

KEEGO HARBOR

TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

Revised December 4, 1986

ADOPTED BY THE TAX INCREMENT FINANCE AUTHORITY

11-26-86

APPROVED BY THE KEEGO HARBOR CITY COUNCIL

12-22-86

Prepared with the Assistance of:

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PURPOSE OF THE TAX INCREMENT
FINANCING AND DEVELOPMENT PLAN

On November 13, 1986, the City Council of the City of Keego Harbor adopted a resolution creating a Keego Harbor Tax Increment Finance Authority ("TIFA") under P.A. 450 of 1980, and designating the boundaries of the TIFA district within which the TIFA will exercise its powers ("TIFA District"). A Board was appointed to control the TIFA and supervise the performance of its duties ("Board").

The City Council, working in conjunction with the City Manager, the City Planning Consultant, citizens, business persons, and the Board, determined that the key to halting any property value decline and encouraging economic growth, neighborhood revitalization and an increase in property values in the TIFA District is to improve and widen Cass Lake Road. Accordingly, the City Council commissioned the preparation of this Tax Increment Financing and Development Plan to implement improvements to Cass Lake Road. A special Development Area has been designated within the TIFA District Boundaries. The improvements will be constructed within this Development Area and financed by the capture and expenditure of tax increment revenues generated within the Development Area.

DEVELOPMENT PLAN FOR THE
KEEGO HARBOR DEVELOPMENT AREA

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

The following map, Map 1, shows the boundaries of the TIF District, and Map 2 shows the boundaries of the Development Area within the TIFA District. See page 4 for legal description of the Development Area boundaries.

2. LOCATION AND EXTENT OF EXISTING PUBLIC AND PRIVATE USES

Existing land uses, streets and public facilities in the Development Area are shown on Map 3, "Existing Land Use".

a. Public Uses

Public uses in the Development Area include portions of the following public streets: Cass Lake Road, Cass Lake Front, Stapleton, Moss Avenue, Glenbroke Avenue, Glenbroke Court, Hensman Avenue, Cass Lake Avenue, Schroder Boulevard, Portman, Atlas, Beland, Kenrick, Andre, Prynne, Willow Beach Avenue, and Orchard Lake Road. The public alley between Cass Lake Avenue and the old Post Office property and the public alley south of Andre are also included in the Development Area.

Other public facilities within the Development Area include: Fran Leaf Memorial Park, the park between Willow and Dollar Lake, and the city-owned property fronting on Cass Lake Road and abutting Dollar Lake.

b. Private Uses

1) Residential

There are approximately 15 single family residences in the Development Area.

2) Commercial and Office

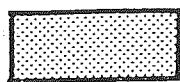
Commercial and office development is the major land use in the Development Area. Commercial land uses are concentrated in that portion of the Development Area that fronts on Orchard Lake Road and along Cass Lake Road near its intersection with Orchard Lake Road, and along Cass Lake Road between Hensman and Schroder. These uses include restaurants, lounges, automobile service stations, food stores, and the like along with office uses including professional, financial and personal service office uses.

3) Industrial

There are no industrial land uses in the Development Area.

TAX INCREMENT FINANCE AUTHORITY DISTRICT BOUNDARIES

MAP 1

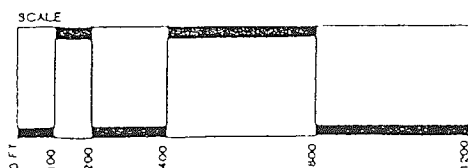


Tax Increment Finance
Authority District

TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

City of Keego Harbor Oakland County, Michigan

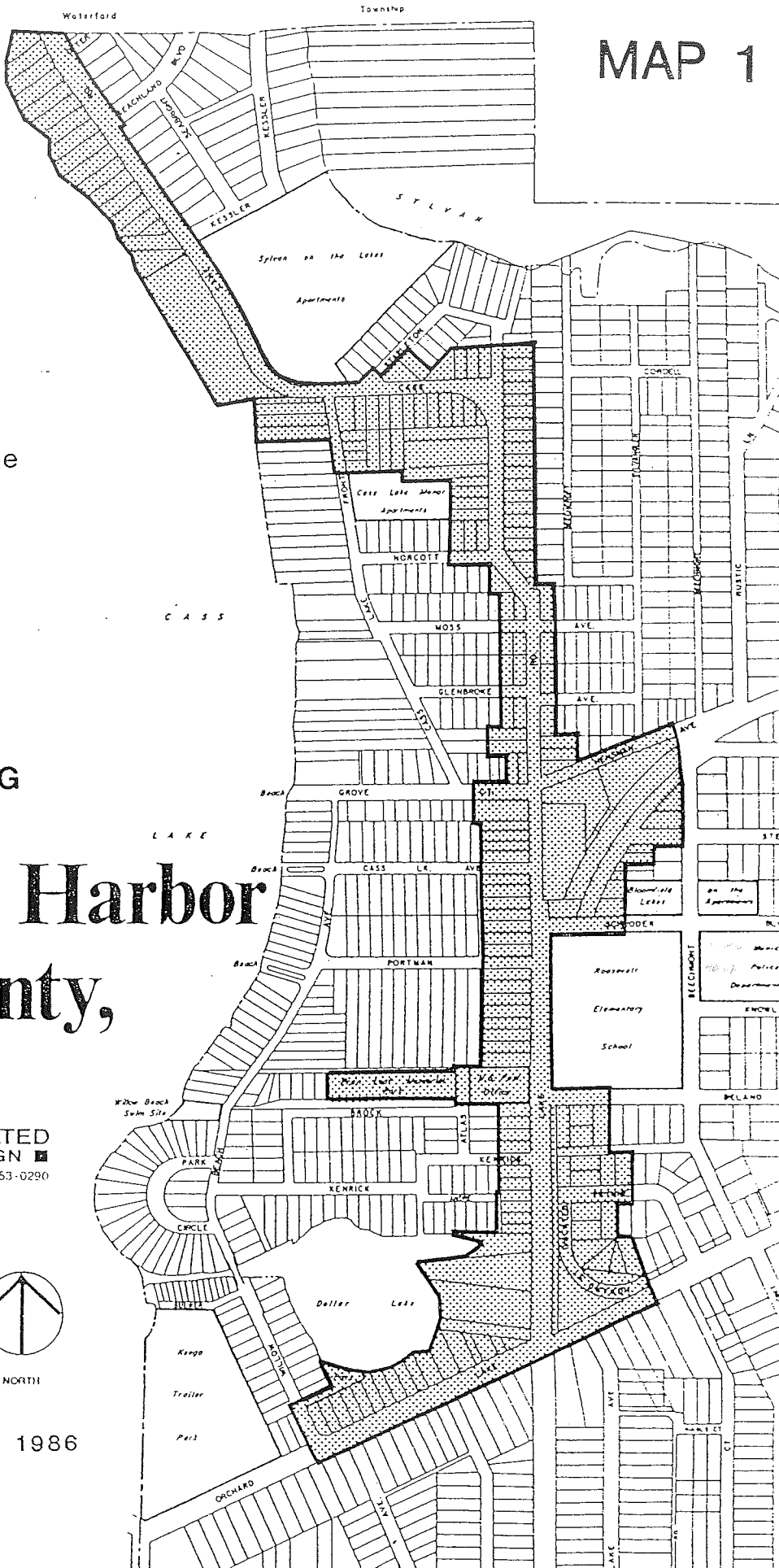
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NORTH

BASE MAP
DATE: 1984
SOURCE: CITY OF KEEGO HARBOR, MICHIGAN

November 25, 1986



MAP 2

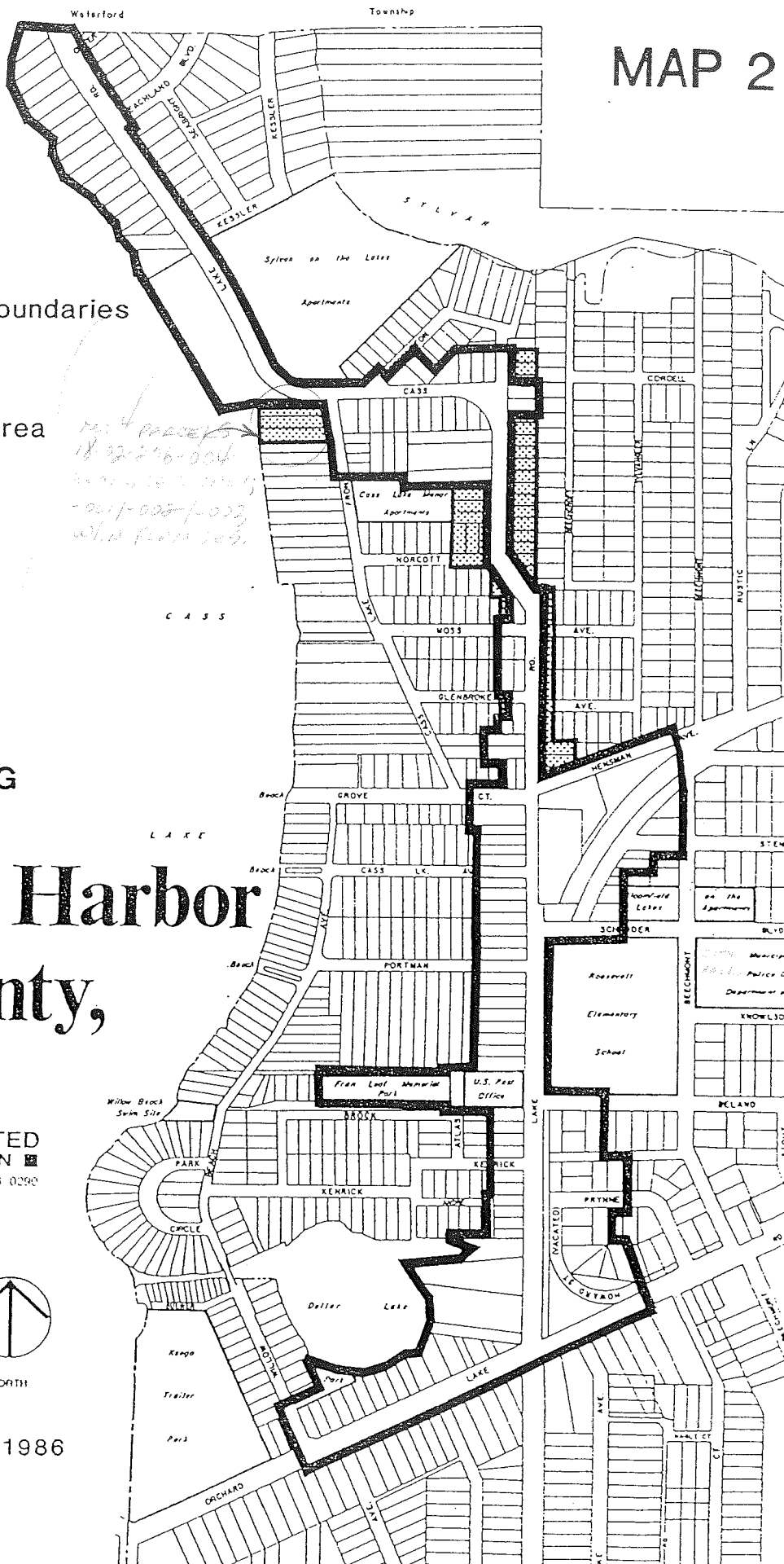


TIFA Area Excluded
from Development Area

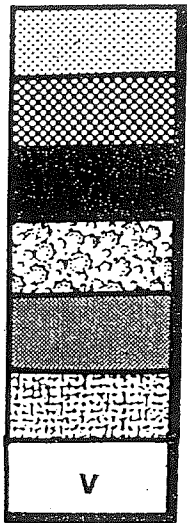
City of Keego Harbor Oakland County, Michigan



November 25, 1986



EXISTING LAND USE

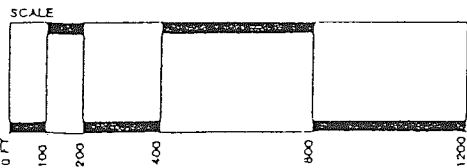


- Residential
- Office
- Commercial
- Public
- Semi-public
- Private Recreation
- V Vacant Land

TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

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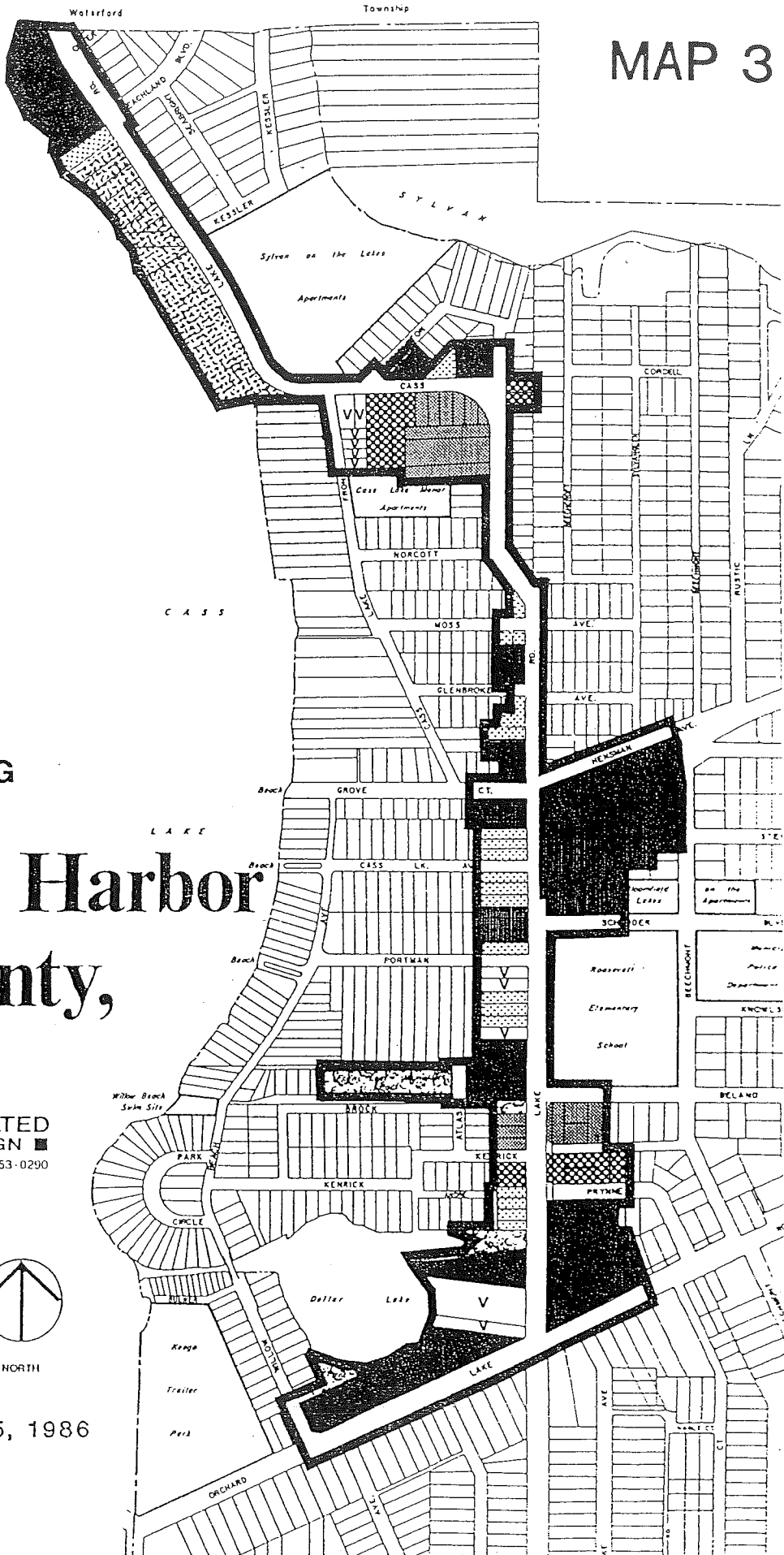


NORTH

BASE MAP
DATE: 1984
SOURCE: CITY OF KEEGO HARBOR, MICHIGAN

November 25, 1986

MAP 3



c. Recreational Uses

The recreational uses include the two public parks and the private beach recreational area associated with Sylvan on the Lakes Apartments.

d. Semi-Public Uses

There are two churches in the Development Area.

e. Educational Uses

There are no educational uses in the Development Area.

d. Vacant Land

There are several vacant parcels of land in the Development Area. Foremost among these is the parcel on the northwest corner of the Cass Lake Road, Orchard Lake Road intersection along Dollar Lake. In addition, there are several small vacant lots along the following portions of Cass Lake Road: between Portman and the old post office site, and at the Cass Lake Road and Cass Lake Front intersection.

3. LOCATION AND EXTENT OF PROPOSED PUBLIC AND PRIVATE LAND USES

The proposed land uses for the Development Area are shown on Map 4. The proposed land uses are based on existing uses, current zoning, the Keego Harbor Master Plan and the expansion of right-of-way for the improvements to Cass Lake Road.

The proposed uses including the following:

a. Commercial and Office

These uses comprise the major land use in the Development Area and are proposed for the entire area, except the private beach area of the Sylvan on the Lake Apartments, the existing parks and the existing semi-public uses.

b. Residential

In light of current development trends and existing zoning there is no proposed residential land use in the Development Area. There are, however, no plans to take any affirmative steps to acquire or in any way convert the existing residential uses to commercial or office uses.

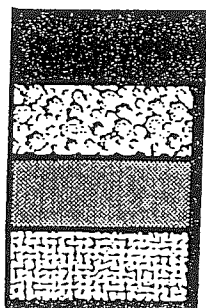
c. Public

The existing park areas are proposed to remain.

d. Semi-Public

The existing churches are proposed to remain.

MAP 4



Public

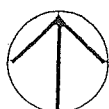
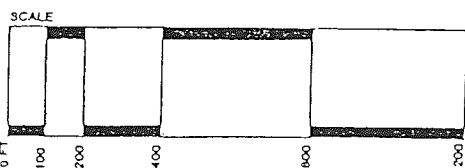
Semi-public

Private Recreation

City of Keego Harbor Oakland County, Michigan

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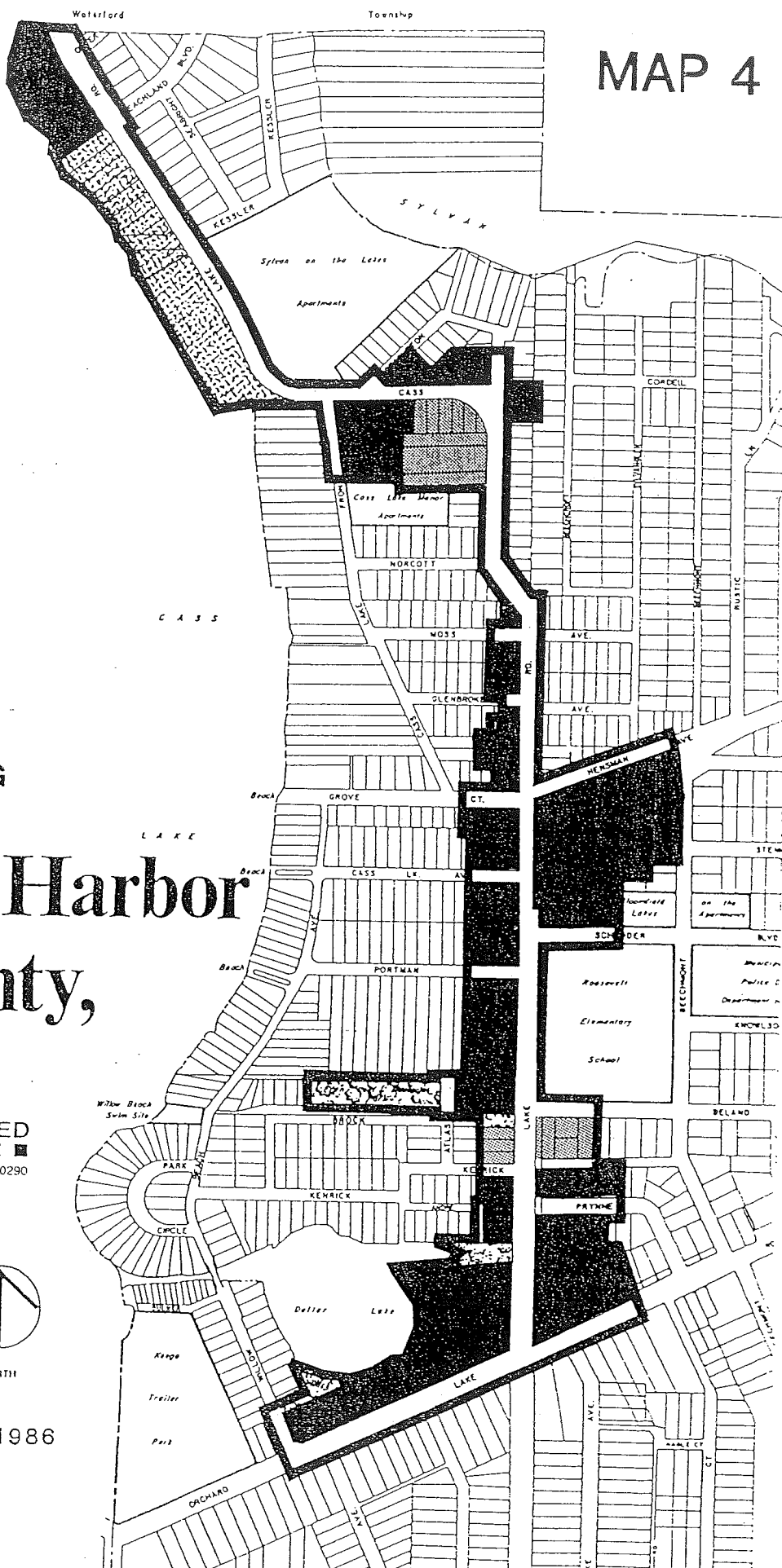
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NORTH

BASE MAP
DATE: 1954
SOURCE: CITY OF KEEBO HARBOR, MINN.

November 25, 1986



d. Expanded Right-of-Way for Cass Lake Road

In order to accommodate the proposed Cass Lake Road improvements it is anticipated that an additional twenty to thirty feet of frontage may need to be dedicated to right-of-way along Cass Lake Road between Orchard Lake and Moss Avenue. In addition, in order to improve the sharp and dangerous curve opposite the church, it is anticipated that the Road Commission may require additional right-of-way on the east side of Cass Lake Road from just opposite the Baptist Church south to the small triangular shaped lot north of Moss Avenue. The extent of the necessary right-of-way expansion and the need to take property, if any, will be determined when the Oakland County Road Commission completes its preliminary engineering and design studies.

4. LEGAL DESCRIPTION OF THE DEVELOPMENT AREA

Beginning at the northwest corner of lot 41, Cass Lake Liberty Heights Subdivision, Section 2, T.2N., R.9E.; thence southerly about 120 feet along the east right-of-way line of Stapleton and Cass Lake Road to the northwest corner of lot 38; thence easterly to the northeast corner of lot 38; thence southerly to the southeast corner of Lot 37; thence westerly to the southwest corner of lot 37; thence southerly about 1267 feet along the east right-of-way line of Cass Lake Road to the intersection of Hensman Avenue; thence easterly about 453 feet along the northerly right-of-way line of Hensman Avenue; thence southerly to the northeast corner of lot 100 of Evergreen Villa Subdivision; thence southerly along the west right-of-way line of Beechmont to the northeast corner of lot 102; thence westerly along the north line of lot 102 to the northwest corner of said lot; thence southerly along the west lot line of lots 102 and 103 to the southwest corner of lot 103; thence westerly along the north line of lots 110 and 111 to the northwest corner of lot 111; thence southerly along the west line of lot 111, extended, about 170 feet; thence westerly about 258 feet along the north line of lot 114, extended; thence southerly along the east right-of-way line of Cass Lake Road about 530 feet; thence easterly along the northerly right-of-way line of Beland about 128 feet; thence southerly along the east line of lot 29, extended, about 205 feet; thence easterly along the north line of lots 24 and 23 to the northeast corner of lot 23; thence southerly along the east line of lot 23 to the southeast corner of said lot; thence westerly along the south line of lot 23 to the southwest corner of said lot; thence southerly along the east line of lot 4, extended, to the southeast corner of said lot; thence easterly along the north line of lot 10 to the northeast corner of said lot; thence southerly along the east line of said lot 10, extended, about 212 feet; thence westerly along the south right-of-way line of Orchard Lake Road about 1,210 feet; thence northerly about 180 feet along the westerly right-of-way line of Willow Beach Avenue, extended; thence easterly about 150 feet along the south line of lot 163 of Sawyers Keego Harbor Subdivision, extended;

thence northerly along the east line of lots 163, 164 and 165 about 100 feet; thence easterly along the park land boundary about 14 feet; thence along a line curving from southeasterly to northwesterly along the lot lines bordering on Dollar Lake to the northwest corner of lot 6 of Supervisors Plat No. 11; thence easterly about 220 feet along the north line of said lot 11; thence along a line roughly parallel to the Dollar Lake shoreline to the southwest corner of lot 8 of Assessor's Plat No. 4; thence easterly along the south lines of lots 8, 7, 6, 5 and 4 to the southeast corner of lot 3; thence northerly along the west lines of lots 1, 2, and 3 and lots 1, 2, 3, 4, 5, 6, and 7 of Sawyer's Keego Harbor Subdivision to the northwest corner of lot 7; thence westerly along the south line of lot 8 to the southwest corner of said lot; thence westerly to the southeast corner of lot 27; thence westerly along the south lines of lots 27 through 37 to the southwest corner of lot 37; thence northerly along the west line of lot 37 to the northwest corner of said lot; thence easterly along the north lines of lots 37 through 27 to the northeast corner of lot 27; thence northerly to the southwest corner of lot 81 of Willow Beach Add. Subdivision; thence easterly along the south line of lots 81 and 80 to the southeast corner of lot 80; thence northerly along the east line of lots 80, 68, 67, extended, to the north right-of-way line of Cass; thence easterly to the southeast corner of lot 20; thence northerly along the east line of lot 20 to the northeast corner of lot 20; thence westerly about 20 feet to the southwest corner of lot 33 of Assessor's Plat No. 3; thence northerly along the west line of lot 33, extended, to the north right-of-way line of Grove Court; thence easterly along the northerly right-of-way line of Grove Court to southeast corner of lot 3 of Cass Lake Grove Subdivision; thence northerly along the east line of lot 3 to the northeast corner of said lot; thence westerly along the south line of lot 10 to the southwest corner of said lot; thence northerly along the west line of lots 10 and 11 to the northwest corner of lot 11; thence easterly along the South line of lot 14 to the southeast corner of said lot; thence northerly along the east line of lot 14, about 40 feet; thence easterly along the south line of parcel 278-008 to the southeast corner of said parcel; thence northerly to the southeast corner of Lot 28; thence westerly along the south line of lot 28 to the southwest corner of said lot; thence northerly along the west line of lot 28, extended, to the north right-of-way line of Moss; thence easterly to the southwest corner of lot 52; thence northerly along the east line of lot 51 to the westerly right-of-way line of Cass Lake Road; thence northerly along the westerly right-of-way of Cass Lake Road about 416 feet to the southeast corner of lot 6 of Supervisors Plat No. 7; thence westerly along the south line of lot 6 to the southwest corner of said lot; thence northerly to the northwest corner of lot 6; thence westerly along the north line of lot 7, extended, to the west right-of-way line of Cass Lake Front; thence northerly along said right-of-way line to the northeast corner of lot 13 of Cass Lake Camp Grounds Subdivision; thence westerly along the north line of lot 13 to the City boundary line; thence northerly along the city boundary to the northernmost portion of the boundary and then easterly along the city boundary to the east right-of-way line of

Cass Lake Road; thence southerly along the east right-of-way line of Cass Lake Road to the intersection of Cass Lake Road and Stapleton; thence northerly along the northwest right-of-way line of Stapleton to the northeast corner of lot 58 of Cass Lake Liberty Heights Subdivision; thence southwesterly along a line parallel to the north line of lot 58 to the southeast right-of-way line of Stapleton; thence northeasterly along the southeast right-of-way line of Stapleton to the north corner of lot 83; thence southeasterly along the north line of lot 83 to the east corner of lot 83; thence northeasterly along the west line of lot 73 to the north corner of lot 73; thence easterly along the north line of lots 74, 75 and 76 to the northeast corner of lot 76; thence easterly to the point of beginning.

5. EXISTING IMPROVEMENTS IN THE DEVELOPMENT AREA TO BE DEMOLISHED, REPAIRED, OR ALTERED AND TIME REQUIRED FOR COMPLETION

The improvement of Cass Lake Road is the purpose of this Development Plan. In addition, improvements to the intersection of Cass Lake Road and Orchard Lake Road are planned which will necessitate some improvements to Orchard Lake Road in the Development Area.


At this time the preliminary design and engineering drawings relative to the proposed road improvements have not been completed. It is anticipated that some additional right-of-way will need to be acquired for Cass Lake Road and Orchard Lake Road. The design will attempt to minimize any disruption of existing improvements.

The specific alterations proposed and a time schedule for the implementation of these planned public improvements are described below in the next section of this Development Plan.

6. THE LOCATION, EXTENT, CHARACTER, AND ESTIMATED COST OF IMPROVEMENTS CONTEMPLATED FOR THE DEVELOPMENT AREA INCLUDING ESTIMATE OF TIME REQUIRED FOR COMPLETION AND DESCRIPTION OF IMPROVEMENTS AND REPAIRS AND ALTERATIONS NECESSARY TO MAKE THOSE IMPROVEMENTS

The following Chart I and Map 5 show the location of the proposed public improvement projects for the development area, along with estimated cost. Cass Lake Road is proposed to be widened and improved from the northern city boundary to the intersection with Orchard Lake Road. Orchard Lake Road is proposed to be widened and improved at the intersection with Cass Lake Road. It is planned to utilize the existing pavement of these roads as much as possible and construct additional pavement as needed to accomplish the widening and other improvements planned. In addition, it is planned that existing drainage facilities within the Cass Lake Road and Orchard Lake Road right-of-ways will be improved.

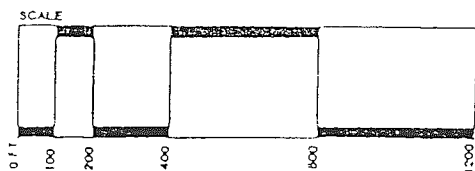
PROPOSED IMPROVEMENT PROJECTS

 Street improvements and Streetscape

TAX INCREMENT FINANCING
AND DEVELOPMENT PLAN

City of Keego Harbor Oakland County, Michigan

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BASE MAP
DATE: 1984
SOURCE: CITY OF KEEGO HARBOR, MICHIGAN

November 25, 1986

MAP 5

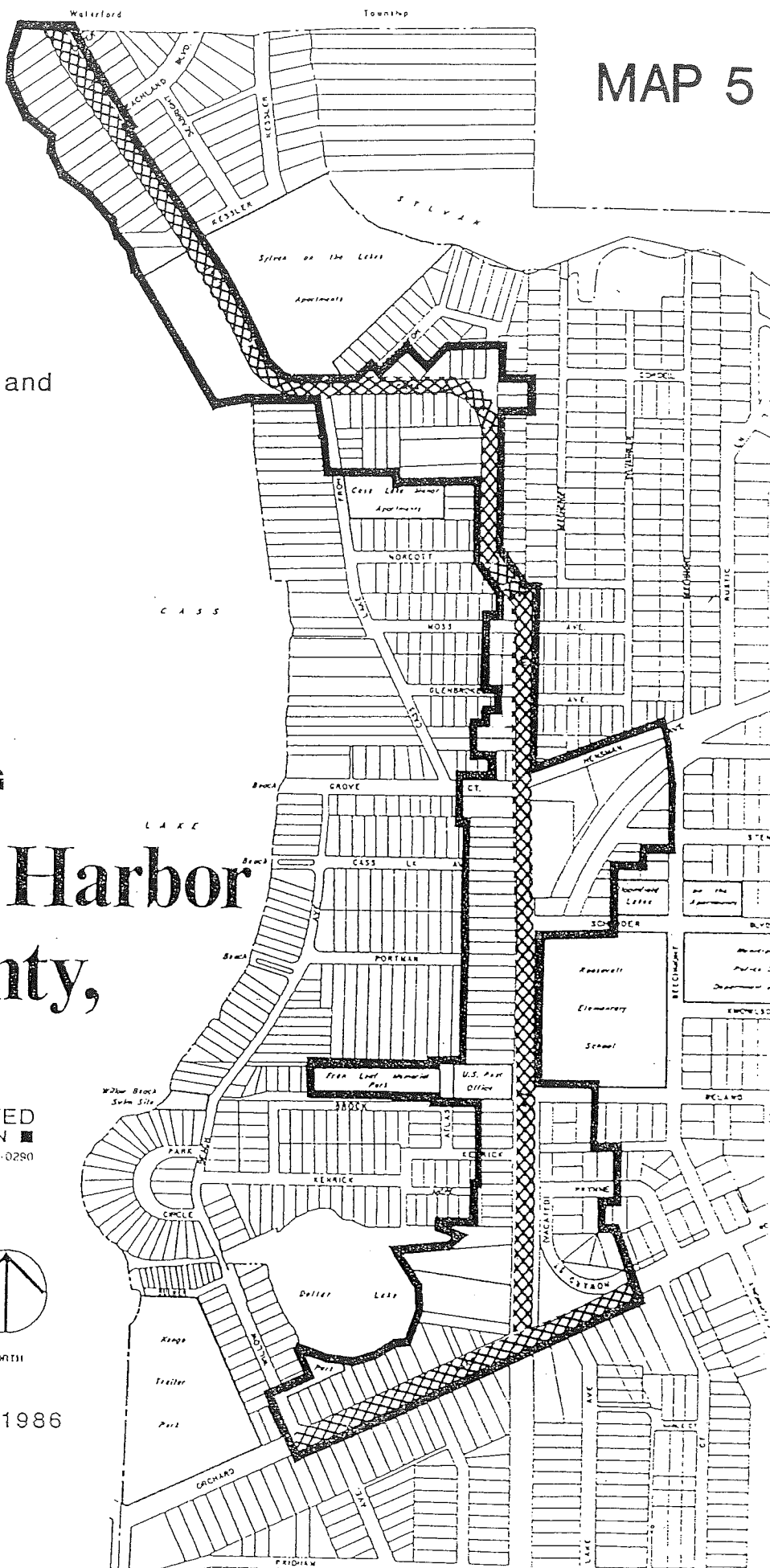


CHART I
PUBLIC IMPROVEMENTS PROJECTS
FOR THE DEVELOPMENT AREA

<u>Improvement Project</u>	<u>Estimated Cost</u>
1. Cass Lake Rd. and Orchard Lake Rd. Improvement	
- Total Preliminary Project Cost Estimate	\$ 5,000,000
- Cost Share of FAUS Funding (12.5%)	625,000
- Additional Cost Estimate for Providing Storm Drainage for Areas Outside the ROW	70,000
	<hr/>
- Subtotal - Estimated Cost for Road and Drainage Improvements	\$ 695,000
2. Streetscape Along Cass Lake Rd. and Orchard Lake Rd.	
- 20 Average Block Faces at \$20,000 per Estimate	\$ 400,000
	<hr/>
- Subtotal	\$ 400,000
3. TIFA Administration and Planning	
- Estimate of \$5,000 per year	\$ 75,000
	<hr/>
- Subtotal	\$ 75,000
	<hr/>
TOTAL	\$ 1,170,000

Although the engineering studies have not been completed at this time, it is planned that Cass Lake Road will be widened to at least three (3) lanes. Based on preliminary discussions with the Road Commission, the curves at the Baptist Church and Sylvan on the Lake apartments will be straightened, if possible, to improve traffic safety in these areas. In addition, the Road Commission has suggested that right-hand turn lanes be added to both Cass Lake Road and Orchard Lake Road at the intersection along with an extra lane for traffic on Cass Lake from the Orchard Lake Road intersection to Glenbroke. Sewer, water and road drainage facilities will also be improved along with the road improvements as needed.

In conjunction with the above proposed improvements, some additional street right-of-way will be necessary. As much as 34 feet of additional right-of-way may be needed in certain areas and as little as 10 additional feet in other areas. The greatest need is in the intersection area. Fortunately, much of the right-of-way can be acquired through voluntary land dedication from property owners who will be most benefited by the proposed road improvements. Several property owner have already cooperated including the property owner in the intersection area on the east side of Cass Lake Road who is currently developing the Nautical Mile project center. Most other developers are anticipated to follow suit. If required right-of-way cannot be acquired through dedication then other legal means may be taken to obtain the property.

The exact road location and right-of-way requirements cannot be determined until the Road Commission completes its preliminary design and engineering studies.

In order to further improve the Development Area and blend the street improvements into the existing development along Cass Lake Road and Orchard Lake Road streetscape treatments along both roads are proposed. These streetscapes are proposed to include trees and other landscaping, pedestrian lighting, street furniture and pedestrian walkway improvements.

The timetable for the improvement construction is tentative. The improvements should be constructed over a period of approximately 12 years from the date of adoption of the Tax Increment Financing and Development Plan. The improvements to Cass Lake Road may be completed within the first 8 years and the streetscape within the next 4 years after that. Nevertheless, the Road Improvements are dependent on qualification for funding under the Federal Aid to Urban System Transportation (FAUS) Program. The City has been advised that Cass Lake-Orchard Lake Road improvement will be a high priority for the Road Commission but there are no guarantees for project approval nor for a precise time table. Accordingly, the duration of this Development Plan and associated Tax Increment Financing Plan is 5 years in order to help insure that there will be sufficient revenue to complete the improvement construction regardless of time delays, increased costs or lower than projected tax increment revenues.

7. A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION

The time schedule for construction of the proposed improvements is outlined in the previous section.

8. PARTS OF THE DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND CONTEMPLATED USE

The City parks will be left as open space for public use. Vacant land will remain until such time as the private property owners choose to sell or develop it.

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

The TIFA has no plans at the present time to sell, donate, exchange or lease to or from the City of Keego Harbor any land in the Development Area.

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

There are no proposed changes at this time.

11. AN ESTIMATE OF THE COST OF THE DEVELOPMENT, PROPOSED METHOD OF FINANCING AND ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING

The estimated cost of the public improvement program as outlined in Chart I is \$1,149,833. It should be noted as shown in Chart I that the \$674,833 cost for the road improvements is only 12.5% of the total road improvement project cost. The balance must be paid by Oakland County and the Federal Government under the FAUST Program.

It is anticipated that the Keego Harbor cost for the improvement projects will be paid for solely by tax increment revenues. In accordance with the proposed Tax Increment Financing Plan attached, it is projected that sufficient tax increment revenues will be generated to finance the proposed improvements. The TIFA will, however, continue to explore other possible funding sources. Under P.A. 450 of 1980, the TIFA has the authority to implement tax increment financing within the Development Area.

12. DESIGNATION OF PERSON OR PERSONS, NATURAL OR CORPORATE, TO WHOM ALL OR A PORTION OF THE DEVELOPMENT IS TO BE LEASED, SOLD OR CONVEYED IN ANY MANNER AND FOR WHOSE BENEFIT THE PROJECT IF BEING UNDERTAKEN

All public improvement projects undertaken as part of this Development Plan will remain in public ownership for the public benefit. The TIFA does not own any property at this time.

13. PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING OR CONVEYING IN ANY MANNER OF ALL OR A PORTION OF THE DEVELOPMENT UPON ITS COMPLETION

The TIFA owns no property at this time and therefore has no plans to lease, sell or otherwise convey any property or development at this time. In the event the TIFA purchases, receives a donation of or otherwise comes to own property in the Development Area, it will establish such bidding procedures at that time if necessary.

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

It is estimated that less than 38 persons reside in the Development Area based upon 1980 Census counts. No families or individuals are planned to be displaced and no occupied residences are designated for acquisition and clearance by the TIFA within the Development Area. Nevertheless, it is recognized that the Oakland County Road Commission will need additional right-of-way to construct the road improvements planned for in this Redevelopment Plan and that such acquisition may necessitate the vacation of certain property within the Development Area and/or other portions of the City along with a potential need to displace certain families. The need to displace families or individuals, if any, cannot be determined until after the Road Commission has completed preliminary design and engineering studies.

15. PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA; PROVISIONS FOR COSTS OF RELOCATING DISPLACED PERSONS; PLAN FOR COMPLIANCE WITH ACT NO. 227 OF P.A. OF 1972 OF MICHIGAN COMPILED LAWS.

Not applicable at the present time. If relocation does become necessary, a Relocation plan will be adopted by the City and the TIFA at such time. Such plan would be in full compliance with Act No. 227 of Michigan P.A. of 1972, and with all the requirements of Act No. 450 of Michigan P.A. of 1980.

TAX INCREMENT FINANCING PLAN
FOR KEEGO HARBOR DEVELOPMENT AREA

1. EXPLANATION OF THE TAX INCREMENT PROCEDURE

As provided for in P.A. 450 of 1980 (the "Act"), tax increment financing is a financing tool to encourage economic development in a designated Development Area within a Tax Increment Finance Authority District. The concept of tax increment financing is that tax dollars generated from new private property developments and from improvements to existing private property within a designated Development Area can be "captured" and utilized by the TIFA to finance public improvements within the Development Area which support and encourage continued private investment.

To utilize tax increment financing, the TIFA must prepare and submit to the City governing body a tax increment financing and development plan which the governing body must approve by resolution. Following the approval of the plan, the City and county treasurer must, as stated in the Act, transmit to the TIFA that portion of the tax levy of all taxing bodies paid each year on real and personal property in the Development Area on the captured assessed value. Such funds transmitted are termed "tax increment revenues".

"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 taxable property within the boundaries of the Development Area at the time the resolution establishing the tax increment financing plan is approved.

For this plan, the initial assessed value will be the assessed value of all real and personal property in the Development Area as set December 31, 1985 and equalized by the state in May, 1986.

The tax levy of all taxing jurisdictions is currently 64.3192 mills. Under this TIFA Plan the tax levy on the entire captured assessed valuation is to be utilized by the TIFA in the manner as hereinafter set forth. That millage which the school districts and other taxing jurisdictions currently levy for debt service will be excluded, bringing the applicable millage rate to 61.3578 mills.

2. ESTIMATE OF THE CAPTURED ASSESSED VALUE AND TAX INCREMENT REVENUES FOR EACH YEAR OF THE PLAN

The table on the following page, Table A, outlines the projected development projects within the Development Area along with estimates of their annual captured assessed value. Associated tax increment revenues generated may vary from these estimates based

TABLE A

ESTIMATED TAX INCREMENT
KEEGO HARBOR DEVELOPMENT AREA

<u>Development Project</u>	<u>Development Status as of 11/86</u>	<u>Improvement Construction Cost</u>	<u>Captured (New) SEV</u>	<u>Tax Increment Per Year</u>		
				<u>1987</u>	<u>1988</u>	<u>1989 - 2001</u>
Nautical Mile Project	Under Construction	\$ 900,000	\$ 450,000	\$27,611	\$ 27,611	\$ 27,611
American Delivery Service Improvements	Complete	\$ 200,000	\$ 100,000	6,136	6,136	6,136
Portman Office Building	Under Construction	\$ 60,000	\$ 30,000	1,841	1,841	1,841
Rockind Debard Improvements	Complete	\$ 30,000	\$ 15,000	920	920	920
Dollar Lake Project	Construction Proposed	(Projected) \$ 2,000,000	\$1,000,000	-	61,358	61,358
<u>Total Annual Tax Increment</u>				\$36,508	\$ 97,866	\$ 97,866
<u>TOTAL CUMULATIVE TAX INCREMENT</u>				\$36,508	\$134,374	\$1,406,632

upon the actual tax levy and actual assessed value of the Development Area in each year.

Projected tax increment revenues are based upon the following:

- a. Improvements are being made on the east side of Cass Lake Road near the Orchard Lake Road intersection. It is estimated that the project, known as Nautical Mile, will add approximately \$450,000 in real property assessed valuation by 1987 to the Development Area. Based upon current millage, \$27,611 of in annual tax increment will be generated beginning in 1987 and for each subsequent year of the plan.
- b. Improvements were made at American Delivery Service located on Orchard Lake Road just east of Willow Beach Avenue. It is estimated that these improvements will add approximately \$100,000 in real property assessed valuation by 1987 to the Development Area. Based upon current millage, \$6,136 in annual tax increment will be generated beginning in 1987 and for each subsequent year of the plan.
- c. A new office building is being constructed on the corner of Portman and Cass Lake Road. It is estimated that this will add approximately \$30,000 in real property assessed valuation of 1987 to the Development Area. Based upon current millage, \$1,841 in annual tax increment will be generated beginning in 1987 and for each subsequent year of the plan.
- d. Improvements were made to the Rockind Debard Office Complex. It is estimated that this will add approximately \$15,000 in real property assessed value in 1987 to the Development Area. Based upon current millage, \$920 in annual tax increment will be generated beginning in 1987 and for each subsequent year of the plan.
- e. Improvements have been proposed on the west side of Cass Lake Road adjacent to Dollar Lake. It is estimated that these improvements will add approximately \$1,000,000 in real property assessed value in by 1988. Based upon current millage, \$61,358 in annual tax increment will be generated beginning in 1988 and for each subsequent year of the plan.
- f. New development is anticipated on the vacant parcels in the Development Area before the end of this plan. In addition, additional increases in assessed valuation are anticipated from rehabilitation and appreciation of property in the Development Area. These increases, however, are not projected in this plan. If such increases result, tax increment revenue will be spent according to this Plan to speed up implementation of the public improvement program.

3. MAXIMUM AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED

The TIFA has no plans to incur any bonded indebtedness at this time to finance the improvement program. Improvements will be implemented on a "pay-as-you-go" basis as tax increment revenues are transmitted to the City, and as any other funds become available.

4. DURATION OF THE DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN

This Plan is anticipated to have a duration of 15 years, commencing upon its approval by City Council in December, 1986 and ending in December, 2001, unless the Plan is amended to extend or shorten its life.

5. STATEMENT OF THE ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON TAXING JURISDICTIONS IN WHICH THE DEVELOPMENT AREA IS LOCATED

The 1986 state equalized valuation of property within the original Development Area is \$1,644,800. (See Appendix A)

The biggest effect that this plan might have on taxing jurisdictions in which the Development Area is located is that the assessed valuation upon which taxes are now levied will remain constant over the life of this plan. The applicable 1986 tax rates for the various taxing jurisdictions are as set forth in the following table, Table B. Of course, at the expiration of this tax increment financing plan, all taxing jurisdictions will benefit substantially from the new private development and from a tax base that has been stabilized and enhanced as a result of the public improvements.

TABLE B
TAX RATES AND MILLAGE TO BE CAPTURED

<u>Jurisdiction</u>	<u>Tax Rate</u>	<u>Debt Service</u>	<u>Tax Rate To Be Captured</u>
West Bloomfield School	37.9624	1.8000	36.1624
Oakland County Intermediate School	2.5000		2.5000
Oakland County	5.1391	.2500	4.8891
Oakland Community College	1.4000	.4000	1.0000
City of Keego Harbor	17.3177	.5114	16.8063
TOTAL	64.3192	2.9614	61.3578

6. A STATEMENT OF REASONS THAT THE PLAN WILL RESULT IN THE DEVELOPMENT OF CAPTURED ASSESSED VALUE NOT OTHERWISE EXPECTED

Cass Lake Road in the City is inadequate to handle the traffic volume that is generated by the existing development in Keego Harbor. It has long created an unnatural traffic bottleneck. It is also a dangerous thoroughfare with high traffic accident counts. Not only is the road dangerous from a traffic standpoint because of its narrow width, sharp curves and high volume, but it is also dangerous from a pedestrian standpoint, particularly to school children. In addition, drainage along Cass Lake Road is poor, causing numerous problems, not the least of which includes making it difficult and dangerous for school children to walk along. These problems associated with Cass Lake Road have limited growth and potential growth along the Road, lowered the image of the City and been generally detrimental to health, safety and welfare.

This Plan, by improving Cass Lake Road, will remedy these problems. The improvements will encourage more business by creating better access to the City's businesses. In fact, it is anticipated that further development, such as the proposed Dollar Lake project, may not occur without firm plans for the Cass Lake Road improvements in place. More importantly, these much needed improvements to Cass Lake Road will improve traffic and pedestrian safety, making it much safer for school children to walk to school along Cass Lake Road. Along with these vital health, safety and welfare improvements the image of the city should be dramatically improved. These benefits will accrue to residents and businesses alike.

7. PLAN FOR THE EXPENDITURES OF CAPTURED ASSESSED VALUE BY THE AUTHORITY

a. Estimate of Tax Increment Revenues

Projected tax increment revenues, as outlined in Section 2 of this TIF Plan, are based upon tax base projected to be added by the projects described in Section 2 and Table A. Over the life of this plan, the development projects listed in Table A should generate approximately \$1,406,632 in tax increment revenues.

Additional increases in the assessed valuation for the Development Area will result from other development, appreciation, inflation and personal property taxes. These increases are probable but can not be as precisely projected in this plan. If such increases result and are not offset by other losses in assessed value on property within the Development Area, tax increment revenues generated therefrom will be spent for public improvements according to the priorities given in the Development Plan.