

LOCAL DEVELOPMENT FINANCE AUTHORITY  
OF THE  
CITY OF SALINE

AMENDED AND RESTATED DEVELOPMENT PLAN AND  
TAX INCREMENT FINANCING PLAN  
FOR THE SAUK TRAIL BUSINESS PARK  
(FORMERLY KNOWN AS THE PHILIPS INDUSTRIAL PARK)

Original Plan Approved  
LDFA, April 12, 1990

Modified Plan Approved  
LDFA, May 14, 1990  
City Council, May 14, 1990

Amended Modified Plan Approved  
LDFA, July 23, 1990  
City Council, August 14, 1990

Amended and Restated Amended Modified Development Plan and Tax Increment Financing Plan approved by the Local Development Finance Authority of the City of Saline for submittal to the City Council of the City of Saline on June 8, 1998.

Approved by the City Council of the City of Saline on July 13, 1998, subsequent to a public hearing held on July 13, 1998.

I Hereby Certify This To Be A  
True Extract Of The Original

Dianne S. Free  
City Clerk - Saline, Mich.

### Introduction

Pursuant to the provisions of Act No. 281, Public Acts of Michigan, 1986 ("Act 281"), the City of Saline (the "City") has established the Local Development Finance Authority of the City of Saline (the "Authority"). Act 281 provides that the Board of the Authority, if it determines that it is necessary for the achievement of the purposes of Act 281, shall prepare and submit a tax increment financing plan to the City Council of the City. Act 281 further provides that a tax increment financing plan shall include a development plan.

The City has acquired title to land designated as the Sauk Trail Business Park (formerly known as the Philips Industrial Park) located on a parcel of land described in Exhibit A attached hereto (the "Site"). Jurisdiction over a portion of the Site (the "Township Site") has been transferred to the City pursuant to a land transfer agreement for a period of fifty years. During the fifty year period, the property will be subject to taxes by the City at the rates levied by the City. Thirty-five percent of the tax revenues returned to the City from the Site and all improvements located on the Site will be paid to the Township annually, after return to the City by the Authority in accordance with Act 281. The City will have jurisdiction over the Township Site for all purposes during that fifty year period. The City and the Authority have entered into a Development Agreement dated April 20, 1998 (attached as Exhibit F) with Petro-Lube Incorporated, a member of the CONDAT Group, to construct a manufacturing facility

for the production of industrial lubricants on fifteen acres at the Site (the "Project"). Construction of the Project was contingent upon the Authority obtaining jurisdiction over the Site. The development of the Site is expected to create approximately 150 new jobs and retain 100 jobs.

The purpose of this Development Plan and Tax Increment Financing Plan is to provide for the construction and financing of public facilities (as defined in Act 281) necessary for the project and the development of the Site. The intention is to maintain certification as a Certified Industrial Park into which industrial firms can readily locate on industrial lots with full utilities. The construction of the public facilities described herein will facilitate the further use of the park by industry and thereby create economic growth and development in the Authority District and other areas of the City for the benefit of all taxing jurisdictions within the Authority District. Approximately eighty-four acres of fully serviced buildable land (ranging from three to twenty-acre parcels) remain available after the Petro-Lube parcel.

The Development Plan contains the information required by Section 15(2) of Act 281 and the Tax Increment Financing Plan contains the information required by Section 12(2) of Act 281. Additional information is available from the City Manager of the City and the Director of the Authority.

DEVELOPMENT PLAN



**A DESCRIPTION OF THE PROPERTY TO WHICH THE PLAN APPLIES IN RELATION TO THE BOUNDARIES OF THE AUTHORITY DISTRICT AND A LEGAL DESCRIPTION OF THE PROPERTY.**

The property to which the plan applies is the Sauk Trail Business Park (formerly known as the Philips Industrial Park) consisting of two parcels containing approximately 116 acres which is bounded on the south by Bemis Road, on the east by the eastern section line of Section 30 of Pittsfield Township, on the north by Michigan Avenue (U.S. 12), and on the east by the Brecon Commons property.

The legal description and a map of the subject property is attached hereto as Exhibit A.

THE DESCRIPTION OF BOUNDARIES OF THE PROPERTY TO WHICH THE PLAN APPLIES IN RELATION TO HIGHWAYS, STREETS, OR OTHERWISE.

The Development Plan applies only to the Sauk Trail Business Park (formerly known as the Philips Industrial Park) as described on Exhibit A.

THE LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES IN THE VICINITY OF THE PROPERTY TO WHICH THE PLAN APPLIES; THE LOCATION, CHARACTER, AND EXTENT OF THE CATEGORIES OF PUBLIC AND PRIVATE LAND USES THEN EXISTING AND PROPOSED FOR THE PROPERTY TO WHICH THE PLAN APPLIES, INCLUDING RESIDENTIAL, RECREATION, COMMERCIAL, INDUSTRIAL, EDUCATIONAL, AND OTHER USES.

The existing streets are Michigan Avenue (U.S. 12) on the northern boundary of the property and Bemis Road on the southern boundary of the property.

There are no other public facilities in the vicinity of the property.

Water and sewer system improvements will be made as described on pages 8, 9 10, and 11.

The prior use of the property had been farm land. The proposed use of the property will be for industrial development and manufacturing. The first portion of the property to be developed will be the initial construction by Petro-Lube of an approximately \$3.6 million facility of about 75,000 square feet to manufacture industrial lubricants. This approximately 15-acre portion includes sufficient space for subsequent facility growth for Petro-Lube during the next decade.

A DESCRIPTION OF PUBLIC FACILITIES TO BE ACQUIRED FOR THE PROPERTY TO WHICH THE PLAN APPLIES, A DESCRIPTION OF ANY REPAIRS AND ALTERATIONS NECESSARY TO MAKE THOSE IMPROVEMENTS, AND AN ESTIMATE OF THE TIME REQUIRED FOR THE COMPLETION OF THE IMPROVEMENTS.

The City will construct a looped water main with fire hydrants; South Industrial Drive, as a continuation of existing Industrial Drive, and Beach Court; a sanitary sewer line; a storm sewer and a retention basin.

The Detroit Edison Company will provide electrical service and Michigan Consolidated Gas will provide gas service to the property.

In addition, an approximately 1,500,000 gallon elevated water storage tank is planned on land in the Shelton Industrial Park and a well in an appropriate well field location, paid for in part from tax increment revenues derived from industrial development in the Sauk Trail Business Park, in order to meet the additional strains on the water system of the City caused by the increase in water usage from industrial users in the Sauk Trail Business Park.

These improvements will essentially be completed by December 2001.



THE LOCATION, EXTENT, CHARACTER, AND ESTIMATED COST OF THE PUBLIC FACILITIES FOR THE PROPERTY TO WHICH THE PLAN APPLIES, AND THE ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.

1. Water Main. Looped water main with fire hydrants approximately 600 feet apart will be constructed from Michigan Avenue along South Industrial Drive to Beach Drive where it will then cross the Brecon Commons property back to the existing City water line. Water will be available for anticipated needs of the industrial firms at approximately 60 psi water pressure.
2. South Industrial Drive. South Industrial Drive will be constructed from Michigan Avenue as a continuation of the existing Industrial Drive, running south to join Bemis Road at a distance of about 2,600 feet. It will be a dedicated city street and will be a Class A road. It will be two lanes with a width of about 38 feet back to back of curb. Curb cuts will later be made by future property owners to provide driveway access to the industrial properties. There will be curb, gutter, and storm sewer in South Industrial Drive.
3. Beach Court. A cul-de-sac of about 1,100 feet in length will be constructed as a public street to the west of the middle of South Industrial Drive, with all utilities available near each abutting property.
4. Street Lights. The two major streets constructed according to the descriptions in the preceding two paragraphs will be served by appropriately placed street lights.
5. Sanitary Sewer. The preliminary design is for constructing 8-inch and 10-inch pipe extensions, which will have adequate capacity for "domestic" process waste water disposal needs at the Site and which also will be capable of handling industrial process waste water. There will be gravity feed to a pump station on Beach Court, where the waste water will be pumped by force main through an easement across the Brecon Commons property to the municipal sewer system at Michigan Avenue.
6. Storm Sewer. A storm sewer (with retention basin on the southeastern portion of the property) will be constructed to the Old Creek storm sewer adequate to handle storm water disposal needs at the Site.
7. Retention Basin. The retention basin to be constructed on the southeastern corner of the site will be adequate for the needs of the Site and adjacent locations. The necessary landscaping, seed and erosion control will also be provided.

8. Storage Tank and Well. A water storage tank of up to 1,500,000 gallons will be installed in the Shelton Industrial Park and groundwater wells will be added to the City's water system to meet the increased water supply needs required by the Sauk Trail Business Park as well as the Shelton Industrial Park. This will provide the necessary reserve for fire suppression and water storage in the event of drought.

A revised estimate of the total cost of the Sauk Trail Business Park portion for the construction of the improvements listed above is about \$3,500,000 and is expected to be essentially completed by December 2001.

**A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED,  
AND THE TIME OF ANTICIPATED COMPLETION OF EACH STAGE.**

The stages of construction will be the following anticipated time schedule:

- |   |                           |
|---|---------------------------|
| 1. Streets and Street Lights                      | July 1998 - May 1999      |
| 2. Water Main, Sanitary Sewer,<br>and Storm Sewer | July 1998 - November 1998 |
| 3. Retention Basin                                | July 1998 - June 1999     |
| 4. Water Storage Tank and Well                    | July 1998 - December 2001 |

A DESCRIPTION OF ANY PORTIONS OF THE PROPERTY TO WHICH THE PLAN APPLIES, WHICH THE AUTHORITY DESIRES TO SELL, DONATE, EXCHANGE, OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS.

The Authority has provided the land to be used for the Retention Basin described on pages 8, 9 and 11 to the City. The municipality will have a total of about 17 acres of land dedicated to roads and retention area, out of a total of about 116 acres in the industrial park.



**A DESCRIPTION OF DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES.**

This property has been zoned I-2 (light industrial) by the City of Saline. Therefore no zoning changes are required.

Streets and utilities have been previously described on pages 8, 9, 10, and 11.

Under the supervision of the Michigan Department of Transportation, intersections will be constructed at Michigan Avenue and South Industrial Drive and at Bemis Road and South Industrial Drive. Construction plans for these intersections will be approved by the Michigan Department of Transportation.

**AN ESTIMATE OF THE COST OF THE PUBLIC FACILITY OR FACILITIES, A STATEMENT OF THE PROPOSED METHOD OF FINANCING THE PUBLIC FACILITY OR FACILITIES, AND THE ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING.**

An early estimated cost of part of the public facilities is shown partly in Exhibit C in the amount of \$1,745,000. This figure has been increased to approximately \$2,800,000 because of subsequent construction bids received and due to some buried materials needing to be removed as general land preparation to accomplish the project. In addition, the Sauk Trail Business Park portion of the costs for the water storage tank and well is estimated at \$700,000. The estimated cost is thus as follows:

1. Road	\$ 900,000
2. Water Main	650,000
3. Sanitary Sewer (including sewer pipe removal)	700,000
4. Storm Sewer	300,000
5. Retention Basin, including general land preparation	150,000
6. Street Lights	100,000
7. Water Storage Tank and Well	700,000
Total	<u>\$3,500,000</u>

The proposed method of financing these public facilities is shown in Exhibit D. This includes the bond portions listed in Exhibit B-1 and the \$400,000 remaining estimated amount for the construction costs which will be advanced from municipal surplus funds on hand. The financing for construction is thus as follows:

1. Road. Anticipated \$250,000 from a Michigan Jobs Commission (Renaissance Fund) financing. The remainder will be advanced from municipal funds, partly from road bonds.
2. Water Main. Mostly advanced from municipal funds from water/sewer revenue bonds.
3. Sanitary Sewer. Advanced from municipal funds from water/sewer revenue bonds.
4. Storm Sewer. Advanced from municipal funds, partially from road bonds.
5. Retention Basin. Advanced from municipal funds, partially from road bonds.
6. Street Lights. Advanced from municipal funds, partially from road bonds.

7. Water Tank and Well. Advanced from municipal funds, partially from water/sewer revenue bonds. Beyond the contribution of up to \$700,000 from the Sauk Trail Business Park tax increment revenues, the other portion of the total costs for the storage tank and well will also be borne partially by municipal revenues and partially by tax increment revenues in the Shelton Industrial Park.

The ability of the Authority to arrange the financing through the City of Saline is demonstrated in Exhibit B-1 as well as in Exhibit D, in the lines indicated as Phase I of the Sauk Trail Business Park, with the remaining portion indicated as Sauk Trail Other.

DESIGNATION OF THE PERSON OR PERSONS, NATURAL OR CORPORATE, TO WHOM ALL OR A PORTION OF THE PUBLIC FACILITY OR FACILITIES IS TO BE LEASED, SOLD, OR CONVEYED AND FOR WHOSE BENEFIT THE PROJECT IS BEING UNDERTAKEN, IF THAT INFORMATION IS AVAILABLE TO THE AUTHORITY.

Petro-Lube Incorporated (a member of the CONDAT Group) and the City.



THE PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING, OR CONVEYING OF ALL OR A PORTION OF THE PUBLIC FACILITY UPON ITS COMPLETION, IF THERE IS NO EXPRESS OR IMPLIED AGREEMENT BETWEEN THE AUTHORITY AND PERSONS, NATURAL OR CORPORATE, THAT ALL OR A PORTION OF THE DEVELOPMENT WILL BE LEASED, SOLD, OR CONVEYED TO THOSE PERSONS.

The City of Saline will own all public facilities located in the Sauk Trail Business Park.

ESTIMATES OF THE NUMBER OF PERSONS RESIDING ON THE PROPERTY IN WHICH THE PLAN APPLIES AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED. IF OCCUPIED RESIDENCES ARE DESIGNATED FOR ACQUISITION AND CLEARANCE BY THE AUTHORITY, A DEVELOPMENT PLAN SHALL INCLUDE A SURVEY OF THE FAMILIES AND INDIVIDUALS TO BE DISPLACED, INCLUDING THEIR INCOME AND RACIAL COMPOSITION, A STATISTICAL DESCRIPTION OF THE HOUSING SUPPLY IN THE COMMUNITY, INCLUDING THE NUMBER OF PRIVATE OR PUBLIC UNITS IN EXISTENCE, OR UNDER CONSTRUCTION, THE CONDITION OF THOSE IN EXISTENCE, THE NUMBER OF OWNER-OCCUPIED AND RENTER-OCCUPIED UNITS, THE ANNUAL RATE OF TURNOVER OF THE VARIOUS TYPES OF HOUSING AND THE RANGE OF RENTS AND SALE PRICES, AN ESTIMATE OF THE TOTAL DEMAND FOR HOUSING IN THE COMMUNITY, AND THE ESTIMATED CAPACITY OF PRIVATE AND PUBLIC HOUSING AVAILABLE TO DISPLACED FAMILIES AND INDIVIDUALS.

Not applicable.

15 (2) (m)

A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS  
DISPLACED BY THE DEVELOPMENT.

Not applicable.

PROVISION FOR THE COSTS OF RELOCATING PERSONS DISPLACED BY THE DEVELOPMENT, AND FINANCIAL ASSISTANCE AND REIMBURSEMENT OF EXPENSES, INCLUDING LITIGATION EXPENSES AND EXPENSES INCIDENT TO THE TRANSFER OF TITLE, IN ACCORDANCE WITH THE STANDARDS AND PROVISIONS OF THE FEDERAL UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970, 42 U.S.C. 4601 TO 4655.

Not applicable.



15 (2) (o)

A PLAN FOR COMPLIANCE WITH ACT NO. 227 OF THE PUBLIC ACTS OF 1972,  
BEING SECTIONS 213.321 TO 213.332 OF THE MICHIGAN COMPILED LAWS.

Not applicable.

OTHER MATERIALS WHICH THE AUTHORITY OR GOVERNING BODY CONSIDERS PERTINENT.

The Development Agreement entered into on April 20, 1998 among Petro-Lube, the City and the Authority attached hereto as Exhibit F.

TAX INCREMENT FINANCING PLAN

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 ALSO 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.

Before development, the Sauk Trail Business Park was rural acreage having no sewer, water, electricity or access roads to entice private development. The construction of South Industrial Drive, street lights, the water and sewer lines, and the storm drains including a retention basin, will enable industries such as Petro-Lube Incorporated (with which the municipality has the development agreement shown as Exhibit F) to locate manufacturing facilities in the Sauk Trail Business Park. The construction of additional industrial projects also requires the development of sufficient water supply and water pressure to accommodate such projects. The location of Petro-Lube in the park will increase the value of the land on which the Petro-Lube facility will be located an estimated \$3.6 million within one year and by an estimated \$4 million more within the next ten years. Without the promise by the City to assist the Authority in the financing of the acquisition of the initial public facilities and the additional water projects, the Petro-Lube facility and other industries could not have been located in the park.



AN ESTIMATE OF THE CAPTURED ASSESSED VALUE FOR EACH YEAR OF THE PLAN. THE PLAN MAY PROVIDE FOR THE USE OF PART OR ALL OF THE CAPTURED ASSESSED VALUE, BUT THE PORTION INTENDED TO BE USED SHALL BE CLEARLY STATED IN THE PLAN. THE BOARD OR THE MUNICIPALITY CREATING THE AUTHORITY MAY EXCLUDE FROM CAPTURED ASSESSED VALUE A PERCENTAGE OF THE CAPTURED ASSESSED VALUE AS SPECIFIED IN THE PLAN OR GROWTH IN PROPERTY VALUE RESULTING SOLELY FROM INFLATION. IF EXCLUDED, THE PLAN SHALL SET FORTH THE METHOD FOR EXCLUDING GROWTH IN PROPERTY VALUE RESULTING SOLELY FROM INFLATION.

Please refer to Exhibit B for an estimate of the captured assessed value for each year of the plan.

12 (2) (c)

THE ESTIMATED TAX INCREMENT REVENUES FOR EACH YEAR OF THE PLAN.

See Exhibit B.

# A DETAILED EXPLANATION OF THE TAX INCREMENT PROCEDURE.

Tax increment financing permits the Authority to capture tax revenues attributable to increases in the taxable value of real and personal property resulting from the acquisition and construction of eligible property as defined in Act 281. Property value increases, in the case of the park, will be attributable to the construction of the projects by Petro-Lube during the first year and subsequently by other industries.

At the time the tax increment financing plan is approved by the City Council, the value of the eligible property to which the plan pertains (the "Initial Assessed Value") is established. The Initial Assessed Value is the Taxable Value of the eligible property on that date.

In each subsequent year for the duration of the tax increment financing plan, the "Current Assessed Value" of the eligible property will be determined. The Current Assessed Value for each year is the Taxable Value of the eligible property for that year.

The amount by which the Current Assessed Value exceeds the Initial Assessed Value in any one year is the "Captured Assessed Value." For the duration of the tax increment financing plan, the local taxing jurisdictions will continue to receive tax revenues based upon the Initial Assessed Value. The Authority, however, (subject to the provisions of agreement for the sharing of Captured Assessed Value) receives that portion of the tax levy of all non-school taxing jurisdictions paid each year on the Captured Assessed Value of the eligible property included in the tax increment financing plan; provided, however, that the Authority does not receive any part of millage specifically levied for the payment of principal and interest on obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit.

For example, in year one a tax increment financing plan relating to eligible property having a state equalized taxable value of \$5,000,000 is established. The Initial Assessed Value is \$5,000,000. Assume that the non-school tax rate applicable to the eligible property is 22 mills and that of the 22 mills, 2 mills are levied for the payment of principal and interest on obligations described above. In the first year the taxes on the eligible property will be \$110,000 (22 mills times \$5,000,000). None of those taxes will be paid to the Authority. In the second year, because of the construction of eligible property, the state equalized taxable valuation of the eligible property is \$25,000,000. The Current Assessed Value in year two is \$25,000,000 and the Captured Assessed Value is \$20,000,000 (\$25,000,000 less the Initial Assessed Value of \$5,000,000). If there were no

agreements for the sharing of Captured Assessed Value, the Authority would receive tax increments of \$400,000 (20 mills times \$20,000,000). The taxing jurisdictions would receive \$150,000 (22 mills times \$5,000,000 which represents the Initial Assessed Value plus 2 mills times \$20,000,000 which represents the Captured Assessed Value). In each subsequent year for the duration of the tax increment financing plan, a similar computation would be made.



**THE MAXIMUM AMOUNT OF NOTE OR BONDED INDEBTEDNESS TO BE INCURRED, IF ANY.**

The maximum amount of bonded indebtedness (by the municipality on behalf of the Sauk Trail Business Park) for which the LDFA will use tax increment revenues is \$3,500,000. The tax increment revenues of the LDFA will not be solely responsible for debt service on bonded indebtedness; as described in Exhibits B and D, other sources will be used to pay that portion which was not borrowed on behalf of the Sauk Trail Business Park.

The ability of the Authority to finance the bond indebtedness is shown in Exhibits B-1 through B-3. Financing through the City is shown in Exhibit D.

**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.**

The amount of operating and planning expenditures but not indebtedness of the Authority and the City in connection with the activities of the Authority is estimated to be \$60,000 per year. See the Exhibits B-1 through B-3 for the indebtedness incurred by the City to be repaid from tax increment revenues. The anticipated advances from the City are shown as negative numbers in the early years in Exhibit B-1 under the column indicating the Repayment of Municipal Advances. These advances from municipal fund equity are anticipated to be about \$400,000 during the first year and then up to \$600,000 more in subsequent years before they are then repaid.

It is planned that the municipality will advance the portion of the funds needed for the construction of the public facilities in the industrial park, obtained from the following sources:

Renaissance Fund borrowing	\$ 250,000
Road Bonds	1,000,000
Water/Sewer Bonds	1,150,000
Municipal Fund Equity	400,000
Other Water/Sewer Bonds	700,000
	<u>\$3,500,000</u>

THE COSTS OF THE PLAN ANTICIPATED TO BE PAID FROM TAX INCREMENT REVENUES AS RECEIVED.

It is anticipated that the costs of the implementation of the Development Plan will mainly be paid from bond proceeds or advances of funds from the municipality, as described in the Development Plan. Operating and planning expenditures of \$60,000 per year will be paid from tax increment revenues as received.

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

The development plan and the tax increment financing plan are to continue for the period of time needed to collect and disburse tax increments resulting from taxes levied prior to December 31, 2020, or such shorter period as may be needed to pay and retire the bonds of the City or any tax increment bonds issued by the Authority pursuant hereto.



12 (2) (i)

AN ESTIMATE OF THE IMPACT OF TAX INCREMENT FINANCING ON THE REVENUES OF ALL TAXING JURISDICTIONS IN WHICH THE ELIGIBLE PROPERTY IS LOCATED.

See Exhibit E.

**A LEGAL DESCRIPTION OF THE ELIGIBLE PROPERTY TO WHICH THE TAX INCREMENT FINANCING PLAN APPLIES.**

The eligible property to which the Tax Increment Financing Plan applies consists of land in the City of Saline, County of Washtenaw, State of Michigan, together with all buildings and improvements thereon and all fixtures, machinery and equipment therein, which land is described on Exhibit A attached hereto.

AN ESTIMATE OF THE NUMBER OF JOBS TO BE CREATED AS A RESULT OF IMPLEMENTATION OF THE TAX INCREMENT FINANCING PLAN.

It is estimated that the construction of the project will result in the transfer of approximately 100 jobs to the City and the location of an additional 150 jobs in the City. It is expected that the existence of this project will encourage several industries to locate within the park and will also result in additional indirect jobs. Also, jobs will result from construction activity.

EXHIBIT A

PARCEL "A"

Commencing at the S 1/4 corner of Section 31, T3S, R6E, Pittsfield Township, Washtenaw County, Michigan, thence S 88° 34' 00" E 1055.25 feet along the south line of said Section 31 and the center line of Bemis Road, to the POINT OF BEGINNING;

thence N 01° 40' 00" E 1586.69 feet;

thence N 63° 14' 00" E 722.61 feet along the southerly right-of-way line of Michigan Avenue, (100.00 feet total width);

thence N 01° 51' 31" E 56.96 feet;

thence N 63° 14' 00" E 1114.00 feet along the center line of Michigan Avenue;

thence S 01° 51' 31" W 2511.60 feet along the east line of said Section 31 to the S.E. corner of said Section 31;

thence N 88° 34' 00" W 1606.85 feet along the south line of said Section 31 and the center line of Bemis Road to the POINT OF BEGINNING, being a part of the S.E. 1/4 of Section 31, T3S, R6E, Pittsfield Township, Washtenaw County, Michigan, containing 75.97 acres of land, being subject to the rights of the public over the most northerly 33.00 feet thereof as occupied by Michigan Avenue, also subject to the rights of the public over the south 33.00 feet thereof as occupied by Bemis Road, subject to easements or restrictions of record, if any.



CLIENT: Warren Rentschler	DATE: 1-31-90
JOB NO.: 90016	SHEET 2 OF 3
SECTION: 31-32TWN: 3 S., R6E, 6 E.	SCALE: 1 in. = 400 ft.
Pittsfield TOWNSHIP	BOOK: 167
WASHTENAW CO. MICHIGAN	BY:

*Allen R. Rentschler*  
 Allen R. Rentschler  
 REGISTERED LAND SURVEYOR  
 NO. 15411

**MIDWESTERN CONSULTING**

I HEREBY CERTIFY THAT I HAVE SURVEYED AND MAPPED THE LAND ABOVE PLATTED AND/OR DESCRIBED ON Jan. 31, 1990, AND THAT THE RATIO OF CLOSURE ON THE UNADJUSTED FIELD OBSERVATIONS OF SUCH SURVEY WAS 1/28,000 AND THAT ALL OF THE REQUIREMENTS



EXHIBIT A  
PARCEL "B"

Beginning at the S.W. corner of Section 32, T3S, R6E, Pittsfield Township, Washtenaw County, Michigan,

thence N 01° 51' 31" E 2511.60 feet along the west line of said Section 32;

thence N 63° 14' 00" E 333.27 feet along the center line of Michigan Avenue;

thence S 88° 43' 13" E 106.34 feet along the E-W 1/4 line of said Section 32;

thence N 63° 14' 00" E 297.63 feet along the southerly right-of-way line of Michigan Avenue, (100.00 feet total width);

thence S 01° 29' 19" W 139.94 feet along the east line of the W 1/2 of the W 1/2 of the N.W. 1/4 of said Section 32;

thence S 01° 48' 06" W 2669.06 feet along the east line of the W 1/2 of the W 1/2 of the S.W. 1/4 of said Section 32;

thence N 88° 39' 11" W 663.71 feet along the south line of said Section 32 and the center line of Bemis Road to the S.W. corner of said Section 32 and the POINT OF BEGINNING, being a part of the W 1/2 of Section 32, T3S, R6E, Pittsfield Township, Washtenaw County, Michigan, containing 40.47 acres of land, being subject to the rights of the public over the most northerly 33.00 feet thereof as occupied by Michigan Avenue, also subject to the rights of the public over the south 33.00 feet thereof as occupied by Bemis Road, subject to easements or restrictions of record, if any.

SECTION CORNER WITNESSES

S 1/4 Corner Section 31  
Found Iron Pipe  
24" Maple S 80° W 64.39  
16" Maple S 75° E 65.27  
Steel F.P. North 33.30


S.W. Corner Section 32  
Found Iron Pipe  
14" Hickory N 10° W 31.37  
16" Hickory N 65° W 71.70  
2" Ash S 25° 40.00  
N.W. Cor. Sec. 5 York Twp W 170.55

S 1/4 Corner Section 32  
Found Iron Pipe  
U.P. S 50° W 58.45  
24" Catalpa N 60° W 49.78  
12" Cherry S 50° W 27.34

W 1/4 Corner Section 32  
Found Concrete Monument  
12" Hickory North 8.80  
Top Nut Hydrant S 15° W 38.70  
U.P. N 50° W 98.68

Center Sec. 32  
Found 1" Iron on Fence Line  
24" Cherry East 15.93  
8" Cherry East 12.14  
4" Cherry S 80° E 7.0



CLIENT: Warren Rentschler	DATE: 1-31-90	 Allen R. Rentschler REGISTERED LAND SURVEYOR NO. 15411
JOB NO.: 90016	SHEET 3 OF 3	
SECTION: 31-32 TWN: 3 S., RNG. 6 E.	SCALE: 1 in. = 400 ft.	
Pittsfield TOWNSHIP	BOOK: 167	
WASHTENAW CO. MICHIGAN	BY: _____	

I HEREBY CERTIFY THAT I HAVE SURVEYED AND MAPPED THE







### LEGEND

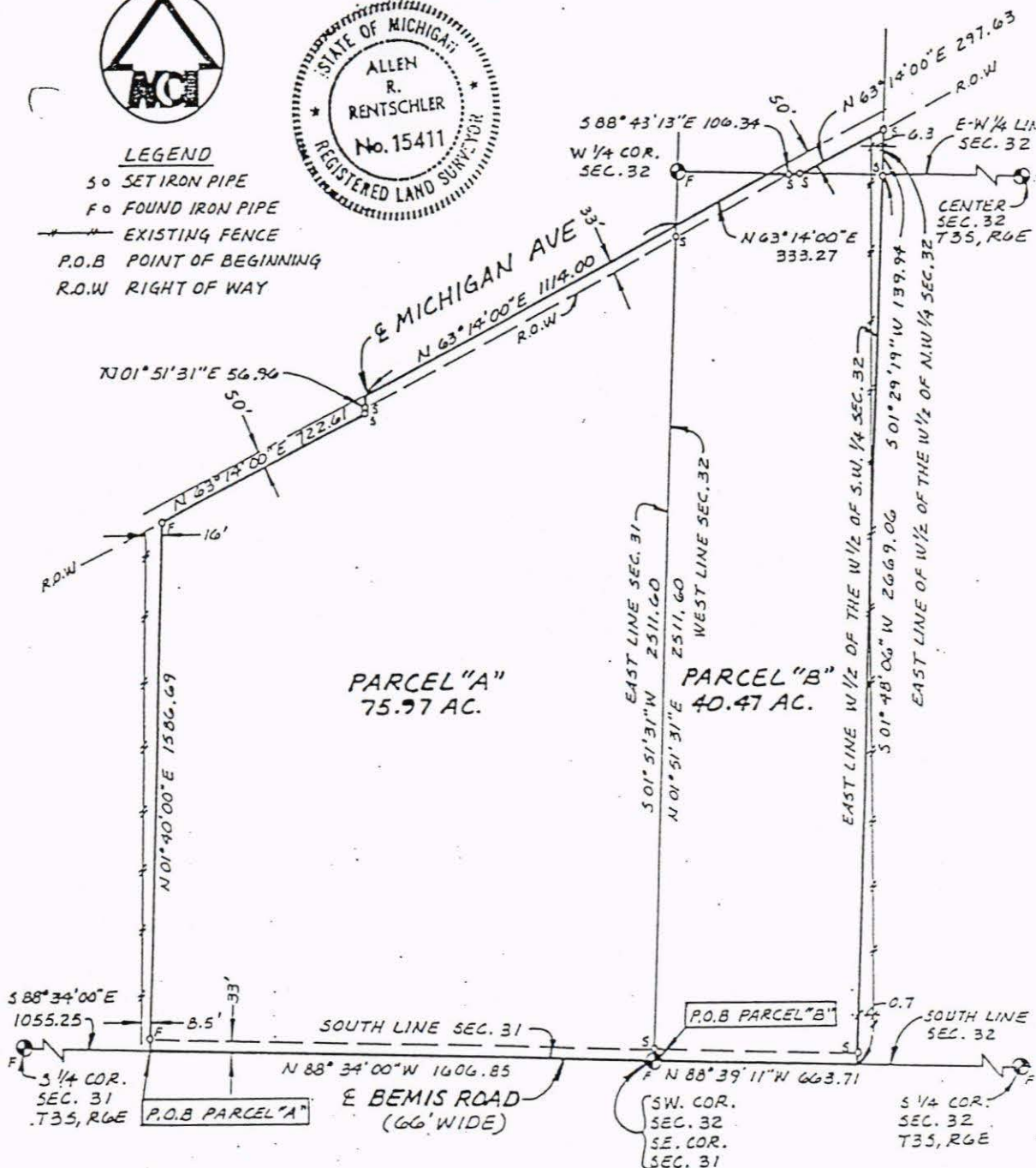
50 SET IRON PIPE

F o FOUND IRON PIPE

~~—~~ ~~—~~ EXISTING FENCE

P.O.B POINT OF BEGINNING

R.O.W RIGHT OF WAY



SURVEY OF (2) TWO PARCELS OF LAND LOCATED IN THE  
S.W. 1/4 OF SECTION 31 AND THE W 1/2 OF SECTION 32, T3S, R6E,  
PITTSFIELD TOWNSHIP, WASHTENAW COUNTY MICHIGAN

CLIENT: WARREN RENTSCHLER	DATE: 1-31-90
JOB NO: 90016	SHEET 1 OF 3
SECTION: 31,32TWN: 3 S.,RNG. 6 E.	SCALE: 1 in. = 400 ft.
PITTSFIELD TOWNSHIP	BOOK: 167
WASHTENAW CO. MICHIGAN	BY: FDA/ARR

*Allen R. Rentschler*  
Allen R. Rentschler  
REGISTERED LAND SURVEYOR  
NO. 15411

# MIDWESTERN CONSULTING



Civil Engineers

Environmental Engineers

2045 Hogback Road

Ann Arbor, Michigan 48105

I HEREBY CERTIFY THAT I HAVE SURVEYED AND MAPPED THE LAND ABOVE PLATTED AND/OR DESCRIBED ON JAN 31, 19 70 AND THAT THE RATIO OF CLOSURE ON THE UNADJUSTED FIELD OBSERVATIONS OF SUCH SURVEY WAS 1/ 28,000 AND THAT ALL OF THE REQUIREMENTS OF P.A. 132 1970 HAVE BEEN COMPLIED WITH

SALINE LDFA DISTRICT #2

Exhibit B-1

Tax Increments

FISCAL YEAR	CAPTURED ASSESSED TAXABLE VALUE	CITY MILLS 12.3000	LIBRARY MILLS 1.0746	COUNTY MILLS 5.4963	COMMUNITY			DEBT SERVICE		DEBT SERVICE		REPAYMENT		REMAINING CAPTURED FUNDS
					COLLEGE MILLS 3.9029	TOTAL CAPTURE 22.7738	\$700,000 OTHER WATER/SEWER BOND	DEBT SERVICE \$250,000 SHARE RENAISSANCE	DEBT SERVICE \$1,000,000 SHARE ROAD BOND	\$1,150,000 SHARE WATER/SEWER BOND	OPERATING & PLANNING EXPENDITURES	OF MUNICIPAL ADVANCES		
1999	0	0	0	0	0	0	0	0	55,100	77,200	60,000	(592,300)	0	
2000	1,500,000	18,450	1,612	8,244	5,854	34,161	20,000	0	58,800	83,500	60,000	(188,139)	0	
2001	6,000,000	73,800	6,448	32,978	23,417	136,643	51,000	41,250	58,200	82,200	60,000	(156,007)	0	
2002	12,000,000	147,600	12,895	65,956	46,835	273,286	51,000	40,000	62,800	83,400	60,000	(23,914)	0	
2003	20,000,000	246,000	21,492	109,926	78,058	455,476	51,000	38,750	67,000	82,000	60,000	156,726	0	
2004	25,000,000	307,500	26,865	137,408	97,573	569,345	51,000	37,500	111,600	80,500	60,000	228,745	0	
2005	25,000,000	307,500	26,865	137,408	97,573	569,345	51,000	36,250	113,100	84,000	60,000	224,995	0	
2006	25,000,000	307,500	26,865	137,408	97,573	569,345	51,000	35,000	114,500	84,800	60,000	224,045	0	
2007	25,000,000	307,500	26,865	137,408	97,573	569,345	51,000	33,750	115,500	85,500	60,000	125,849	97,746	
2008	25,000,000	307,500	26,865	137,408	97,573	569,345	51,000	32,500	116,300	86,000	60,000	0	223,545	
2009	25,000,000	307,500	26,865	137,408	97,573	569,345	51,000	0	116,900	120,700	60,000	0	220,745	
2010	25,000,000	307,500	26,865	137,408	97,573	569,345	75,000	0	117,200	121,600	60,000	0	195,545	
2011	25,000,000	307,500	26,865	137,408	97,573	569,345	75,000	0	117,200	122,300	60,000	0	194,845	
2012	25,000,000	307,500	26,865	137,408	97,573	569,345	75,000	0	111,900	122,700	60,000	0	199,745	
2013	25,000,000	307,500	26,865	137,408	97,573	569,345	75,000	0	106,600	122,800	60,000	0	204,945	
2014	25,000,000	307,500	26,865	137,408	97,573	569,345	75,000	0	0	122,700	60,000	0	311,645	
2015	25,000,000	307,500	26,865	137,408	97,573	569,345	75,000	0	0	122,300	60,000	0	312,045	
2016	25,000,000	307,500	26,865	137,408	97,573	569,345	75,000	0	0	119,200	60,000	0	315,145	
2017	25,000,000	307,500	26,865	137,408	97,573	569,345	75,000	0	0	113,600	60,000	0	320,745	
2018	25,000,000	307,500	26,865	137,408	97,573	569,345	75,000	0	0	0	60,000	0	434,345	
2019	25,000,000	307,500	26,865	137,408	97,573	569,345	35,000	0	0	0	60,000	0	474,345	
2020	25,000,000	307,500	26,865	137,408	97,573	569,345	0	0	0	0	60,000	0	509,345	



Exhibit B-2

PRESALE

\$1,075,000  
CITY OF SALINE  
COUNTY OF WASHTENAW, STATE OF MICHIGAN  
1998 MICHIGAN TRANSPORTATION FUND BONDS  
(GENERAL OBLIGATION LIMITED TAX)

*Schedule of Projected Revenue Coverage over Debt*

		Bond Term = 15.92 years					Total Project		\$1,075,000	100.00%
		Existing	\$1,075,000		Current Interest Bonds Dated		7/1/98			
Fiscal Year	MTF		Interest	Interest	Principal			Total All	50% of	Estimated
Ended 6/30	Bonds [1]		Due	Due	Interest	Due	Total	Accrued	Total All	Annual
		\$325,000	Dec 1	Jun 1	Rate	Jun 1	P&I	Interest	MTF	Debt Service
									Bonds	Coverage
1997 1998	69,673		0	0		0	0	0	69,673	2.08
1998 1999	70,965		22,396	26,875	5.000%	10,000	59,271		130,236	1.11
1999 2000	68,965		26,625	26,625	5.000%	10,000	63,250		130,215	1.11
2000 2001	72,480		26,375	26,375	5.000%	10,000	62,750		135,230	1.07
2001 2002	67,530		26,125	26,125	5.000%	15,000	67,250		134,780	1.08
2002 2003	62,520		25,750	25,750	5.000%	20,000	71,500		134,020	1.08
2003 2004	0		25,250	25,250	5.000%	80,000	130,500		130,500	1.11
2004 2005	0		23,250	23,250	5.000%	85,000	131,500		131,500	1.10
2005 2006	0		21,125	21,125	5.000%	90,000	132,250		132,250	1.10
2006 2007	0		18,875	18,875	5.000%	95,000	132,750		132,750	1.09
2007 2008	0		16,500	16,500	5.000%	100,000	133,000		133,000	1.09
2008 2009	0		14,000	14,000	5.000%	105,000	133,000		133,000	1.09
2009 2010	0		11,375	11,375	5.000%	110,000	132,750		132,750	1.09
2010 2011	0		8,625	8,625	5.000%	115,000	132,250		132,250	1.10
2011 2012	0		5,750	5,750	5.000%	115,000	126,500		126,500	1.15
2012 2013	0		2,875	2,875	5.000%	115,000	120,750		120,750	1.20
2013 2014	0		0	0	5.000%	0	0		0	0.00
2014 2015	0		0	0	5.000%	0	0		0	0.00
2015 2016	0		0	0	5.000%	0	0		0	0.00
2016 2017	0		0	0	5.000%	0	0		0	0.00
2017 2018	0		0	0	5.000%	0	0		0	0.00
		\$410,133	\$274,896	\$279,375		\$1,075,000	\$1,029,271	\$0	\$2,039,403	

Breakdown of MTF Revenue		
6/30/97	Gas & Weight	50%
	Tax Receipts	of Revenue
Major Streets	\$218,557	\$109,279
Local Streets	71,692	35,846
Totals	\$290,249	\$145,125

Project Cost Breakdown		
Major Streets	\$1,075,000	100.00%
Local Streets	0	0.00%
Total Project	\$1,075,000	100.00%

[1] 1983, 1984 MTF Loans and 1987 Transportation Fund Bonds are paid by the TIFA.

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Exhibit B-3

**\$2,335,000**  
**CITY OF SALINE**  
**COUNTY OF WASHTENAW, STATE OF MICHIGAN**  
**WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE BONDS, SERIES 1998**

*Schedule of Projected Revenue Coverage over Debt*

Fiscal Year Ended 6/30	Existing Revenue Bonds	Term: 20 years Current Interest Bonds Dated 7/1/98					Accrued Interest	Net Existing & Proposed Revenue Bonds	Estimated					
		Interest Due Dec 1	Interest Due Jun 1	Interest Rate	Principal Due Jun 1	Total P&I			Net Revenue	Annual Debt Service Coverage	Tax [1] Increment Revenue	[2] Connection Fees	General Obligation Water/Sewer Bonds	Annual Excess
1996 1997									429,651	0.00	135,696	354,324		
1997 1998	173,368	0	0	5.250%	0	0		173,368	429,651	2.48	140,498	350,000	256,104	490,677
1998 1999	172,578	51,078	61,294	5.250%	45,000	157,372		329,949	429,651	1.30	139,901	350,000	491,340	98,263
1999 2000	171,261	60,113	60,113	5.250%	50,000	170,225		341,486	429,651	1.26	138,783	350,000	539,778	37,170
2000 2001	169,393	58,800	58,800	5.250%	50,000	167,600		336,993	429,651	1.27	141,940	350,000	700,973	(116,374)
2001 2002	171,778	57,488	57,488	5.250%	55,000	169,975		341,753	429,651	1.26	139,393	350,000	704,100	(126,809)
2002 2003	173,443	56,044	56,044	5.250%	55,000	167,088		340,530	429,651	1.26	141,125	350,000	652,435	(72,189)
2003 2004	174,105	54,600	54,600	5.250%	55,000	164,200		338,305	429,651	1.27	132,375	350,000	655,833	(82,112)
2004 2005	169,175	53,156	53,156	5.250%	65,000	171,313		340,488	429,651	1.26	123,625	350,000	552,200	10,589
2005 2006	168,950	51,450	51,450	5.250%	70,000	172,900		341,850	429,651	1.26	124,438	350,000	547,275	14,964
2006 2007	167,698	49,613	49,613	5.250%	75,000	174,225		341,923	429,651	1.26	114,813	350,000	499,550	52,991
2007 2008	166,008	47,644	47,644	5.250%	80,000	175,288		341,295	429,651	1.26	0	350,000	497,925	(59,569)
2008 2009	63,540	45,544	45,544	5.250%	155,000	246,088		309,628	429,651	1.39	0	350,000	500,750	(30,727)
2009 2010	0	41,475	41,475	5.250%	165,000	247,950		247,950	429,651	1.73	0	350,000	498,050	33,651
2010 2011	0	37,144	37,144	5.250%	175,000	249,288		249,288	429,651	1.72	0	350,000	489,800	40,564
2011 2012	0	32,550	32,550	5.250%	185,000	250,100		250,100	429,651	1.72	0	350,000	496,275	33,276
2012 2013	0	27,694	27,694	5.250%	195,000	250,388		250,388	429,651	1.72	0	350,000	491,800	37,464
2013 2014	0	22,575	22,575	5.250%	205,000	250,150		250,150	429,651	1.72	0	350,000	496,925	32,576
2014 2015	0	17,194	17,194	5.250%	215,000	249,388		249,388	429,651	1.72	0	350,000	496,100	34,164
2015 2016	0	11,550	11,550	5.250%	220,000	243,100		243,100	429,651	1.77	0	350,000	494,450	42,101
2016 2017	0	5,775	5,775	5.250%	220,000	231,550		231,550	429,651	1.86	0	350,000	492,275	55,826
2017 2018	0	0	0	5.250%	0	0		0	429,651	0.00	0	350,000	484,275	295,376
2018 2019	0	0	0	5.250%	0	0		0	429,651	0.00	0	350,000	475,725	303,926
2019 2020	0	0	0	5.250%	0	0		0	429,651	0.00	0	350,000	381,925	397,726
	<u>\$1,941,294</u>	<u>\$781,484</u>	<u>\$791,700</u>		<u>\$2,335,000</u>	<u>\$3,908,184</u>	<u>\$0</u>	<u>\$5,849,478</u>					<u>\$11,895,862</u>	

[1] TIFA and LDFA each pay 1/2 of 1987 Revenue Bonds.

[2] Assumes 80 5/8" equivalent new water/sewer connections per year.

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	'97	'98 Budget
Water	432,747	460,000





**Exhibit D**

**FY 1999, 2000 & 2001 CAPITAL IMPROVEMENT PROJECTS**

**COST SUMMARY AND ALLOCATION TO FUNDING SOURCES**

Description	Water	Sewer	Roads & Street Lights	Total
Sauk Trail - Phase I	150,000	100,000	350,000	600,000
Sauk Trail - Other	1,200,000	600,000	1,100,000	2,900,000
City Wide	945,000	1,050,000	75,000	2,070,000
	2,295,000	1,750,000	1,525,000	5,570,000
<b><u>Funding Sources - 1998/99</u></b>				
TIFA & LDFA #1 Cash	110,000			110,000
Water/Sewer Bonds-Market	585,000	1,750,000		2,335,000
Road Bonds			1,075,000	1,075,000
Municipal Fund Equity (Advance)	200,000		200,000	400,000
Jobs Commission Loan	0	0	250,000	250,000
	895,000	1,750,000	1,525,000	4,170,000
<b><u>Funding Sources - 1999/00</u></b>				
TIFA & LDFA #1 Cash	500,000			500,000
Water/Sewer Bonds-Market	700,000			700,000
	1,200,000	0	0	1,200,000
<b><u>Funding Sources - 2000/01</u></b>				
TIFA & LDFA #1 Cash	200,000			200,000
	200,000	0	0	200,000

Exhibit E  
Saline LDFA District #2 (Sauk Trail)

Estimated Redistribtuion of Tax Increments to Local Units

FISCAL YEAR	REMAINING CAPTURED FUNDS	CITY SHARE 12.3000 54.0094%	LIBRARY SHARE 1.0746 4.7186%	COUNTY SHARE 5.4963 24.1343%	COMMUNITY COLLEGE SHARE 3.9029 17.1377%
1999	0	0	0	0	0
2000	0	0	0	0	0
2001	0	0	0	0	0
2002	0	0	0	0	0
2003	0	0	0	0	0
2004	0	0	0	0	0
2005	0	0	0	0	0
2006	0	0	0	0	0
2007	97,746	52,792	4,612	23,590	16,751
2008	223,545	120,735	10,548	53,951	38,310
2009	220,745	119,223	10,416	53,275	37,831
2010	195,545	105,613	9,227	47,193	33,512
2011	194,845	105,235	9,194	47,025	33,392
2012	199,745	107,881	9,425	48,207	34,232
2013	204,945	110,690	9,670	49,462	35,123
2014	311,645	168,318	14,705	75,213	53,409
2015	312,045	168,534	14,724	75,310	53,477
2016	315,145	170,208	14,870	76,058	54,009
2017	320,745	173,233	15,135	77,410	54,968
2018	434,345	234,587	20,495	104,826	74,437
2019	474,345	256,191	22,382	114,480	81,292
2020	509,345	275,094	24,034	122,927	87,290