Tax Reimbursements from the State	Captured Revenues Net	Accumulated Gross Captured Revenues
Projected (\$)								
2017	9,420,287.50	(1,244,811.78)	8,175,475.72	204,651.98	-	31,160.66	235,812.64	3,216,296.47
2018	10,038,860.50	(1,298,369.07)	8,740,491.43	217,660.93	-	32,332.76	249,993.70	3,433,957.40
2019	10,671,846.25	(1,350,681.51)	9,321,164.74	230,893.79	-	33,457.62	264,351.41	3,664,851.20
2020	11,319,580.58	(1,401,778.03)	9,917,802.54	244,449.43	-	34,550.38	278,999.81	3,909,300.63
2021	11,982,407.11	(1,451,686.89)	10,530,720.21	251,804.82	-	34,711.94	286,516.76	4,161,105.45
2022	12,660,677.49	(1,500,435.70)	11,160,241.80	265,248.61	-	35,661.28	300,909.89	4,426,354.06
2023	13,354,751.58	(1,548,051.41)	11,806,700.17	278,924.56	-	36,571.57	315,496.13	4,705,278.62
2024	14,064,997.60	(1,594,560.37)	12,470,437.23	292,835.53	-	37,444.07	330,279.60	4,998,114.14
2025	14,791,792.34	(1,639,988.30)	13,151,804.04	306,984.51	-	38,280.00	345,264.50	5,305,098.65
2026	15,535,521.41	(1,684,360.33)	13,851,161.08	321,374.59	-	39,080.52	360,455.12	5,626,473.25
2027	16,296,579.36	(1,727,701.00)	14,568,878.36	336,008.99	-	39,846.79	375,855.79	5,962,482.24
2028	17,075,369.96	(1,770,034.28)	15,305,335.68	350,891.03	-	40,579.91	391,470.94	6,313,373.27
2029	17,872,306.39	(1,811,383.60)	16,060,922.79	366,024.15	-	41,280.95	407,305.10	6,679,397.43
2030	18,687,811.43	(1,851,771.81)	16,836,039.62	381,411.91	-	41,950.95	423,362.85	7,060,809.33
2031	19,522,317.74	(1,891,221.25)	17,631,096.48	397,057.97	-	42,590.91	439,648.88	7,457,867.30
2032	20,376,268.04	(1,929,753.76)	18,446,514.28	412,966.13	-	43,201.82	456,167.95	7,870,833.43
2033	21,250,115.39	(1,967,390.64)	19,282,724.75	429,140.29	-	43,784.61	472,924.90	8,299,973.72
2034	22,144,323.38	(2,004,152.71)	20,140,170.68	445,584.49	-	44,340.21	489,924.70	8,745,558.21
2035	23,059,366.42	(2,040,060.30)	21,019,306.12	462,302.87	-	44,869.50	507,172.36	9,207,861.08
2036	23,995,729.96	(2,075,133.27)	21,920,596.69	479,299.69	-	45,373.34	524,673.03	9,687,160.77
2037	24,953,910.77	(2,109,391.03)	22,844,519.75	496,579.34	-	45,852.57	542,431.91	10,183,740.10
2038	25,934,417.20	(2,142,852.51)	23,791,564.68	514,146.34	-	46,308.00	560,454.34	10,697,886.45
2039	26,937,769.42	(2,175,536.24)	24,762,233.18	532,005.33	-	46,740.41	578,745.73	11,229,891.77
2040	27,964,499.75	(2,207,460.29)	25,757,039.47	550,161.06	-	47,150.55	597,311.61	11,780,052.83

(Table: TP-3)

**City of Berkley Downtown Development Authority**  
 Development Plan & Tax Increment Financing Plan Amended and Restated  
 Adopted May 20, 1996, Amended May 18, 2009, Amended X x, 2016

The projected tax capture by taxing unit is as follows in Table TP-4 below:

Year	Total Capture	City of Berkley	Oakland Community College	Oakland County	Huron Clinton Metro Authority	Oakland County Transit Authority	Berkley Downtown Development Authority \$2 Mill Levy
Projected (\$)							
2016	198,878.08	127,521.19	12,444.38	34,169.90	1,693.11	7,888.03	15,161.46
2017	204,651.98	130,989.40	12,857.88	35,220.32	1,749.19	8,154.22	15,680.96
2018	217,660.93	139,205.27	13,706.64	37,454.87	1,864.47	8,696.85	16,732.84
2019	230,893.79	147,542.16	14,574.85	39,731.48	1,982.37	9,252.36	17,810.58
2020	244,449.43	156,097.54	15,462.80	42,050.59	2,102.93	9,820.97	18,914.60
2021	251,804.82	158,346.94	16,370.78	44,412.67	2,226.20	10,402.88	20,045.36
2022	265,248.61	166,577.53	17,299.11	46,818.18	2,352.20	10,998.30	21,203.30
2023	278,924.56	174,931.53	18,248.08	49,267.62	2,480.99	11,607.45	22,388.89
2024	292,835.53	183,410.24	19,218.04	51,761.49	2,612.60	12,230.56	23,602.59
2025	306,984.51	192,015.00	20,209.31	54,300.34	2,747.08	12,867.86	24,844.91
2026	321,374.59	200,747.23	21,222.23	56,884.71	2,884.48	13,519.60	26,116.34
2027	336,008.99	209,608.43	22,257.16	59,515.16	3,024.84	14,186.00	27,417.40
2028	350,891.03	218,600.12	23,314.45	62,192.28	3,168.21	14,867.34	28,748.63
2029	366,024.15	227,723.94	24,394.48	64,916.67	3,314.65	15,563.86	30,110.56
2030	381,411.91	236,981.55	25,497.62	67,688.95	3,464.19	16,275.83	31,503.75
2031	397,057.97	246,374.71	26,624.28	70,509.77	3,616.90	17,003.53	32,928.79
2032	412,966.13	255,905.22	27,774.84	73,379.78	3,772.82	17,747.23	34,386.25
2033	429,140.29	265,574.95	28,949.72	76,299.66	3,932.02	18,507.21	35,876.74
2034	445,584.49	275,385.84	30,149.34	79,270.11	4,094.55	19,283.78	37,400.87
2035	462,302.87	285,339.91	31,374.13	82,291.85	4,260.46	20,077.23	38,959.29
2036	479,299.69	295,439.21	32,624.54	85,365.60	4,429.81	20,887.88	40,552.63
2037	496,579.34	305,685.90	33,901.02	88,492.14	4,602.67	21,716.03	42,181.57
2038	514,146.34	316,082.17	35,204.04	91,672.23	4,779.10	22,562.01	43,846.79
2039	532,005.33	326,630.29	36,534.07	94,906.66	4,959.16	23,426.16	45,548.98
2040	550,161.06	337,332.61	37,891.59	98,196.26	5,142.92	24,308.81	47,288.86
<b>Total</b>	<b>8,967,286.42</b>	<b>5,580,048.89</b>	<b>598,105.39</b>	<b>1,586,105.39</b>	<b>81,257.93</b>	<b>381,851.98</b>	<b>739,252.96</b>

(Table TP-4)

### **3.4 Use of Tax Increment Revenues**

The Tax Increment Revenues, paid to the DDA are to be disbursed in such a manner as the DDA and City may deem necessary and appropriate, based on the DDA Development Plan, including but not limited to the following:

- The principal, interest, and reserve payments required for any bonded indebtedness to be incurred on its behalf for purposes provided in the Development Plan.
- Cash payments for initiating and completing any public improvement or activity called for in the Development Plan.
- Interest payments on any sums, which the DDA should borrow before, during or after the construction of any improvement or activity to be accomplished by the Development Plan, after approval by the City.
- Payments, to pay the costs of any additional improvements to the Berkley Downtown Development Authority, which are determined necessary by the DDA and approved by the City.
- Payments for: project management and administration; survey and planning services; consultant fees for authorized studies and investigations; fees for legal counsel and advice; and other services performed directly by the City including administrative assistance and downtown construction or maintenance.

### **3.5 Revenue Sources - City**

In addition to tax increment revenues, the City has the option of supporting the DDA's Plan with local funds. These funds may be raised through property tax revenues from the General Fund or through the sale of an asset or the utilization of the City's General Fund various City Special Revenue Funds or the City's Enterprise Funds as a revenue source. The City will be reimbursed by the Authority from tax increment revenue if these funding options are exercised by the City Council and the City Council requests reimbursement through the budget process from the Downtown Development Authority.

The City Council may also appropriate for a project directly within City operating funds in accordance with State of Michigan Public Act 2 of 1968 as amended in order to implement the plan or assist in implementing the plan with the Downtown Development Authority without reimbursement from the DDA.

The City has the option of utilizing grants received directly or indirectly from other governmental bodies or agencies and may be reimbursed by the Authority if the City Council requests reimbursement through the budget process.

The City has the option of borrowing sufficient funds to implement all or part of the plan through revenue bonds, an unlimited tax bond debt issue or a State of Michigan Public Act 99 financing. If these methods of financing are utilized, the tax increment revenues would be utilized to repay the debt either directly or to the City in the form of a reimbursement if the City Council requests reimbursement through the budget process.

The City has the option of entering into agreements with private developers who may then undertake certain public improvements with payment to the private developers being made from tax increment finance revenue if the City Council requests reimbursement through the budget process.

### **3.6 Revenue Sources - Downtown Development Authority**

The Downtown Development Authority in agreement with the Berkley City Council through the normal appropriation process distinguished within State of Michigan Public Act 2 of 1968 as amended and the Act shall also utilize the following revenue sources in order to fund public improvement projects outlined within this plan.

A contribution to the DDA from public or private individual or other organization contingent upon the acceptance of such contributions by the DDA and the City Council.

Revenues from any enterprise activity owned, leased, licensed or operated by the Authority through an approved City Council/DDA agreement.

The DDA has the option of entering into agreements with private developers who may then undertake certain public improvements with payment to the private developers being made from tax increment finance revenue. Agreements of this nature must also be approved by the Berkley City Council prior to the start of work by the private developer.

Revenue bond proceeds based upon an approved City Council/DDA enterprise operation located within the DDA District, DDA interest earnings, Federal/State grants, captured tax increment revenues as discussed in section three (3) of this Plan, Public Act 99 Financing with concurrence from the Berkley City Council or money obtained from other sources as approved by the Berkley City Council may be utilized to finance projects within the approved DDA plan.

If a revenue bond issue or Public Act 99 financing is utilized, tax increment revenues will be pledged to pay the debt off or reimburse the City for any debt payment made with tax increment revenues or other DDA revenue sources.

Land sales proceeds received by the DDA, if the sale of property is within the DDA and was purchased with DDA appropriations may also be utilized to finance projects within the DDA plan.

### **3.7 Bonded Indebtedness to be Incurred**

The project costs for accomplishing all activities described by the Development Plan for the Berkley Downtown Development Authority, as amended, are estimated to be \$47,656,500. The maximum amount of indebtedness to be incurred is the presently estimated sum of \$47,656,500, which amount may be adjusted upwards to account for inflation. These costs are to be financed, in part, through cash payments and may in part be financed through the issue of one or more series of bond issues, during these periods when development activities are to be initiated and completed. Estimated revenues to be realized from taxes on captured assessed value may be adequate to provide for payment of principal and of interest on said bonds and will have to be examined when the project is under consideration.

The amounts of bonded indebtedness to be incurred by the DDA and/or the City, for all bond issues, including payments of capitalized interest, principal, and required reserve, shall be determined by the City, upon the recommendation of the DDA. All bond issues that are incurred shall be paid off by the end of the plan period.



### 3.8 Duration of the Program

The Development & TIF Plan shall extend through the latter of June 30, 2040, completion of any projects that have been commenced, and the final maturity of any bonds issued to finance the projects described in the Development Plan.

### 3.9 Impact on Assessed Values and Tax Revenues

The overall impact of the Development Plan is expected to generate increased economic activity in the Berkley Downtown Development Authority, the City of Berkley and Oakland County at large. This increase in activity will, in turn, generate additional amounts of tax revenue for local taxing jurisdictions, and through increases in assessed valuations of real and personal property. The table below shows that millage being captured from the local taxing jurisdictions as of 2016.

Anticipated Millage to be Captured July 2016	
City of Berkley	
General Operations	9.0901
Police/ Fire Safety Operations	1.8423
Sanitation Operations	1.8423
Community Promotions	0.1107
Public Safety Pension	2.7200
Debt	0.5577
<b>Total City of Berkley</b>	<b>16.1632</b>
Oakland County Community College	
	1.5773
Oakland County	
	4.3310
Huron Clinton Metropark Authority	
	0.2146
Oakland County Transportation Authority	
	0.9998
Berkley Downtown Development Authority	
	1.9217
<b>Total Millage Captured</b>	<b>25.2076</b>

(Table: TP-5)

### **3.10 Release of Captured Revenues**

When the Development and Financing Plans have been accomplished, and all debt if any, is paid, surplus captured revenue is released proportionately to the respective taxing jurisdictions and the local taxing jurisdictions receive all the taxes levied on it from that point on.

### **3.11 Assumptions of the Tax Increment Financing Plan**

The following assumptions were considered in the formulation of the Tax Increment Financing Plan for the Berkley Downtown Development Authority:

- Real Property Taxable Value is increased 1.0233 annually based upon the average increase over the last 22 years. It is estimated that real property will increase at 1.0233 for tax years 2018 through 2040.
- Real Property Taxable Value for 2016 is actual inflation rate for tax year 2016. Real Property Taxable Value for 2017 is the average between .003 for 2016 and 1.023 for an average increase of 1.013.
- Personal Property Taxable Value is calculated for fiscal years 2017 thru 2040 by utilizing 1997 through 2015 values and determining the average increase/decrease and applying the average over the projected time period.
- Personal Property Tax Values for 2014 and 2015 include the new PPT Tax law changes and these years are taken into consideration in the averaging formula.
- All tax values from 1996 including base year values through 2015 are derived from the month of May Oakland County Equalization Reports and tie to the L-4028 Report and the County May EQ reports.
- Revenues for fiscal year 1997 through 2014 are actual revenues received per the Oakland County and City of Berkley Treasury Settlement Reports including delinquent personal property which is collected in future years.
- Revenues for fiscal year 2016 are the actual budgeted revenue value as calculated by the Finance Director.
- Average Millage reduction fractions by taxing units are utilized in projecting annual tax rates. Last 20 years are utilized in determining average millage reduction fractions.
- Actual road debt is utilized along with projected tax value and tax capture values.
- Public Safety Pension tax rate is based on 7/2016 actual pension contribution and estimated health care costs for 2016/2017.
- 1994 and 1995 Taxable values are the same as presented in the July 1995 Plan.
- 1997 through 2007 taxable values are the same as presented in the July 2009 Plan.
- Base Year adjusted was performed by Oakland County.

### **3.12 Submission of an Annual Report**

Annually, Oakland County Equalization shall submit to the State Tax Commission a report on the status of the tax increment financing account. The report shall include those items enumerated in Section 15(3) of Public Act 197 of 1975 (MCL 125.1665).