TOWN CENTER PROJECT

TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

DEVELOPMENT AREA #1 - AMENDED

Submitted to the City of Highland Park
Tax Increment Finance Authority

September 30, 1992

TABLE OF CONTENTS

EXHIBITS

TOWN CENTER PROJECT
TAX INCREMENT FINANCING AND DEVELOPMENT PLAN
DEVELOPMENT AREA #1 - AMENDED

SUMMARY

The City of Highland Park Tax Increment Finance Authority ("TIFA") was created on August 8, 1984 by Resolution of the Highland Park City Council ("City Council"), pursuant of Act 450 of the Michigan Public Acts of 1980, as amended ("TIFA Act"). The creation and establishment of the TIFA was one of the steps taken by the City Council to foster the revitalization of Highland Park.

A Tax Increment Financing and Development Plan was adopted by the Highland Park City Council on May 15, 1989 for the development of the Town Center Shopping Center. This plan is being amended to allow development of a mixed-use project to be known as the Town Center Residential and Retail Project, which will include significant public improvements in the Development Area.

TOWN CENTER RESIDENTIAL AND RETAIL PROJECT

The development of the Town Center Residential and Retail Project, which will include residential and retail (the "Project") will require the City Council to approve this Tax Increment Financing & Development Plan for Development Area #1 as Amended ("Development Plan"). The existing TIFA District was created by the City of Highland Park in 1984, and is described in Exhibit 1. The TIFA District is that area of the municipality within which TIFA can exercise its powers and within which one or more development areas may exist.

Development Area #1 as Amended will encompass a parcel of property located along Woodward in downtown Highland Park, as described in Exhibit 2.

The "Tax increment," as defined in the TIFA Act, generated by construction of the Project, and other improvements in the Development Area #1 as Amended will be one of the sources of financing for the Project.

As tax increment proceeds are received by the TIFA, the funds will be utilized to repay funds to be borrowed through the use of tax increment bonds, as such bonds are defined in the TIFA Act or through other appropriate sources.

The Town Center site within Development Area #1 as Amended is described as follows. The Project will include the construction of multi-family rental housing and retail in the area generally bounded by Sears Avenue on the north, Woodward Avenue on the east, Manchester on the south and Second Avenue on the west. The Project also includes new retail construction and facade improvements along the west frontage of Woodward Avenue between Manchester and Sears Avenue and the construction of a bank on the southwest corner of Manchester and Woodward. Implementation of the Development Plan will create approximately 200 units of rental housing, a 38,000 square foot retail center, a bank building containing approximately 3,000 square feet and the improvement of retail facades along Woodward Avenue.

The introduction of new residential and retail space will dramatically improve the residential and shopping opportunities and community image of downtown Highland Park. The residential portion of the project will include income balanced housing with one, two and three bedroom garden and townhouse apartments. The retail center portion of the Project is expected to include a 10,800 square foot drug store, 27,500 square feet of miscellaneous retail space, and a 3000 square foot bank. Developers have been identified to develop the Project, utilizing a number of financial tools, including the tax increment proceeds generated by their investment.

The development of this Project has long been an important goal that is necessary to the success and revitalization of downtown Highland Park. It is anticipated that the Project will create approximately 100 new jobs in the City of Highland Park.

PUBLIC IMPROVEMENTS

Public improvements in Development Area #1 as Amended will be financed by captured tax increment revenues and other appropriate public and private funds. Public improvements may include reconstruction, repair and improvement to streets, alleys, public rights of way and easements, construction and improvement of parking facilities, replacement and addition of street lights, acquisition and disposal of real and personal property interests in the Development Area #1 as Amended, demolition of structures, site preparation, replacement or relocation of utilities or pipelines, relocation of businesses, environmental site work, landscaping, parking, lighting, project planning, facade improvements, architectural, engineering, legal and accounting fees and all administrative costs related to the above.

I. AMOUNT OF TAX INCREMENT; EXPENDITURES; FINANCIAL REPORT (COMPLIANCE WITH SECTION 14 OF THE TIFA ACT)

A. Amount of Tax Increment to be Transmitted to the Authority

The amount of tax increment revenue to be transmitted to the TIFA by the municipal and county treasurers shall be all of 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. For this purpose, that portion of a specific local tax that is attributable to the captured assessed value of the facility shall be included as part of the tax increment which the city and county treasurers are to transmit to the TIFA.

B. Expenditure of Tax Increments Received

The TIFA recognizes that under the TIFA Act, the tax increment revenues received by it are to be expended only in accordance with the provisions of this Tax Increment Financing and Development Plan. The TIFA will use tax increment revenues received by it to make principal and interest payments on monies borrowed to provide approximately $2.3 million in public improvements within Development Area #1 as Amended, including, but not limited to, the reconstruction and repair of streets and alleys, parking, paving, sidewalks, environmental site work, landscaping, lighting, sidewalks, replacement and addition of street lights and replacement of utilities, acquisition of property, demolition of buildings, relocation of businesses , project planning, legal and accounting and facade improvements.

When all Project costs are paid, any uncommitted surplus tax increment funds shall revert proportionately to the respective taxing bodies, unless the TIFA Board of Directors acts by resolution to retain surplus tax increment funds for other purposes in furtherance of the Development Plan. If such a determination to retain surplus funds is made by the TIFA, which requires an amendment to the development program or Development Area #1 as Amended, such amendments shall require approval by City Council.

C. Financial Reports

Pursuant to Section 14(3) of TIFA Act, the TIFA will submit to the Highland Park City Council and the State Tax Commission an annual report on the status of this Amended Tax Increment Financing Plan. This report will include the following items:

(1) The amount and source of tax increments received;
(2) The amount of any bond reserve account;
(3) The amount and purpose of expenditures of tax

increment revenues;

(4) The amount, if any, of principal and interest on outstanding bonded indebtedness;

(5) The initial assessed value of the development project area;

(6) The captured assessed value of property in the development area which has been retained by the TIFA; and

(7) Any additional information the City Council or the State Tax Commission may consider necessary.

II. THE DEVELOPMENT PLAN (COMPLIANCE WITH SECTION 16 OF THE TIFA ACT)

A. Designation of the Boundaries of the Development Area in Relation to the Boundaries of the Authority District

Development Area #1 as Amended is located in the west central portion of the TIFA District and its boundaries are described as follows:

Beginning at the west ROW of Second Avenue at Sears Avenue, then east along the north ROW line of Sears Avenue to the east ROW of Woodward Avenue to the south ROW of Manchester; then east along the south ROW of Manchester to the first alley east of Woodward Avenue, then south along the ROW of said alley to Gerald Avenue; then west along the north ROW line of Gerald Avenue to the west ROW of Woodward Avenue, then south along the west ROW of Woodward Avenue to Pasadena Avenue, then west along the north ROW of Pasadena Avenue to the first alley west of Woodward Avenue, then along the center of the north/south alley to the south boundary of the former LaBelle Avenue ROW (now vacated); then west along the south boundary of the former LaBelle Avenue ROW (and an extension thereof) to the west ROW of Second Avenue at Manchester; then north along the west ROW of Second Avenue to the point of beginning.

B. Designation of the Boundaries of Development Area in Relation to Highway, Streets and Otherwise

The boundaries of the Development Area #1 as Amended in relation to streets are described in the preceding paragraph and in Exhibit 2.

C. Location and Extent of Existing Streets and Other Public Facilities and Extent of Existing and Proposed Public and Private Land Uses

As shown in Exhibit 2, there are several streets included within Development Area #1 as Amended, the most prominent of which is Woodward Avenue. Further, the city-owned Parcels (vacant former DSR site and the site on the southwest corner of Woodward and Manchester) are within Development Area #1 as

Amended and will form a major portion of the site for the Project. The Woodward frontage between Sears Avenue and Manchester Avenue includes several existing and operating stores, as well as some vacant stores. Some of these structures will be acquired and demolished, and some of the businesses may be relocated within the retail center or to other locations.

D. Description of Improvements and Estimated Time Required

The improvements that may be made in Development Area #1 as Amended are as follows: approximately 200 residential rental units, a retail center containing approximately 38,000 square feet; a bank building containing approximately 3,000 square feet; the reconstruction and repair of streets and alleys; the replacement and addition of street lights; the relocation of utilities; acquisition, relocation and site preparation, including demolition; parking construction; paving; lighting improvement; landscaping; environmental work; pedestrian and traffic-way improvement and facade improvements.

It is expected that the Project will require approximately 24 months to complete utilizing a portion of the project funding from the Urban Development Action Grant ("UDAG") program in the amount of $ 4.850 million which has been approved by the Housing and Urban Development (See Exhibit 5). The proposed schedule for construction of the Project is attached hereto as Exhibit 6.

E. Location, Extent, Character and Cost of Improvements

The location, extent, character and estimated cost of the improvements for the Project will include approximately $2.3 million in public improvements in the Development Area. These improvements will include, but shall not be limited to, the reconstruction and repair of streets and alleys; the acquisition of all personal property within the Development Area; replacement and addition of street lights; relocation and replacement of utilities and pipelines; and site preparation, including business acquisition and relocation; demolition; parking, activities and lighting, paving, lighting improvements, landscaping, environmental work and pedestrian, traffic-way improvements and facade improvements. Project private improvements will include, but shall not be limited to, approximately 200 rental residential units, a retail center containing approximately 38,000 square feet and a bank building containing approximately 3,000 square feet.

F. Stages of Construction

A description of the stages of planned construction and the estimated time of completion of each stage of the Project are set forth in Exhibit 6 hereto.

G. Open Space

Open space within the Development Area will be devoted primarily to surface parking and appropriate landscaping, and incidental recreational use for residents.

H. Description of Property to be Sold, Donated, Exchanged or Leased to or from City of Highland Park

The City of Highland Park will convey to the TIFA the former Detroit Streets and Railway ("DSR") property and the parcel on the southwest corner of Woodward and Manchester described in Exhibit 7 for one dollar ($ 1.00). In addition, the municipality may acquire and convey to the TIFA such additional properties within the Development Area as are required to complete the Project. The TIFA will sell, lease or otherwise convey these parcels to the developer or developers of the Project.

I. Description of desired Zoning Changes and Changes in Streets, Street Levels, Intersections and Utilities

It is anticipated that zoning on the residential portion of the Project will be changed from B-2 to R-3. Utilities may be relocated underground. New street(s) will be dedicated within the residential portion of the development.

J. Estimate of Cost, Proposed Method of Financing, and Ability of Authority to Arrange Financing

The total estimated cost of the Project is $18.2 million. Proceeds from indebtedness to be repaid from tax increment revenues will be devoted to funding approximately $1.5 million in project and public improvements necessary for the Project. Estimated revenues, for necessary public and private improvements contemplated by this Development Plan are described in Exhibits 4 and 11.

The City of Highland Park has received a UDAG in the amount of $4,850,000 and has identified private developers McCormack Baron & Associates, Inc. and First Commercial Realty & Development Co., Inc., Omnibank and HP Devco, Inc., who will enter into legally binding commitments to arrange the financing for the private improvements in the Project. The TIFA will issue tax increment bonds or borrow from appropriate sources to finance public improvements at the earliest practicable date.

K. Designation of Persons or Corporations to Whom or to Which the Development is to be Sold, Leased or Conveyed and Project Beneficiary

The TIFA will convey or lease to the developer(s) of the

Project the former Detroit Streets and Railway ("DSR") property and the parcel on the southwest corner of Woodward and Manchester and the other parcels to be acquired shown and described in Exhibits 7 and 8.

L. Development Leasing, Purchasing and Bidding Procedures

The lease, sale, or other disposition of parcels of land within Development Area #1 as Amended by TIFA will be negotiated with the Developers. TIFA plans to enter into agreements with the parties who will serve as developers for the Project. It is expected that TIFA will convey the land for the Project to the Developers .

The TIFA has identified McCormack Baron & Associates, Inc., First Commercial Realty & Development Co., Inc., Omnibank and HP Devco, Inc. as financially qualified developers. The TIFA Board has determined that the developers are capable of completing the Project. The TIFA reserves the right to reject any proposal of the developers in its sole discretion.

M. Estimates of Persons Residing in and to be Displaced from the Development Area

No persons presently reside within the Development Area and no residential displacement is anticipated. However, it is proposed that several businesses within the Development Area will be relocated as described in Exhibit 9.

N. Plan for Establishing Priority of Occupancy by Displacees in New Development Area Housing

Since no residential relocation activity is contemplated, a plan for establishing priority of development displaces in new housing is not required.

O. Provision for Costs of Relocation and for Financial Assistance and Expense Reimbursement of Development Displacees

Because no residential relocation activity is contemplated, provisions for costs incidental to residential relocation are not required.

However, it is anticipated that business relocation will require both technical and financial assistance in the amount of $80,000, which is included in the Project costs. The business relocation plans are set forth in Exhibit 9.

P. Plans for Compliance with Act No. 227 of the Public Acts of 1972, being Sections 213.321 to 213.332 of the Michigan Complied Laws

Since business relocation activity is contemplated, a plan for compliance with Act No. 227 of the Michigan Public Acts of 1972, being Sections 213.321 to 213.332 of the Michigan Complied Laws, is included in Exhibit 9.

III. TAX INCREMENT FINANCING PLAN (COMPLIANCE WITH SECTION 13 OF THE TIFA ACT)

A. Reasons Additional Captured Assessed Value Will Result

The construction of the Project will generate tax increment revenue necessary to support a $1.5 million expenditure for public improvements necesary for the development of the Project, which will constitute the final link necessary to insure the additional $16.7 million required to complete construction of the Project. Without the development of the Project, there will be no increase in assessed value of property in Development Area #1 as Amended. The Development will result in significantly increased assessed valuation of what is currently predominantly under-utilized downtown property and arrest the continuing deterioration of assessed values in the Development Area .

The major upgrading of the area is expected to increase the value of the property within the Amended Development Area and is expected to encourage further investment in the Development Area.

B. Estimate of Captured Assessment Value for Each Year of the Plan

An estimate of the captured assessed value for each year of the Plan is set forth in the "STATE EQUALIZED VALUE CHART" which can be found in Exhibit 3. All of the captured assessed value will be used during the term of this Plan.

C. Estimate Tax Increment for Each Year of the Plan

The estimated tax increment revenues for each year of the Plan are described in the "Tax Increment Revenue Forecast" which can be found in Exhibit 4.

D. Detailed Explanation of the Tax Increment Procedure

Under the TIFA Act, when the governing body of a municipality determines that it is in the best interest of the public to prevent urban deterioration and encourage economic development and activity and to encourage neighborhood revitalization and historic preservation and to authorize the acquisition and disposal of interest in real and personal property; to provide for the creation and implementation of development plans; to permit the issuance of bonds and other evidences of indebtedness; and to permit the use of tax increment financing the governing body of the municipality may declare its intention to create and provide for the operation of a Tax Increment Finance Authority.

The TIFA is authorized to finance its activities through a variety of sources under the TIFA ACT, including the issuance of tax increment bonds and the collection of tax increments received pursuant to a tax increment financing plan established under the TIFA Act. The TIFA has determined that it is necessary for the achievement of certain purposes under the TIFA Act for the TIFA to prepare and submit this Amended Tax Increment Financing and Development Plan for Development Area #1 Town Center Residential and Retail Project to the City Council for its approval.

The following are relevant portions of TIFA Act which explain the tax increment financing procedure.

The TIFA Act states as follows regarding tax increment:

"Section 11. The activities of the authority shall be financed from 1 or more of the following sources: . . .

(c) Tax increments received pursuant to a tax increment financing plan established under Sections 13 to 15.

(f) Money obtained from any other sources approved by the governing body of the municipality

Section 13.

(1) as used in this section and sections 14 and 15:

(a) 'Captured assessed value' means the amount in any one year by which the current assessed value of the development area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (c) exceeds the initial assessed value. The State Tax Commission shall prescribe the method for calculating captured assessed value.

(b) 'Initial assessed value' means the assessed value, as equalized, 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 as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered property which is exempt from taxation. The initial assessed value of property for which a specific tax was paid in lieu of a property tax shall be determined as provided in subdivision (c).

(c) 'Specific Local Tax' means a tax levied under Act No. 198 of the Public Acts of 1974, being Sections 207.551 to 207.571 of the Michigan Compiled Laws, the commercial redevelopment Act, Act No. 255 of the Public Acts of 1978, being Sections 207.651 to 207.668 of the Michigan Compiled Laws, the Technology Park Development Act, Act No. 385 of the Public Acts of 1984, being Sections 207.701 to 207.718 of the Michigan Compiled Laws, and Act No. 189 of the Public Acts of 1953, being Sections 211.181 to 211.182 of the Michigan Compiled Laws. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate.

(2) When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body. The plan shall be in compliance with Section 14, and shall include a development plan as provided in Section 16.

The plan shall also contain the following:

(a) A statement of the reasons that the plan will result in the development of captured assessed value which could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means.

(b) An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part of all of the captured assessed value, but the portion intended to be used shall be clearly stated in the plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation.

The plan shall set forth the method for excluding growth in property value resulting solely from inflation. The percentage of taxes levied for school operating purposes that is captured and used by the plan shall not be greater than the plan's percentage capture and use of taxes levied by a municipality or county for operating purposes. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for county or charter county purposes under the property tax limitation act, Act No. 62 of the Public Acts of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws.

(c) The estimated tax increment revenues for each year of the plan

(d) A detailed explanation of the tax increment procedure.

(e) The maximum amount of bonded indebtedness to be incurred.

(f) The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.

(g) The costs of the plan anticipated to be paid from the tax increment revenues as received.

(h) The duration of the Development Plan and the Tax Increment Plan.

(i) An estimate of the impact of the tax increment financing on the revenues of all taxing jurisdictions in which the Development Area is located.

(3) Approval of the Tax Increment Financing Plan shall be in accordance with the notice, hearing, disclosure, and approval provisions of Sections 17 and 18 of the TIFA Act. When the Development Plan is part of the Tax Increment Financing Plan, only one hearing and approval procedure is required for the two plans together.

(4) Before the public hearing on the Tax Increment Financing Plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions in which the development is located to express their views and recommendations regarding the Tax Increment Financing Plan. The authority shall fully inform the taxing

jurisdictions about the fiscal and economic implications of the proposed Tax Increment Financing Plan. The taxing jurisdictions may present their recommendations at the public hearing on the Tax Increment Financing Plan. The Authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the Development Area is located to share a portion of the captured assessed value of the district.

Section 14.

(1) The amount of tax increment to be transmitted to the authority by the municipal and country treasurers shall be 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. For the purposes of this section, that portion of a specific local tax that is attributable to the captured assessed value of the facility shall be included as a part of the tax increment to be transmitted to the authority.

(2) The authority shall expend the tax increments received from the development program only in accordance with Tax Increment Financing Plan. Surplus funds may be retained by the authority for the payment of the principal of and interest on outstanding tax increment bonds or for other purposes that, by resolution of the board, are determined to further the development program. Any surplus funds not so used shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax laws or a local charter that provides a maximum authorized rate for levy of property taxes. The governing body may abolish the tax increment financing plan when it finds that the purposes for which the plan was established are accomplished. However, the tax increment finance plan shall not be abolished until the principal of and interest on bonds issued pursuant to Section 15 have been paid or funds sufficient to make such payment have been segregated.

(3) The authority shall submit annually to the governing body and the State Tax Commission a financial report on the status of the Tax Increment Financing Plan. The report shall include the following:

(a) The amount and source of tax increments received.
(b) The amount in any bond reserve account.
(c) The amount and purpose of expenditures of tax increment revenues.
(d) The amount of principal and interest on any outstanding bonded indebtedness.
(e) The initial assessed value of the development area.

(f) The captured assessed value retained by the authority.

(g) Any additional information the governing body or the State Tax Commission considers necessary."

The phrase "initial assessed value" (defined in Section 13 of the TIFA Act, set forth above) refers to the base year assessed valuation against which "current assessed valuation" each year thereafter is measured. Initial assessed value is defined in the TIFA Act as the most recently assessed value, as equalized, 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.

The phrase "current assessed value" (referenced in Section 13 set forth above) refers to the assessed value established each year for the Development Area subsequent to the initial assessed value established by the approval of the Tax Increment Financing Plan.

The phrase "captured assessed value" (defined in Section 13 set forth above) refers to the amount in any one year by which the current assessed value of the Development Area exceeds the initial assessed value and can be derived each year as follows: Current Assessed Value (CuAV) minus Initial Assessed Value (IAV) equals Captured Assessed Value (CaAV) (i.e., CuAV - IAV = CaAV).

Tax increment financing is based upon the concept that increases in property values in an area can be used to motivate investment and development in that area and provide investment opportunities for developers with reasonable risks and returns consistent with risks and returns on similar opportunities in suburban areas.

Tax increment can accrue from increases in property values that are due to new construction occurring after the date establishing the "initial assessed value", as well as increases in property values which occur for any other reason taken into account by property assessors.

Tax increment revenue is generated when the current assessed valuation in any given year is higher that the initial assessed valuation. If there is not an increase in the aggregate assessed valuation in the Development Area, there is no corresponding tax increment. If there is a decrease in the current assessed value in any year below the initial assessed value, there will be no tax increment for that year. Tax increment will be available to the TIFA for the Development Program only in years when the current assessed value exceeds the initial assessed value. Each year, the municipal and county treasurers are to transmit to the TIFA the tax increment generated within the Development Area which would otherwise be paid to other taxing bodies; namely, the City of Highland Park, the City of Highland Park Board of Education, Wayne County and the Wayne County Intermediate School District. These local taxing jurisdictions will continue to receive ad valorem taxes which are based on the initial assessed value.

The City Council, after a public hearing on this Amended Plan, must determine whether Town Center Residential and Retail Project constitutes a public purpose. The City Council must then approve or reject the development or approve the development with modifications, by resolution based on certain considerations which are set forth in Section 18 of the TIFA Act.

E. Amount of Bonded Indebtedness to be Incurred

It is not anticipated that the TIFA will issue bonds to fund this project. However, in order to fund necessary public improvements and cover shortfalls in available financing, the TIFA will borrow approximately $1.5 million, pledging tax increment revenues as security for repayment.

F. Amount of Operating and Planning Expenditures of the Authority

Operating or planning expenditures of the Authority in the amount of $10,000 per year are anticipated as a result of this Tax Increment Financing and Development Plan. (See Exhibit 10.)

G. Cost of the Plan to be Paid from Tax Increment Revenues as Received

Public improvements in the Amended Development Area will cost approximately $2.3 million, of which the Urban Development Action Grant awarded for this project and/or Community Development Block Grant funds will cover $800,000, leaving a gap of $1.5 million. This money will be loaned to the Project, to be repaid from tax increment revenues over a period not to exceed 30 years.

Other costs that may be incurred pursuant to this Plan are expected to be paid as tax increment revenues are received by the TIFA.

A complete sources and uses analysis is contained in Exhibit 11.

H. Duration of the Development Program

It is estimated that the duration of this Tax Increment Financing Plan will be 30 years and the duration of the

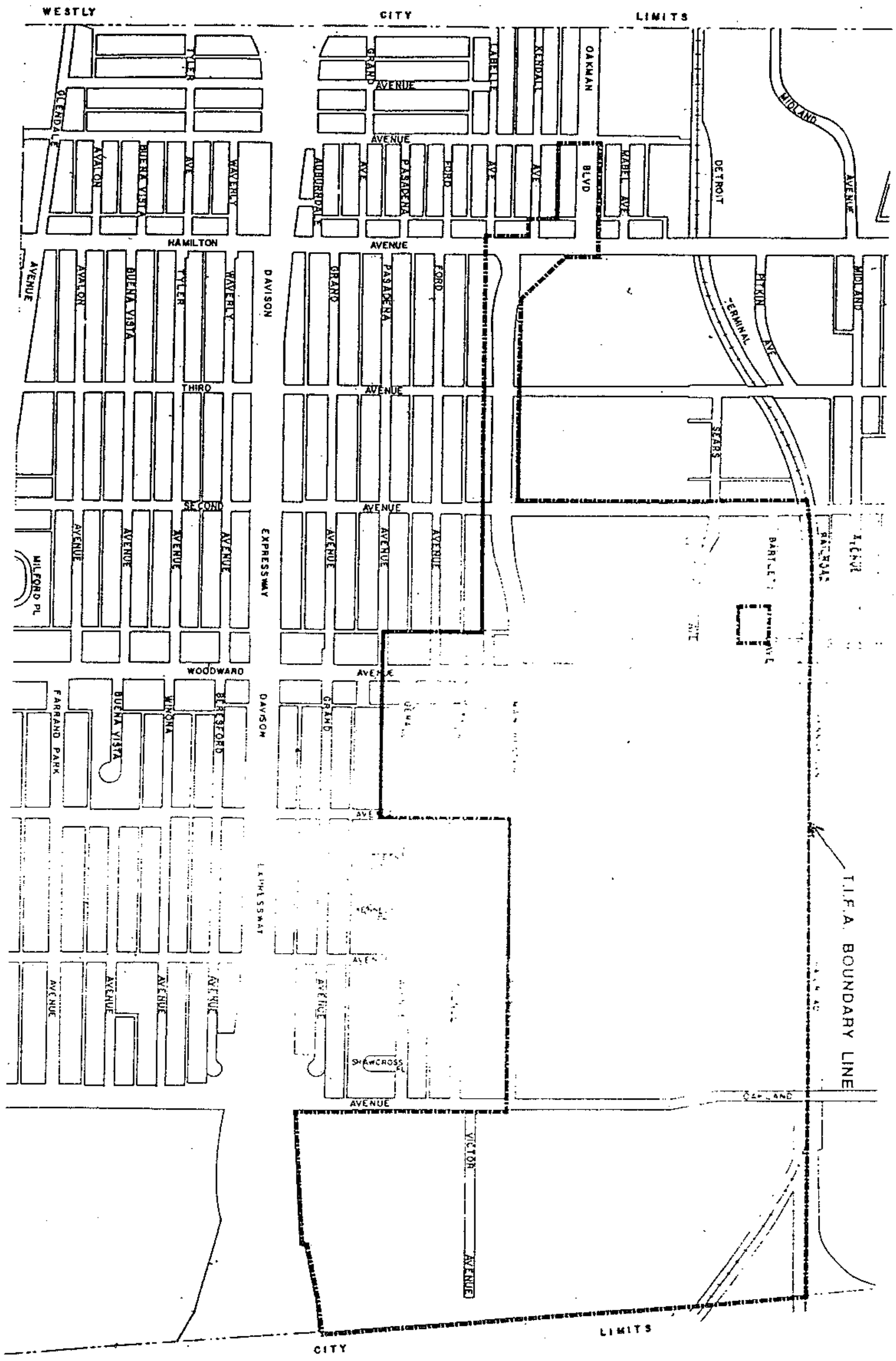
Development Plan will be 30 years.

I. Statement of the Estimated Impact of Tax Increment Financing on the Assessed Values of all Taxing Jurisdictions in which the Development Area is Located

The establishment of Development Area #1 as Amended and the adoption of this Amended Financing and Development Plan will not diminish the assessed values of properties within the Development Area boundaries. As the State Equalized Values Chart (Exhibit 3) demonstrates, the State Equalized Value (SEV) of property will increase from $2,145,460 in 1991 to $3,862,335 in 1994 after the Project has completed construction.

All taxing jurisdictions within Development Area #1 will continue to receive, during the duration of the Development Plan, the proceeds from their respective tax levy on the SEV of the property within the Development Area at the time the plan is adopted. Proceeds to the taxing jurisdictions from taxes on increased SEV after the date of the adoption of the Plan will be deferred during the duration of the Plan and will only revert to such jurisdictions upon completion of the Plan.

Exhibit 1



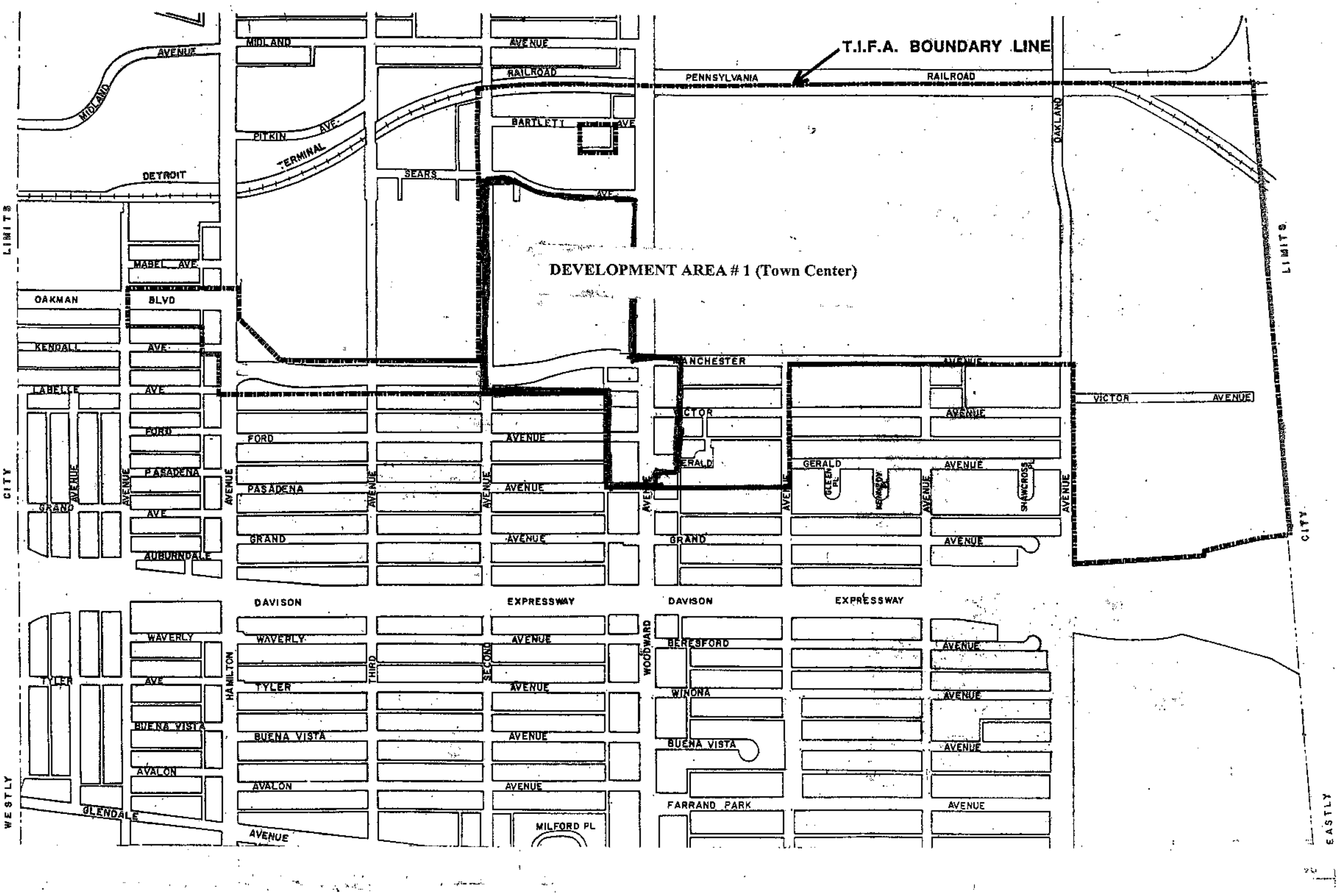
T.I.F. BOUNDARY

TAX-INCREMENT FINANCE DISTRICT

PRELIMINARY PERIMETER DESCRIPTION

Start at the Woodward Avenue/Conrail Viaduct; thence easterly along the center of the Conrail right-of-way to the Grand Trunk Railroad right-of-way (which is also the easterly City Limits of Highland Park); thence southerly along the City Limits to the northern boundary of the Davison Expressway; thence along the northern boundary of the Davison Expressway to Oakland Avenue; thence northerly along the east edge of Oakland Avenue to Manchester Avenue; thence westerly along the south edge of Manchester Avenue to John R. Street; thence southerly along the east edge of John R. Street to a point that intersects an extension of a line that forms the boundary between Lots 69 and 110 of the Birthplace of Mass Production Urban Renewal Replat; thence easterly along a line that divides Lots 69 and 110 of the Birthplace of Mass Production, Lot 3 of O.A. Harrington's Woodward Avenue Subdivision and Lot 4 of Curry's Woodward Avenue Subdivision #3 and the middle of Pasadena Avenue 210 ft. west of Woodward Avenue to the center of the north/south alley; thence northerly along the center of the north/south alley parallel to and 200 ft. west of Woodward Avenue to the south boundary of the former LaBelle Avenue right-of-way (now vacated); thence westerly along the south boundary of the former LaBelle Avenue right-of-way (and an extension thereof) to the west side of Hamilton Avenue; thence along the west side of Hamilton Avenue to the south side of Kendall Avenue; thence westerly along the south side of Kendall Avenue 112 ft. west of Hamilton Avenue to the center of the north/south alley; thence northerly along the center of the north/south alley parallel to and 112 ft. west of Hamilton Avenue to the center of the east/west alley that runs parallel to and between Kendall Avenue and Oakman Blvd.; thence westerly along the center of said alley to the east edge of Lincoln Avenue; thence northerly along the east edge of Lincoln Avenue to the north edge of Oakman Blvd.; thence easterly along the north edge of Oakman Blvd. to the east edge of Hamilton Avenue; thence 200 ft. southerly along the east edge of Hamilton Avenue; thence southeast along a line that intersects Hamilton Avenue at a 45 degree angle until said line intersects the center of the former alley (now a utility easement) that runs east/west, parallel, and north of the former LaBelle right-of-way until it intersects the west of the Second Avenue right-of-way; thence northerly until it intersects the center of the Conrail right-of-way; thence easterly along the Conrail right-of-way to the point of beginning at Woodward Avenue.

Exclude from this Tax-Increment Finance District the apartment building located at Lot 19 of Assessor's Highland Park Plat #1 (commonly known as 15-21 Bartlett Avenue).



CITY OF HIGHLAND PARK
TAX INCREMENT FINANCE AUTHORITY
TIFA Boundaries (Approved 1984)
TIFA Development Area # 1 (Approved 1992)

T.I.F.A. BOUNDAR

EXHIBIT 2
DEVELOPMENT AREA #1 AS AMENDED

Development Area #1 as Amended is located in the west central portion of the TIFA District and its boundaries are described as follows:

Beginning at the west ROW of Second Avenue at Sears Avenue, then east along the north ROW line of Sears Avenue to the east ROW of Woodward Avenue to the south ROW of Manchester; then east along the south ROW of Manchester to the first alley east of Woodward Avenue, then south along the ROW of said alley to Gerald Avenue; then west along the north ROW line of Gerald Avenue to the west ROW of Woodward Avenue, then south along the west ROW of Woodward Avenue to Pasadena Avenue, then west along the north ROW of Pasadena Avenue to the first alley west of Woodward Avenue, then along the center of the north/south alley to the south boundary of the former LaBelle Avenue ROW (now vacated); then west along the south boundary of the former LaBelle Avenue ROW (and an extension thereof) to the west ROW of Second Avenue at Manchester; then north along the west ROW of Second Avenue to the point of beginning.

Town Center
Highland Park
ate Equalized Value
IFA Development Area #1 – Amended

Exhibit 3

refer to 3&4

Base Year	Actual SEV	Captured SEV
1992		$0
Future Years	**Estimated SEV**	**Captured SEV**
1993		
1994		$1,716,875
1995		$1,759,797
1996		$1,803,792
1997		$1,848,887
1998		$1,895,109
1999		$1,942,486
2000		$1,991,049
2001		$2,040,825
2002		$2,091,845
2003		$2,144,142
2004		$2,197,745
2005		$2,252,689
2006		$2,309,006
2007		$2,366,731
2008		$2,425,899
2009		$2,486,547
2010		$2,548,711
2011		$2,612,428
2012		$2,677,739
2013		$2,744,683
2014		$2,813,300
2015		$2,883,632
2016		$2,955,723
2017		$3,029,616
2018		$3,105,356
2019		$3,182,990
2020		$3,262,565
2021		$3,344,129
2022		$3,427,732

TIFA Captured SE[illegible] which generates the tax increment as project. Number are lower than projected result[illegible] lower tax increment.

Lower Tax Invest in

- Lower SEV's
- Non Payments
- School Reform
- Tax Reduction and Appeals

Town Center Exhibit 4
Highland Park
Tax Incremewnt Revenue Forecast
TIFA Development Area #1 – Amended

Base Year	Actual Taxes Collected	Captured Inc
1992		$0
Future Years	Estimated Taxes	Increment
1993		$0
1994		$151,686
1995		$155,478
1996		$159,365
1997		$163,349
1998		$167,433
1999		$171,619
2000		$175,909
2001		$180,307
2002		$184,815
2003		$189,435
2004		$194,171
2005		$199,025
2006		$204,001
2007		$209,101
2008		$214,328
2009		$219,686
2010		$225,179
2011		$230,808
2012		$236,578
2013		$242,493
2014		$248,555
2015		$254,769
2016		$261,138
2017		$267,667
2018		$274,358
2019		$281,217
2020		$288,248
2021		$295,454
2022		$302,840

Changed due
to lower SEV values
School Reform and
Non payment of
Taxes

Town Center
Highland Park
State Equalized Value
TIFA Development Area #1 – Amended

Exhibit 3

refer to 2/4

Base Year	Actual SEV	Captured SEV
1992		$0
Future Years	**Estimated SEV**	**Captured SEV**
1993		
1994		$1,716,875
1995		$1,759,797
1996		$1,803,792
1997		$1,848,887
1998		$1,895,109
1999		$1,942,486
2000		$1,991,049
2001		$2,040,825
2002		$2,091,845
2003		$2,144,142
2004		$2,197,745
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2011		$2,612,428
2012		$2,677,739
2013		$2,744,683
2014		$2,813,300
2015		$2,883,632
2016		$2,955,723
2017		$3,029,616
2018		$3,105,356
2019		$3,182,990
2020		$3,262,565
2021		$3,344,129
2022		$3,427,732

Town Center
Exhibit 4
Highland Park
Tax Incremewnt Revenue Forecast
TIFA Development Area ~~#1~~ — Amended

	Actual Taxes Collected	Captured Inc
Base Year		
1992		$0
Future Years	Estimated Taxes	Increment
1993		$0
1994		$151,686
1995		$155,478
1996		$159,365
1997		$163,349
1998		$167,433
1999		$171,619
2000		$175,909
2001		$180,307
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2022		$302,840