

**CITY OF MEVINDALE**  
**BROWNFIELD REDEVELOPMENT AUTHORITY**

**BROWNFIELD PLAN**  
**FOR SITE NO. 2**

Plan Prepared on October 20, 2008, for:

Oakwood Project, LLC  
Al Rice, Member  
13684 Cranbook Ct.  
Plymouth, Michigan 48170  
Phone: 1-313-701-5000

City of Melvindale  
3100 Oakwood Boulevard, Melvindale, MI 48122  
313-429-1059

Approved by the Melvindale Brownfield Redevelopment Authority on  
October 23, 2008, and the Melvindale City Council on December 3, 2008

**MELVINDALE BROWNFIELD REDEVELOPMENT AUTHORITY**  
**SITE #2**  
**PROJECT SUMMARY OF BROWNFIELD PLAN**

<b>Project Name:</b>	<b>Oakwood Project, LLC - Proposed Tim Horton's Restaurant</b>
<b>Project Location:</b>	3556 Oakwood Boulevard
<b>Property Eligibility:</b>	Property at 3556 Oakwood Boulevard is "Functionally Obsolete."
<b>Eligible Activities:</b>	Demolition, Public Infrastructure, Site Preparation & Improvements, Environmental Activities & Brownfield Plan Preparation
<b>Reimbursable Costs:</b>	See Table 1 of the Plan for information of Eligible Activities that may be reimbursed under this Plan.
<b>Years to Complete Reimbursement:</b>	Approximately twenty five (25)-year reimbursement to the Developer from the Brownfield Authority after tax capture starts
<b>Millages Captured:</b>	See Table 2 of the Plan and Section 6.14 for information on the millages captured under this Plan.
<b>Personal Property Capture:</b>	Yes
<b>Local Site Remediation Revolving Fund Capture:</b>	Yes. Five (5) years worth of capture is allowed after Reimbursement Period terminates or during the Reimbursement Period. Please see Tables 1 and 3 of the Plan for an estimate of the fund amounts.

**Project Overview:**

This Plan has been prepared to facilitate construction of a new commercial project. The project will involve the demolition of an existing functionally obsolete structure and the construction of a new structure estimated at 1,800 square feet and associated land and infrastructure improvements, including public infrastructure and site improvements. The property is eligible for brownfield incentives because the existing building is functionally obsolete and the Plan provides tax increment financing for reimbursement of eligible costs.

# City of Melvindale, Michigan

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Honorable Valerie A. Cadez, Mayor

## City Council

Stacy L. Striz, Mayor Pro-Tem  
C. Sue Herman, Council President  
Jeffrey P. Bolton  
John Earl Rowe  
Kalley C. Hess  
Joe Alvarado

## City Administration

Kelly L. Blevins, City Clerk  
John K. Kessey, City Treasurer  
Paul L. LaManes, City Administrator/Finance Director  
Tony Fuoco, City Assessor

## Corporation Counsel

Pentiuk, Couvreur & Kobiljak, P.C.  
Randall Pentiuk, Corporation Counsel  
Joseph Couvreur, Assistant Corp. Counsel

## Brownfield Redevelopment Authority (BRA)

Carol Ann Barbb  
Maureen Bolton  
Andrew Bovair  
Dulce Checkler  
Kevin McIsaac - Treasurer  
Dan McWhorter – Secretary  
Sandy Newton  
Carl Rice  
Kenneth Weiss

*Plan Prepared with Assistance of:*

Joseph M. Voszatka  
SMOOTH Development, LLC  
3166 Van Alstyne Street  
Wyandotte, MI 48192  
734-301-1282 • [jmvoszatka@wyan.org](mailto:jmvoszatka@wyan.org)

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# **CITY OF MELVINDALE BROWNFIELD REDEVELOPMENT AUTHORITY**

## **1.0 INTRODUCTION**

The City of Melvindale established the Brownfield Redevelopment Authority (the “Authority”) by adoption of a resolution pursuant to the Brownfield Redevelopment Financing Act, Michigan Public Act 381 of 1996, as amended (Act 381) on May 7, 1997. The primary purpose of Act 381 is to encourage the redevelopment of blighted, contaminated and functionally obsolete property by providing Tax Increment Financing to pay for certain approved eligible activities. The Authority is authorized by Act 381 to undertake all activities allowed by the statute.

## **2.0 GENERAL DEFINITIONS AS USED IN THIS PLAN**

All terms used in this Brownfield Plan are defined as provided in the following statutes, as appropriate:

*The Brownfield Redevelopment Financing Act, 1996 Mich. Pub. Acts. 381, M.C.L. § 125.2651 et seq., as amended (Act 381).*

*The Natural Resources and Environmental Protection Act, 1994 Mich. Pub. Acts 451, M.C.L. § 324.20101 et seq., as amended.*

## **3.0 STATUTORY ELEMENTS OF THE BROWNFIELD PLAN**

Brownfield plans developed by the Authority are submitted to the City Council for approval. A brownfield plan may apply to one or more parcels of eligible property. The capture of tax increment revenues under a brownfield plan shall be determined individually for each parcel of eligible property. Section 13 of Act 381 requires that the plan contain the following information about the eligible property to the extent applicable.

- (a) A description of costs intended to be paid for with tax increment revenues.
- (b) A brief summary of the eligible activities that are proposed for each eligible property.
- (c) An estimate of the captured taxable value and tax increment revenues for each year of the plan from the eligible property.
- (d) The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality.
- (e) The maximum amount of note or bonded indebtedness to be incurred, if any.

- (f) The duration of the plan, which shall not exceed the lesser of the period required to pay for the eligible activities from tax increment revenues plus the period of capture authorized for the local site remediation revolving fund or 30 years from the beginning date of the capture of tax increment revenues. The beginning date of capture of tax increment revenues may be a date not later than five (5) years after the date of the resolution adopting the plan.
- (g) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located.
- (h) A legal description of the eligible property to which the plan applies, a map showing the locations and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property, and a statement of whether personal property is included as part of the eligible property.
- (i) An estimate of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced, if any.
- (j) A plan for establishing priority for the relocation of persons displaced by implementation of the plan, if applicable.
- (k) Provisions for the costs of relocating persons displaced by implementation of the plan, and financial assistance and other reimbursement of expenses, if any.
- (l) A strategy for compliance with the Michigan Relocation Assistance Act, if applicable.
- (m) A description of proposed use of the local site remediation revolving fund.
- (n) Other material that the authority or governing body considers pertinent.

#### **4.0 STATE APPROVAL FOR CAPTURE OF SCHOOL TAX LEVIES**

If the brownfield plan provides for the capture of taxes levied for school operating purposes from eligible property in order to fund eligible activities, a work plan or remedial action plan must be approved by the Michigan Department of Environmental Quality (MDEQ) and/or Michigan Economic Growth Authority (MEGA) in accordance with Act 381.

#### **5.0 GOVERNING BODY APPROVAL OF THE BROWNFIELD PLAN**

##### **5.1 Notice Requirements**

Before approving a brownfield plan for an eligible property, the governing body shall hold a public hearing on the brownfield plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, not less than 10 or more than 40 days before the date set for the hearing.

Not less than 10 days before the hearing on the brownfield plan, the governing body shall provide notice of the hearing to the taxing jurisdictions that levy taxes subject to capture under this Act. The Authority shall fully inform the taxing jurisdictions about the fiscal and economic implications of the proposed brownfield plan. At that hearing, an official from a taxing jurisdiction with millage that would be subject to capture under this Act has the right to be heard in regard to the adoption of the brownfield plan.

## **5.2 Considerations for Approval**

The City Council may approve or reject the plan, or approve it with modification based upon the following considerations:

1. Whether the plan contains the necessary information and meets the requirements of Act 381.
2. Whether the proposed method of financing the costs of eligible activities is feasible and the Authority has the ability to arrange the financing.
3. Whether the costs of eligible activities proposed are reasonable and necessary to carry out the purposes of Act 381.
4. Whether the amount of captured taxable value estimated to result from adoption of the plan is reasonable.

## **6.0 PROJECT DESCRIPTION & BROWNFIELD REDEVELOPMENT PLAN**

### **6.1 Description of the project, eligible activities and costs to be paid for with tax increment revenues.**

#### Project Description

The proposed project will be located at 3556 Oakwood Boulevard. The project consists of a new structure of approximately 1,800 square feet. The existing structure at the site, previously used for a heating and cooling business and a Ponderosa restaurant, will be demolished. The site area consists of 0.77 acres. An estimated real and personal property investment of \$600,000-\$715,000 will take place on the property.

#### Eligible Activities and Costs

A summary of eligible activities and estimated costs to be reimbursed under this Plan are presented in Table 1 (see Tables at the back of the Plan). Not all proposed activities eligible for reimbursement may be approved by the BRA and City or actually required to redevelop the property. A Development and Reimbursement Agreement between the Developer and the Authority will be executed specifying the amount, terms, and conditions of reimbursement, including an interest rate determined by the BRA and approved by the City Council.

**6.2 A brief summary of the eligible activities that are proposed for each eligible property.**

Eligible activities are specified in Section 6.1 above

**6.3 An estimate of the captured taxable value and tax increment revenues for each year of the plan from the eligible property.**

Estimates of the captured taxable value and tax increment revenues for the Plan are provided in Table 2.

All estimates of revenues and the allocations of those revenues are subject to amendments and adjustments based upon the actual amounts of the investment, millages, expenses, and other related economic variables.

**6.4 The method by which the costs of the plan will be financed, including a description of any advances made or anticipated to be made for the costs of the plan from the municipality.**

At this time, it is estimated that a Developer will initially finance the cost of constructing the project. It is not anticipated that any advances will be made from the City for the costs of the project.

Upon the Developer completing construction of the eligible activities and the commencement of the Authority's capture of tax increment revenues from the Project, the Authority shall commence reimbursing the Developer for approved eligible activities from the annual tax increment revenues. Payments to the Developer will be made to the full extent incremental property tax revenues are or become available for such purposes, after the Authority provides funds for other eligible activities. A Development and Reimbursement Agreement between the Developer and the Authority will be executed specifying the amounts, terms and conditions of reimbursement, including an interest rate determined by the BRA and approved by the City Council.

**6.5 The maximum amount of note or bonded indebtedness to be incurred, if any.**

Section 6.5 is not applicable because no note or bonded indebtedness will be incurred by the City.

**6.6 The duration of the plan, which shall not exceed the lesser of the period required to pay for the eligible activities from tax increment revenues plus the period of capture authorized for the Local Site Remediation Revolving Fund or 30 years from the beginning date of the capture of tax increment revenues. The beginning date of capture of tax increment revenues may be a date not later than five (5) years after the date of the resolution adopting the plan.**



The duration of the Plan shall be approximately thirty-two (32) years from the date of the Council resolution adopting the plan. The duration of tax capture will commence upon January 1, 2010, and continue for thirty (30) years or until all eligible activities have been paid for, whichever period is less.

**6.7 An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is located.**

Please see Table 4 for an estimate of tax increment financing impact on those taxing jurisdictions whose millages are subject to capture from this Plan.

**6.8 A legal description of the eligible property to which the plan applies, a map showing the locations and dimensions of each eligible property, a statement of the characteristics that qualify the property as eligible property, and a statement of whether personal property is included as part of the eligible property.**

Legal Description

See Appendix 1 for a legal description of the eligible property. The current property owner is:

Oakwood Project, LLC  
Al Rice, Member  
13684 Cranbook Ct.  
Plymouth, Michigan 48170  
Phone: 1-313-701-5000

Map

See Appendix 2 for a map of the eligible property. Right-of-way adjacent and contiguous to the property described above is also eligible property.

Statement of the characteristics that qualify the property as eligible property

Act 381 defines “Eligible Property” as:

*“Property for which eligible activities are defined under a brownfield plan that was used or is currently used for commercial, industrial, public, or residential purposes that is in a qualified local governmental unit and is a facility, functionally obsolete, or blighted and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property. Eligible property includes, to the extent included in the brownfield plan, personal property located on the property.”*

The property described in this plan is an eligible property because it is a property for which:

- Eligible activities are identified under a Brownfield Plan,
- The property was used or is currently used for commercial, industrial or residential purposes,
- The property is located in a qualified local unit of government, and
- The existing building is a “functionally obsolete property,” as that term is defined in Section 2 (r) of Act 381. Evidence that the property is “functionally obsolete” is provided in Appendix 3.
- The development of adjoining and immediately contiguous public right-of-ways is reasonably necessary to increase the overall value of the Project.

Statement regarding Personal Property

Personal property shall be captured under this plan.

**6.9 An estimate of the number of persons residing on each eligible property to which the plan applies and the number of families and individuals to be displaced, if any.**

Not applicable because at the time of implementation of this Plan, no person shall reside on the eligible property.

**6.10 A plan for establishing priority for the relocation of persons displaced by implementation of the plan, if applicable.**

Section 6.10 is not applicable.

**6.11 Provision for the costs of relocating persons displaced by implementation of the plan, and financial assistance and other reimbursement of expenses, if any.**

Section 6.11 is not applicable.

**6.12 A strategy for compliance with the Michigan Relocation Assistance Act, if applicable.**

Section 6.12 is not applicable.

**6.13 A description of proposed use of the Local Site Remediation Revolving Fund.**

Tax increment revenue in this Plan’s capture not used to reimburse approved eligible activities, and not withdrawn for Administrative/Operating Expenses, will be deposited in the Authority’s Local Site Remediation Revolving Fund. If sufficient tax capture exists after all eligible activities have been reimbursed, this Plan would then capture up to the equivalent of five (5) years of tax capture, as permitted under the Act. All proceeds

deposited in the Authority's Local Site Remediation Revolving Fund as part of this and other brownfield plans will be used in accordance with the Act.

In addition to this fund consisting of tax increment revenues that exceed the costs of eligible activities incurred on an eligible property, it may also include funds appropriated or otherwise made available from public or private sources. The LSRRF may be used to reimburse the City, BRA or private parties for eligible costs at eligible properties as identified in this Plan or in later revisions to this Plan. It may also be used for eligible activities on eligible properties for which there are no other means to capture tax increment revenues. The establishment of the Fund would provide additional flexibility to the City and its BRA in facilitating redevelopment of Brownfield properties by providing another source of financing for necessary eligible response activities.

#### **6.14 Other material that the authority or governing body considers pertinent.**

##### Job Creation

The proposed Project is projected to bring approximately 15 new permanent full time jobs to the downtown area. In addition, the Project will create jobs during its construction.

##### Economic Development

The redevelopment of the property will enhance the property value of the subject property and provide an increase in the City's tax base. The project will also increase the probability of attracting future investments to the general area.

##### Explanation of Millages Captured

Because all eligible property in this Plan is outside of the City's Downtown Development Authority and not subject to capture by any other entity, this plan may capture tax increment revenues allowed under the Act. Excluded from capture by this plan are ad valorem property taxes specifically levied for the payment of principal of and interest on either obligations approved by the electors or obligations pledging the unlimited taxing power of the City, and specific taxes attributable to those ad valorem property taxes. Further, this plan does not capture Local School Operating (LSO) millages or the State Education Tax (SET).

The time periods that the millage rates for the Pension Levy Judgment and the Special Assessment noted in Table 2 are the best estimates available at the time this Plan was prepared. The actual duration may be less than or greater than estimated. If either of the Millages is extended, the Plan shall continue to capture the Millages.

The estimated time period for capture of the Detroit Zoo Millage is the balance of the 10-year period originally approved in 2008 after tax capture commences under this Plan. If the Millage is extended, the Plan shall continue to capture the Millage.

## **7.0 LIST OF TABLES & APPENDICIES**

### TABLES

TABLE 1:	DESCRIPTION OF ELIGIBLE ACTIVITY COSTS
TABLE 2:	ESTIMATED TAX INCREMENT REVENUES
TABLE 3:	ESTIMATED REIMBURSEMENT SCHEDULE
TABLE 4:	ESTIMATED ANNUAL TAX INCREMENT REVENUE RELATED TO EACH TAXING JURISDICTION

### APPENDIX – ELIGIBLE PROPERTY INFORMATION

1. LEGAL DESCRIPTION OF ELIGIBLE PROPERTY
2. MAP OF ELIGIBLE PROPERTY
3. EVIDENCE OF FUNCTIONALLY OBSOLETE STATUS

**TABLE ONE**  
**DESCRIPTION OF ESTIMATE OF ELIGIBLE ACTIVITY COSTS**

ELIGIBLE ACTIVITIES	ESTIMATED COST
I. Environmental Activities	
1. Environmental Site Assessments - Phase I & II	8,000
2. Asbestos Survey	2,500
3. Additional Response Activities	2,500
<i>Subtotal</i>	<i>13,000</i>
II. Non-Environmental Activities	
1. Demolition & Associated Expenses	30,000
<i>Subtotal</i>	<i>30,000</i>
2. Infrastructure Improvements	
A. Under Ground Detention (or Above Ground system if feasible)	
Vortechs 3000 Storm System Pre-treatment - Wayne County req.	20,000
SLCPP Piping - 1,055 feet (Sand Bedding Included)	106,000
Engineering	10,000
Wayne County Permits	5,000
City Inspections	5,000
<i>Subtotal</i>	<i>146,000</i>
B. Water and Sewer Improvements	
Engineering	5,000
Labor	10,000
Permitting	5,000
City Inspections	2,500
New piping	10,000
<i>Subtotal</i>	<i>32,500</i>
C. Access Management	
Engineering	2,500
Labor and material for new concrete approaches	20,000
Permitting	2,500
Removal of Existing Approaches	10,000
Restoration	5,000
<i>Subtotal</i>	<i>40,000</i>
3. Site Preparation - Activities Necessary to Prepare Site for Construction	
A. Addition and/or removal of soils; trenching and pit excavation costs; clearing and grubbing; land balancing; grading; test borings; foundation work to address special soil concerns; soft costs directly associated with site preparation activities, including engineering, design, legal and professional fees or other such costs related to the above.	35,000
<i>Subtotal</i>	<i>35,000</i>
<i>Subtotal of Environmental &amp; Non-Environmental Activities</i>	<i>296,500</i>
III. Brownfield Plan Expenses	
1. Brownfield Plan Preparation	6,500
2. Development & Reimbursement Agreement	1,000
3. City Brownfield Plan Application Fee	2,500
<i>Subtotal</i>	<i>10,000</i>
<i>Eligible Activity Subtotal</i>	<i>\$306,500</i>
Financing Costs	107,060
Brownfield Authority's Administrative Expenses	96,987
Brownfield Authority's Local Site Remediation Revolving Fund (LSRRF)	90,197
<b>TOTAL ESTIMATED COSTS</b>	<b>\$600,744</b>

Notes:

All Eligible Activities listed may not actually be reimbursed by the BRA and/or City, or be required to redevelop the property. A Development & Reimbursement Agreement will be executed between the BRA and the Developer specifying the actual amount, terms and conditions of reimbursement.

**TABLE TWO  
ESTIMATED TAX INCREMENT REVENUES**

Note: The projected amounts set forth in the following tables are based upon the assumption that construction will be completed by 12-31-2009. Actual completion date may be later than estimated. The intent of the Plan is to capture all of the available tax increment revenues until the approved and authorized costs have been paid.

TAX ANALYSIS AS OF 12-31-2009 <i>Estimated percent of completion is 100%.</i>		Brownfield Plan Consists of the Property Below	
		Proposed <sup>1</sup> Project On 0.77-acre portion of Property at <u>3556 Oakwood</u>	Estimated <sup>2</sup> Land & Building Value of 0.77-acre portion of Property at <u>3556 Oakwood</u>
	Brownfield Plan <u>Totals</u>		
Estimated Real Property Improvements	600,000	600,000	0
Estimated Personal Property Additions <sup>3</sup>	0	0	
Estimated True Cash Value	600,000	600,000	
Estimated Taxable Value After Construction	300,000	300,000	
Estimated Initial Taxable Value (12-31-08) <sup>2</sup>	50,100		50,100
<u>Captured Taxable Value</u>	<u>\$249,900</u>		

Notes & Assumptions:

1. Assumes construction of Real Property improvements to building and land at value shown. Assumes 100% complete by 12-31-2009.
2. Assumes existing building will be demolished by 12-31-2008.
3. An estimate of the Taxable Value of Personal Property additions is provided in Table 2 below.

Note: For Real Property and Personal Property Improvements, this Plan will capture the Millages shown below.

MILLAGE RATES

Millage	Rate	
City Operating	0.0194081	
City Refuse	0.0029110	
City Library	0.0009701	
Wayne RESA	0.0000965	
Wayne County Operating	0.0056483	
Wayne County - Other	0.0021737	
Wayne County Community College (WCCC)	0.0024769	
Huron Clinton Metro Parks Authority (HCMA)	0.0002146	
Wayne County Transportation Authority (WCTA/SMART)	0.0005900	
Wayne County Voted Special Education	0.0033678	
<b>TOTAL AVAILABLE NON-SCHOOL MILLAGES</b>	<b>0.0378570</b>	<b>(EXCLUDING PENSION LEVY &amp; SPECIAL ASSESSMENT)</b>
Pension Levy Judgment - Personal Property	0.0040000	Assume applicable for Fiscal Years 2010 - 2016: After termination, the applied millage rate is 0.
Personal Property Subtotal	0.0418570	Assume applicable for Fiscal Years 2010 - 2016: After termination, the applied millage rate is 0.
Pension Levy Judgment - Real Property	0.0040000	Assume applicable for Fiscal Years 2010 - 2016: After termination, the applied millage rate is 0.
Special Assessment - Real Property Only	0.0030000	Assume applicable for all years of Brownfield Plan.
Real Property Subtotal	0.0448570	Assume applicable for Fiscal Years 2010 - 2016.
Real Property Subtotal	0.0408570	Assume applicable for all Fiscal Years of Brownfield Plan after 2016.
Detroit Zoo Millage - Real & Personal Property	0.0001000	Assume applicable for Fiscal Years 2010 - 2018: After termination, the applied millage rate is 0.

**TABLE TWO (continued)**  
**ESTIMATED TAX INCREMENT REVENUES**

**Note:** The estimated annual increase to Real Property captured values is at the rate indicated. The actual rate may be higher or lower. The total estimated Personal Property Captured Value is set conservatively at 49% of estimated full value to represent an annual replacement/ depreciation average of equipment.

Year	Assessment	Fiscal	Estimated Annual Increase		Estimated True Cash Value (TCV) of Personal Property		Real Property Applied	Personal Property Applied	Available	Cumulative	Assumption
			2.00%	Real Property	Personal Property	Personal Property					
No.	Year	Year	Capt Value	Multiplier	Capt Value <sup>1</sup>	Capt Val	Millage	Millage	Revenue	Revenue	
1	2010	2011	249,900	0.9	50,400	300,300	0.0449570	0.0419570	13,349	13,349	
2	2011	2012	254,898	0.8	44,800	299,698	0.0449570	0.0419570	13,339	26,689	
3	2012	2013	259,996	0.7	39,200	299,196	0.0449570	0.0419570	13,333	40,022	
4	2013	2014	265,196	0.6	33,600	298,796	0.0449570	0.0419570	13,332	53,354	
5	2014	2015	270,500	0.49	27,440	297,940	0.0449570	0.0419570	13,312	66,666	
6	2015	2016	275,910	0.49	27,440	303,350	0.0449570	0.0419570	13,555	80,222	Pens. Levy Ends
7	2016	2017	281,428	0.49	27,440	308,868	0.0409570	0.0379570	12,568	92,790	
8	2017	2018	287,057	0.49	27,440	314,497	0.0409570	0.0379570	12,799	105,588	Zoo Millage Ends
9	2018	2019	292,798	0.49	27,440	320,238	0.0408570	0.0378570	13,002	118,590	
10	2019	2020	298,654	0.49	27,440	326,094	0.0408570	0.0378570	13,241	131,831	
11	2020	2021	304,627	0.49	27,440	332,067	0.0408570	0.0378570	13,485	145,316	
12	2021	2022	310,719	0.49	27,440	338,159	0.0408570	0.0378570	13,734	159,049	
13	2022	2023	316,934	0.49	27,440	344,374	0.0408570	0.0378570	13,988	173,037	
14	2023	2024	323,272	0.49	27,440	350,712	0.0408570	0.0378570	14,247	187,284	
15	2024	2025	329,738	0.49	27,440	357,178	0.0408570	0.0378570	14,511	201,795	
16	2025	2026	336,332	0.49	27,440	363,772	0.0408570	0.0378570	14,780	216,575	
17	2026	2027	343,059	0.49	27,440	370,499	0.0408570	0.0378570	15,055	231,630	
18	2027	2028	349,920	0.49	27,440	377,360	0.0408570	0.0378570	15,335	246,966	
19	2028	2029	356,919	0.49	27,440	384,359	0.0408570	0.0378570	15,621	262,587	
20	2029	2030	364,057	0.49	27,440	391,497	0.0408570	0.0378570	15,913	278,500	
21	2030	2031	371,338	0.49	27,440	398,778	0.0408570	0.0378570	16,211	294,711	
22	2031	2032	378,765	0.49	27,440	406,205	0.0408570	0.0378570	16,514	311,225	
23	2032	2033	386,340	0.49	27,440	413,780	0.0408570	0.0378570	16,824	328,048	
24	2033	2034	394,067	0.49	27,440	421,507	0.0408570	0.0378570	17,139	345,187	
25	2034	2035	401,948	0.49	27,440	429,388	0.0408570	0.0378570	17,461	362,649	
26	2035	2036	409,987	0.49	27,440	437,427	0.0408570	0.0378570	17,790	380,438	
27	2036	2037	418,187	0.49	27,440	445,627	0.0408570	0.0378570	18,125	398,563	
28	2037	2038	426,551	0.49	27,440	453,991	0.0408570	0.0378570	18,466	417,029	
29	2038	2039	435,082	0.49	27,440	462,522	0.0408570	0.0378570	18,815	435,844	
30	2039	2040	443,784	0.49	27,440	471,224	0.0408570	0.0378570	19,170	455,015	

**Notes:**

1. Personal Property Captured Value is calculated by multiplying the Estimated TCV by 1/2 and then multiplying by the Personal Property Multiplier/Depreciation Factor.

**TABLE THREE  
ESTIMATED REIMBURSEMENT SCHEDULE**

**Note: This Table is intended to provide only a partial reimbursement of the total estimated eligible activity costs.**

Total Amount of Eligible Activities from Table One: \$306,500  
Principal Reimbursement Amount Approved for Eligible Activities by City/BRA: \$160,771 100% of Non-City Funds  
Additional Reimbursement Amount Approved for Eligible Activities and/or Interest by City/BRA: \$107,399 36.5% of City funds  
Total Amount Approved for Reimbursement for Eligible Activities and/or Interest by City/BRA: \$268,170

Year No.	Assessment Year	Fiscal Year	Interest Rate	Annual Tax Capture	Allocation of Funds					Balance
					Site Remediation Revolving Fund	Admin/Op Expense	Remaining Funds	Interest	Principal	
-	-	-	-	-	-	-	-	-	-	\$160,771
1	2010	2011	4.50%	13,349	0	1,500	11,849	7,235	4,615	156,156
2	2011	2012	4.50%	13,339	0	1,523	11,817	7,027	4,790	151,366
3	2012	2013	4.50%	13,333	0	1,545	11,788	6,811	4,977	146,390
4	2013	2014	4.50%	13,332	0	1,569	11,764	6,588	5,176	141,214
5	2014	2015	4.50%	13,312	0	1,592	11,720	6,355	5,365	135,848
6	2015	2016	4.75%	13,555	0	1,616	11,939	6,453	5,487	130,362
7	2016	2017	4.75%	12,568	0	1,640	10,928	6,192	4,736	125,626
8	2017	2018	4.75%	12,799	0	1,665	11,134	5,967	5,167	120,459
9	2018	2019	4.75%	13,002	0	1,690	11,312	5,722	5,590	114,869
10	2019	2020	4.75%	13,241	0	1,715	11,526	5,456	6,070	108,800
11	2020	2021	4.75%	13,485	0	3,500	9,985	5,168	4,817	103,983
12	2021	2022	4.75%	13,734	0	3,553	10,181	4,939	5,242	98,741
13	2022	2023	4.75%	13,988	0	3,606	10,382	4,690	5,692	93,049
14	2023	2024	4.75%	14,247	0	3,660	10,587	4,420	6,167	86,882
15	2024	2025	4.75%	14,511	0	3,715	10,796	4,127	6,669	80,213
16	2025	2026	4.75%	14,780	0	3,770	11,010	3,810	7,200	73,013
17	2026	2027	4.75%	15,055	0	3,827	11,228	3,468	7,760	65,253
18	2027	2028	4.75%	15,335	0	3,884	11,451	3,100	8,352	56,902
19	2028	2029	4.75%	15,621	0	3,943	11,679	2,703	8,976	47,926
20	2029	2030	4.75%	15,913	0	4,002	11,911	2,276	9,635	38,291
21	2030	2031	4.75%	16,211	0	4,062	12,149	1,819	10,330	27,961
22	2031	2032	4.75%	16,514	0	4,123	12,391	1,328	11,063	16,898
23	2032	2033	4.75%	16,824	5,000	4,185	7,639	803	6,836	10,062
24	2033	2034	4.75%	17,139	5,000	4,247	7,892	478	7,414	2,648
25	2034	2035	4.75%	17,461	10,376	4,311	2,774	126	2,648	0
26	2035	2036	0.00%	17,790	13,414	4,376	0	0	0	0
27	2036	2037	0.00%	18,125	13,683	4,441	0	0	0	0
28	2037	2038	0.00%	18,466	13,958	4,508	0	0	0	0
29	2038	2039	0.00%	18,815	14,239	4,576	0	0	0	0
30	2039	2040	0.00%	19,170	14,526	4,644	0	0	0	0
-	-	-	-	<b>455,015</b>	<b>90,197</b>	<b>96,987</b>	-	<b>107,060</b>	<b>160,771</b>	-

Principal	160,771	Admin/Op	96,987	Total P & I	267,831
Interest	107,060	Rem Fund	90,197	Total BRA	187,184
<b>Total P &amp; I</b>	<b>267,831</b>	<b>Total BRA</b>	<b>187,184</b>	<b>Total P &amp; I &amp; BRA</b>	<b>455,015</b>



Brownfield Plan - Site No. 2  
3556 Oakwood Boulevard, Melvindale, Michigan

**TABLE FOUR**  
**ESTIMATED ANNUAL TAX INCREMENT REVENUE RELATED TO EACH TAXING JURISDICTION**

Assessment Year	Captured Revenue	CITY	CITY	CITY	WAYNE	COUNTY	COUNTY	WCCC	HCMA	WCTA	COUNTY	PENSION	SPECIAL	DETROIT	
		OPERATING 0.0194081	REFUSE 0.0029110	LIBRARY 0.0009701	RESA 0.0000965	OPERATING 0.0056483	Other 0.0021737				VOTED SPEC ED 0.0033678	LEVY JUDGMENT 0.0040000 (0 after termination)	ASSESSMENT 0.0030000	ZOO 0.0001000 (0 after termination)	
1	2010	13,349	5,828	874	291	29	1,696	653	744	64	177	1,011	1,201	750	30
2	2011	13,339	5,817	872	291	29	1,693	651	742	64	177	1,009	1,199	765	30
3	2012	13,333	5,807	871	290	29	1,690	650	741	64	177	1,008	1,197	780	30
4	2013	13,332	5,799	870	290	29	1,688	649	740	64	176	1,006	1,195	796	30
5	2014	13,312	5,782	867	289	29	1,683	648	738	64	176	1,003	1,192	811	30
6	2015	13,555	5,887	883	294	29	1,713	659	751	65	179	1,022	1,213	828	30
7	2016	12,568	5,995	899	300	30	1,745	671	765	66	182	1,040	0	844	31
8	2017	12,799	6,104	915	305	30	1,776	684	779	67	186	1,059	0	861	31
9	2018	13,002	6,215	932	311	31	1,809	696	793	69	189	1,078	0	878	0
10	2019	13,241	6,329	949	316	31	1,842	709	808	70	192	1,098	0	896	0
11	2020	13,485	6,445	967	322	32	1,876	722	822	71	196	1,118	0	914	0
12	2021	13,734	6,563	984	328	33	1,910	735	838	73	200	1,139	0	932	0
13	2022	13,988	6,684	1,002	334	33	1,945	749	853	74	203	1,160	0	951	0
14	2023	14,247	6,807	1,021	340	34	1,981	762	869	75	207	1,181	0	970	0
15	2024	14,511	6,932	1,040	346	34	2,017	776	885	77	211	1,203	0	989	0
16	2025	14,780	7,060	1,059	353	35	2,055	791	901	78	215	1,225	0	1,009	0
17	2026	15,055	7,191	1,079	359	36	2,093	805	918	80	219	1,248	0	1,029	0
18	2027	15,335	7,324	1,098	366	36	2,131	820	935	81	223	1,271	0	1,050	0
19	2028	15,621	7,460	1,119	373	37	2,171	835	952	82	227	1,294	0	1,071	0
20	2029	15,913	7,598	1,140	380	38	2,211	851	970	84	231	1,318	0	1,092	0
21	2030	16,211	7,740	1,161	387	38	2,252	867	988	86	235	1,343	0	1,114	0
22	2031	16,514	7,884	1,182	394	39	2,294	883	1,006	87	240	1,368	0	1,136	0
23	2032	16,824	8,031	1,205	401	40	2,337	899	1,025	89	244	1,394	0	1,159	0
24	2033	17,139	8,181	1,227	409	41	2,381	916	1,044	90	249	1,420	0	1,182	0
25	2034	17,461	8,334	1,250	417	41	2,425	933	1,064	92	253	1,446	0	1,206	0
26	2035	17,790	8,490	1,273	424	42	2,471	951	1,083	94	258	1,473	0	1,230	0
27	2036	18,125	8,649	1,297	432	43	2,517	969	1,104	96	263	1,501	0	1,255	0
28	2037	18,466	8,811	1,322	440	44	2,564	987	1,124	97	268	1,529	0	1,280	0
29	2038	18,815	8,977	1,346	449	45	2,612	1,005	1,146	99	273	1,558	0	1,305	0
30	2039	19,170	9,146	1,372	457	45	2,662	1,024	1,167	101	278	1,587	0	1,331	0
<b>TOTAL</b>		<b>455,015</b>	<b>213,866</b>	<b>32,077</b>	<b>10,690</b>	<b>1,063</b>	<b>62,241</b>	<b>23,953</b>	<b>27,294</b>	<b>2,365</b>	<b>6,501</b>	<b>37,111</b>	<b>7,197</b>	<b>30,414</b>	<b>242</b>

CITY'S PORTION OF FUNDS

City Op	\$213,866
City Refuse	32,077
City Library	10,690
Pension Levy	7,197
Spec. Assmt.	30,414
<b>TOTAL</b>	<b>\$294,244</b>

NON-CITY FUNDS

Wayne RESA	\$1,063
County Operating	62,241
County - Other	23,953
WCCC	27,294
HCMA	2,365
WCTA	6,501
County Voted Spec Ed	37,111
Detroit Zoo	242
<b>TOTAL</b>	<b>\$160,771</b>

TOTAL FUNDS

CITY	\$294,244
NON-CITY	\$160,771
<b>TOTAL</b>	<b>\$455,015</b>

## APPENDIX 1

**LEGAL DESCRIPTION -- 3556 OAKWOOD BOULEVARD, MELVINDALE MICHIGAN**

PT OF PRIVATE CLAIMS 32 AND 49 BEG N29DEG 01M 15S E 492.13FT AND N69DEG 21M 15S E 723.34FT  
AND S20DEG 38M 45S E 100FT FROM THE INT OF CL OF PROSPECT AVE 60FT WD AND THE CL OF  
OAKWOOD BLVD 100FT WD TH S20DEG 38M 45S E 280FT TH S69DEG 21M 15S W 120 FT TH N20DEG  
38M 45S W 280FT TH N69DEG 21M 15S E 120FT POB 0.77 AC

PARCEL NUMBER: 82-47-005-99-0009-002

Grantor	Grantee	Sale Price	Sale Date	Inst Type	Terms of Sale	Liber & Page	Verified by	Pront Trans
JEFFERSON VILLAGE ENTERPRIS	RICE, AL	239,582	01/12/2006	ALC	11-OTHER/SEE NOTES	206117432	DEED	100.0
BRANCH DEVELOPMENT CO LLC	JEFFERSON VILLAGE ENTERPRIS		03/01/2005	LCM	11-OTHER/SBE NOTES	205118645	DEED	100.0

Property Address 3556 OAKWOOD	Class: COMMERCIAL REAL	Zoning: R1 1 F	Building Permit(s)	Date	Number	Status
Owner's Name/Address RICE, AL 13684 CRANBROOK CT PLYMOUTH MI 48170	School: 47-MELVINDALE/NORTHERN AL	P. R. E. 0%	MAP #:	2009 Est TCV 432,000 (Value Overridden)		

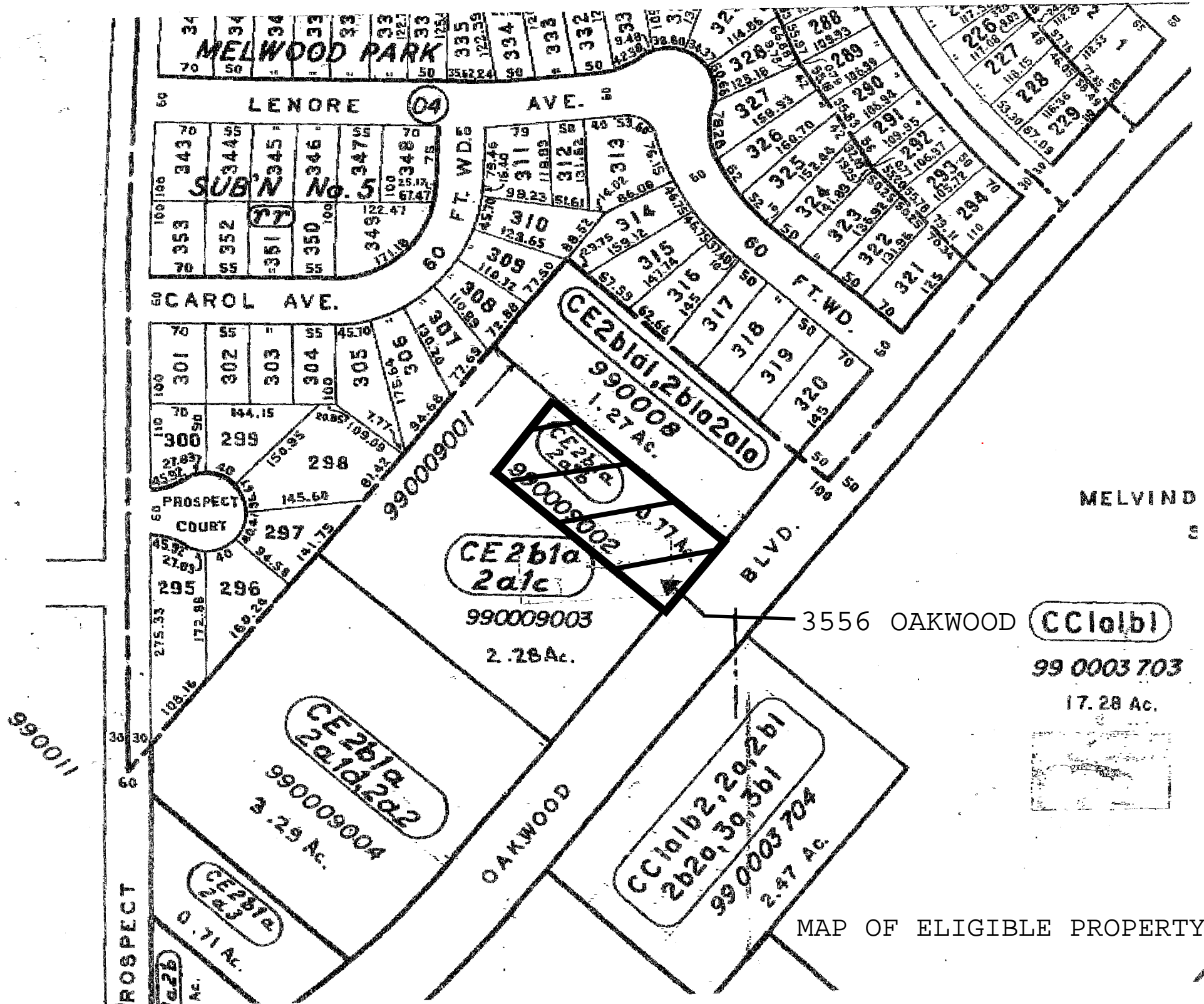
Legal Description CE2B1A2A1B PT OF PRIVATE CLAIMS 32 AND 49 BEG N29DEG 01M 15S E 492.13FT AND N69DEG 21M 15S E 723.34FT AND S20DEG 38M 45S E 100FT FROM THE INT OF CL OF PROSPECT AVE 60FT WD AND THE CL OF OAKWOOD BLVD 100FT WD TH S20DEG 38M 45S E 280FT TH S69DEG 21M 15S W 120 FT TH N20DEG 38M 45S W 280FT TH N69DEG 21M 15S E 120FT POB 0.77 AC	Improved	X	Vacant	Land Value Estimates for Land Table 100. COMMERCIAL			
	Public Improvements			Description	Frontage	Depth	Rate %Adj. Reason

Comments/Influences 313-701-5000	Dirt Road Gravel Road Paved Road Storm Sewer Sidewalk Water Sewer Electric Gas Curb Street Lights Standard Utilities Underground Utils.	* Factors *		0.770 Acres		0	100		100,200
		ACREAGE TABLE 'A'		Flat Value:		0.77 Total Acres		Total Est. Land Value =	

Topography of Site	Level Rolling Low High Landscaped Swamp Wooded Pond Waterfront Ravine Wetland Flood Plain	Year	Land Value	Building Value	Assessed Value	Board of Review	Tribunal/ Other	Taxable Value
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The Equalizer. Copyright (c) 1999 - 2000. Licensed to: The Wayne County Equalization Department.	Who	When	What	2009	50,100	165,900	216,000		206,850C
				2008	50,100	165,900	216,000		206,850C
				2007	46,900	155,300	202,200		202,200S
				2006	43,700	144,400	188,100		188,100S

## APPENDIX 2



MAP OF ELIGIBLE PROPERTY

### APPENDIX 3

To: Joseph Voszatka, AICP  
SMOOTH Development, LLC

From: Tony Fuoco, City Assessor

Date: October 9, 2008

Re: 3556 Oakwood - Obsolete Structure  
Melvindale, MI 48122

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Pursuant to the review and inspection of the subject property, it is the Assessor's opinion that the vacant Commercial building, located at 3556 Oakwood is an obsolete and blighted property.

### **HISTORY, PRESENT USE AND DESCRIPTION OF THE PROPERTY**

The subject property consists of a land site measuring 120 ft. x 280 ft. The site is improved with a Commercial building that is approximately 4,477 square feet. The building was built in 1973 as a Ponderosa Restaurant. It was built strictly to specifications for a Ponderosa Restaurant, which identifies its unique design strictly for this purpose. The building consists of a metal flat/gambrel roof. The building's exterior walls are constructed of brick on concrete block and wood trim/shakes. The building suffers from deferred maintenance since it is currently vacant.

### **BROWNFIELD ELIGIBILITY**

To be eligible for the Brownfield Program, a property must meet at least one of the criteria from the definition of functional obsolescence or obsolete property.

### **FUNCTIONAL OBSOLESCENCE**

The definition of functionally obsolete means that the property is unable to be used to adequately perform the functions for which it was intended due to a substantial loss in value resulting from factors such as:

1. Overcapacity
2. Changes in technology
3. Deficiencies or superadequacies in design;
4. Or other similar factors that affect the property itself;
5. Or the property's relationship with other surrounding property.



**The subject property is functionally obsolete due to deficiencies in design.**

The building was built in 1973 as a specifically designed building used solely as Ponderosa's signature building that the restaurant can be identified with. Its distinctive architectural style gives it a dated appearance and betrays its origin.

The mechanical systems are considered inadequate for the highest and best use of the property, whereas it would be totally uneconomical and would not be feasible to completely replace. Due to its unique design, it is not readily convertible to any other use than a restaurant. However, any other restaurant would not have its own identity, since the current architectural style clearly identifies it with the Ponderosa stigma. A total remodernization to eliminate the Ponderosa stigma would be too costly and not feasible to justify the cost.

**OBSOLETE PROPERTY**

Section (i) in the definition of obsolete property describes blighted property as follows:

- (i) "Blighted property". Blighted property means property that meets 1 or more of the following criteria:
  1. Has been declared a nuisance in accordance with a local housing, building, plumbing, fire or other related code or ordinance.
  2. Is an attractive nuisance to children because of physical condition, use or occupancy.
  3. Is a fire hazard or is otherwise dangerous to the safety of persons or property.
  4. Has had the utilities, plumbing, heating or sewerage permanently disconnected, destroyed, removed or rendered ineffective so that the property is unfit for its intended use.
  5. Is tax reverted property owned by a qualified local governmental unit, by a County, or by this State. The sale, lease or transfer of tax reverted property by a qualified local governmental unit, County, or this State after the property's inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purposes of PA 145 of 2000.

**The subject property is obsolete due to blight.**

The subject property has been an ongoing problem and is an eyesore to the community. The building is currently vacant and suffers from deferred maintenance. There is junk and debris inside the building and has unsecured openings around the building and roof.

This property meets the criteria for "blighted property". Due to this obsolescence, the building cannot be economically used and should be razed to create a site that could be developed.

## **HIGHEST AND BEST USE**

Highest and best use reflects a basic assumption about real estate market behavior that the price a buyer will pay for a property is based on his or her conclusions about the most profitable use of that site or property. Therefore, sites and improved properties tend to be put to their highest and best uses. This determination of a property's highest and best use set forth in an appraisal may or may not conform with the existing use. The determination of highest and best use must be based on careful consideration of prevailing market conditions, trends affecting market participation and change, and the existing use of the subject.

Highest and best use as presented in The Appraisal of Real Estate, eleventh edition is defined as:

"The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

Due to the site location, zoning of the subject property and the surrounding site improvements, the highest and best use would be RETAIL.