

LOCAL DEVELOPMENT FINANCE AUTHORITY

OF THE

VILLAGE OF DUNDEE

APRIL 26, 1990

Stauder, BARCH & ASSOCIATES, Inc.
3989 Research Park Drive
Ann Arbor, Michigan 48108

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LOCAL DEVELOPMENT FINANCE AUTHORITY

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Patrick Burtch

This project is developed under
Public Act 281 of 1986
LOCAL DEVELOPMENT FINANCING ACT

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ACT 281 OF 1986
Local Development Financing Act *Appendix A*

*LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE
VILLAGE OF DUNDEE*

DEVELOPMENT PLAN

*PUBLIC ACTS OF MICHIGAN
LOCAL DEVELOPMENT FINANCING ACT
ACT NO. 281 OF 1986, AS AMENDED
SECTION 15 (2)*

*LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE
VILLAGE OF DUNDEE

DEVELOPMENT PLAN
NO. 1
DUNDEE RESEARCH AND DEVELOPMENT PARK*

INTRODUCTION

Pursuant to the provisions of Act No. 281, Public Acts of Michigan, 1986, the Village of Dundee established the Local Development Finance Authority of the Village of Dundee by Resolution 90-4 adopted on February 20, 1990. 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 Village Council. Act 281 further provides that a tax increment financing plan shall include a development plan.

The purpose of creating the Local Development Finance Authority and the Tax Increment Finance District No. 1 is to help stimulate economic growth, improve employment, stimulate new private investment in the Village of Dundee, and to broaden the local tax base. District No. 1 is being developed in cooperation with the Village of Dundee and the Authority. Its boundaries were established by resolution and are depicted in Figures 1 and 2. The developable portion of the industrial park has a total of 26.336 acres more or less, and is owned entirely by Tecumseh Products Company, Dundee Wire and Manufacturing, and Diamond Electric Manufacturing Corporation. Development of the industrial park is proposed to occur in phases over an unspecified period of time. A legal description of the property may be found in the Tax Increment Finance Plan.

A tax increment financing plan shall only provide for the use of tax increment revenues for public facilities for eligible property whose captured assessed value produces the tax increment revenues or, to the extent the eligible property is located within a certified industrial park, for other eligible property located in the certified industrial park. Public facilities for eligible property include the development or improvement of access to and around, or within the eligible property, of road facilities reasonably required by traffic flow to be generated by the eligible property, and the development or improvement of public facilities that are necessary to service the eligible property, whether or not located on that eligible property.

If the construction of eligible property has, or may reasonably be expected to have, the effect of transferring employment of 50 or more full-time jobs from one or more local governmental units of this state to the municipality in which the eligible property is located, that eligible property shall be considered excluded from the

authority district or districts unless the legislative body of each local governmental unit from which 50 or more full-time jobs are to be transferred consents, by resolution, to the inclusion of that eligible property in the authority district for purposes of the tax increment financing plan.

Approval of the tax increment financing plan shall be in accordance with the notice, hearing, disclosure, and approval provisions of sections 16 and 17. If the development plan is part of the tax increment financing plan, only one hearing and approval procedure is required for the two plans together.

Before the public hearing on the tax increment financing plan, the Village Council shall provide a reasonable opportunity to the taxing jurisdictions in which the eligible property 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 authority district is located to share a portion of the captured assessed value of the district. Upon adoption of the plan, the collection and transmission of the amount of tax increment, as specified in this act, shall be binding on all taxing units levying ad valorem property taxes or specific local taxes against property located in the authority district.

DEVELOPMENT PLAN NO. 1

*A Development Plan is created as per
Section 15 of Public Act 281 of 1986,
Local Development Financing Act*

Section 15 (1)

*IF A BOARD DECIDES TO FINANCE A PROJECT UNDER THIS ACT, IT
SHALL PREPARE A DEVELOPMENT PLAN.*

Section 15 (2)

*TO THE EXTENT NECESSARY TO ACCOMPLISH THE PROPOSED
DEVELOPMENT PROGRAM THE DEVELOPMENT PLAN SHALL CONTAIN:*

15 (2) (a)

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.

Part of the West ½ of Section 13, Town 6 South, Range 6 East, Village of Dundee, Monroe County, Michigan, further described as; Commencing at a point on the East and West ¼ line of said Section 13 located 313.49 feet South 87°26'59" East from the West ¼ corner of said 13, thence, North 33°30'39" West 80.94 feet along the easterly right-of-way line of Crowe Road, thence on the chord of a curve to the right North 16°00'39" West 165.21 feet, arc length of 167.81, radius of 274.71 feet and central angle of 35°00', thence North 01°29'21" East 202.91 feet, thence North 01°35'40" East 387.35 feet, thence South 87°10'30" East 1107.15 feet, thence South 01°37'10" West 1110.58 feet, thence South 61°12'21" West 391.06 feet, thence North 88°10'17" West 154.94 feet, thence North 16°36'57" West 538.75 feet, thence North 87°26'59" West 349.25 feet to the points of beginning.

*Containing 26.336 acres more or less.
Subject to any and all easements of record.*

15 (2) (b)

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

The property is bounded on its western boundary by Ann Arbor Road and lies to the north of Tecumseh Street (M-50). U.S. 23 is located approximately 100 feet to the west of the property.

See Figure 1.

LOCATION MAP
NO SCALE

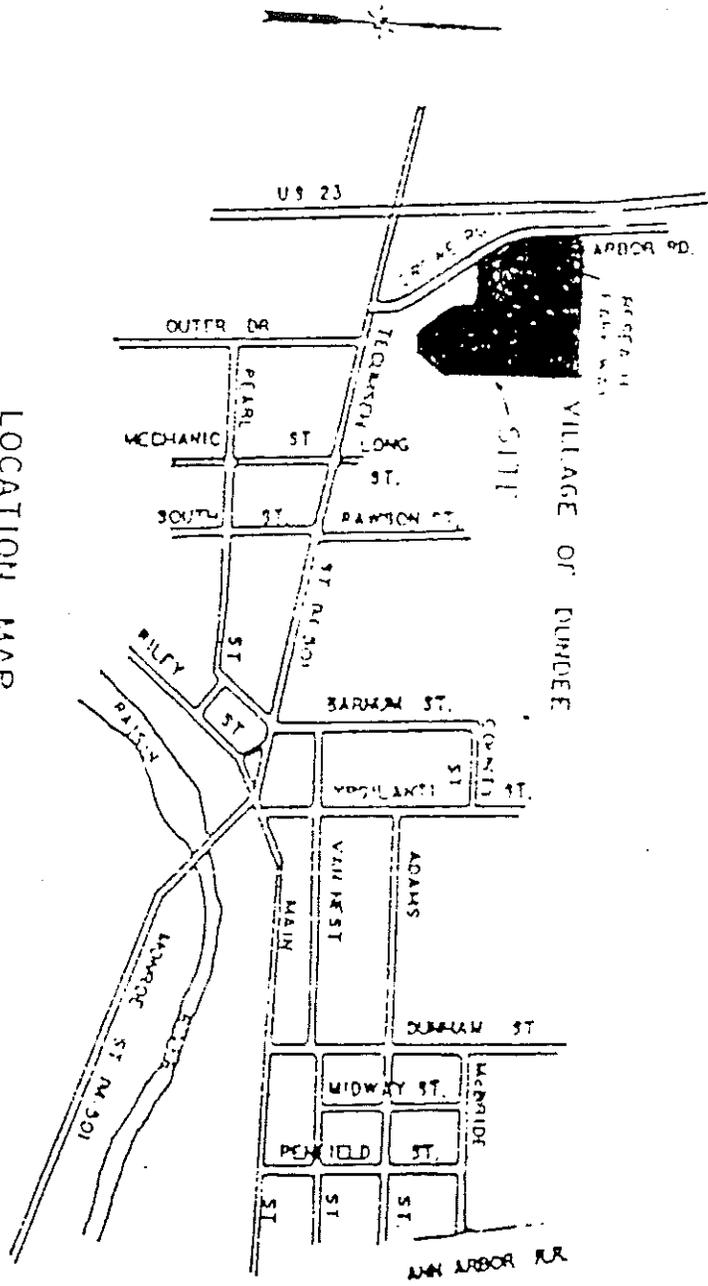


FIGURE 1

15 (2) (c)

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, RECREATIONAL, COMMERCIAL, INDUSTRIAL, EDUCATIONAL, AND OTHER USES.

The site is fronted on the westerly line by Ann Arbor Road. Research Parkway is located on site, between the westerly property line and the easterly property line.

Existing facilities located on the property include the following: 8 inch sanitary sewer running adjacent to the property, 12 inch water main running adjacent to the property and 4 inch service lines to the individual sites for Michigan Gas Utilities.

Existing land use consists of:

Tecumseh Products Company - A Resource and Development facility for refrigeration and cooling equipment.

Dundee Wire and Manufacturing - a Manufacturer of high-tech Valve Spring Wire and Music Wire.

Proposed land use:

Diamond Electric Manufacturing Corporation - a Manufacturer of Ignition Coils and other electronic devices.

Property to which plan applies will be owned solely by these companies except for lands dedicated to public use, i.e. streets; and a 20' x 75.01' parcel owned by the Village which is not developable.

15 (2) (d)

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 COMPLETION OF THE IMPROVEMENTS.

No public facilities are to be acquired for the property to which the Plan applies..

15 (2) (e)

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

The Village's present water treatment plant capacity needs to be improved immediately to increase the safe, reliable maximum day capacity to 600,000 gallons per day (gpd) with the largest treatment units out of service. Without plant improvements, the Village is at risk of having to take steps to limit the water usage during high demand periods.

Phase I improvements are designed to increase the reliability of the existing treatment process by adding backup units or replacing units entirely. Phase I improvements will restore the firm capacity of the plant to 600,000 gpd and add 300,000 gpd additional treatment capacity for a total of 900,000 gpd. Phase I improvements are required to obtain the increase in capacity. The existing plant site can be used for these improvements.

Phase II improvements consist of the construction of a 54-million gallon, above-ground raw water storage facility. The reservoir will provide a greater assurance of a reliable quantity of quality water for treatment during periods when river water quality is good. This storage facility can provide a 60-day water supply, assuming a plant treatment rate of 900,000 gpd. Pumping to the reservoir would be suspended when the quality of river water is unacceptable, in the event of accidental spills that may contaminate the source, or during periods of low flow.

Phase I is estimated to cost \$2,250,000 and Phase II is anticipated to cost approximately \$1,500,000.

The Village of Dundee has applied for an Economic Development Administration grant to assist in reducing the local share of the Phase I project. It is anticipated that this Grant will amount to approximately \$625,000. In addition, the Village of Dundee may receive some financial assistance from the Michigan State Department of Commerce totaling approximately \$500,000.

15 (2) (f)

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

It is estimated that construction of the Phase I project will commence in the Spring of 1991 and will be completed in the Fall of 1992.

Construction of Phase II, if required, may begin in the Spring of 1993 and it is estimated to take 12 months to complete.

15 (2) (g)

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 does not plan to sell, donate, exchange or lease to or from the municipality any portion of the property to which the plan applies.

15 (2) (i)

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.

ESTIMATED COST SUMMARY

<u>IMPROVEMENT</u>	<u>CONSTRUCTION COST</u>
<u>IMPROVEMENTS TO EXISTING PLANT</u>	
Raw Water Pump Station	\$5,000
Detention Basin Expansion	45,000
Sedimentation Basin Improvements	100,000
Clearwater Reservoir Expansion	225,000
Filter Expansion	220,000
Building Addition for Filters and High Service	50,000
Yard Piping and Site Restoration	25,000
Electrical, Heating & Ventilating	125,000
Standby Power	70,000
Chlorination Improvements	35,000
Chemical Feed Improvements	100,000
Detention Basin	34,000
Solids Contact Clarifier	138,000
Chemical Building	240,000
Yard Piping and Site Restoration	38,000
Chemical Feed Equipment	<u>100,000</u>
SUBTOTAL CONSTRUCTION COST	\$1,550,000
Contingencies	<u>155,000</u>
TOTAL CONSTRUCTION COST	\$1,705,000
Engineering	345,000
Testing	15,000
Legal and Administrative	40,000
Issuance Costs	<u>145,000</u>
TOTAL PROJECT COST	<u>\$2,250,000</u>
Phase II is estimated to cost	<u>\$1,500,000</u>

Section 15 (2) (i) - continued

The method of financing the proposed improvements to the Village's Water Supply and Distribution System is as follows:

The Village of Dundee is authorized to contract with the Monroe County Drain Commissioner, as County Agent, for the acquisition, construction and financing of the Water System Improvements. Bonds may be issued by the County of Monroe, on behalf of the Village.

Contractual obligations will be supported by the captured tax increment revenues and/or the Village's Water Fund, if necessary.

As an alternate, the Authority has the ability to issue its own tax-exempt bonds under the provisions of Act 281, Public Acts of Michigan, 1986, as amended. If permitted by law, the Authority or the Village may enter into an installment contract under Act 99, Public Acts of Michigan, 1933, as amended.

The estimated Phase I Project Cost of \$2,250,000, less the anticipated \$625,000 Economic Development Administration grant, results in a required financing of \$1,625,000. The potential of additional grant funds may further reduce the Phase I financing or may be applied to the Phase II estimated cost.

15 (2) (j)

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.

This project will benefit the citizens of the Village of Dundee and environs. The facilities to be constructed are required to service industries located in the district. This public improvement will be owned or acquired on an installment basis by the Village and not sold, leased, or otherwise conveyed to any individual, firm, or corporation.

15 (2) (k)

THE PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING, OR CONVEYING OF ALL OR A PORTION OF THE PUBLIC FACILITY OR FACILITIES 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.

Non-Applicable

15 (2) (1)

ESTIMATES OF THE NUMBER OF PERSONS RESIDING ON THE PROPERTY TO 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 AND 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.

There will not be any relocations required as a result of this project.

15 (2) (m)

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

Non-Applicable

15 (2) (n)

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.

Non-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.

Non-Applicable

15 (2) (p)

OTHER MATERIAL WHICH THE AUTHORITY OR GOVERNING BODY
CONSIDERS PERTINENT.

None

*LOCAL DEVELOPMENT FINANCE AUTHORITY
OF THE
VILLAGE OF DUNDEE*

TAX INCREMENT FINANCING PLAN NO. 1

*PUBLIC ACTS OF MICHIGAN
LOCAL DEVELOPMENT FINANCING ACT
ACT NO. 281 OF 1986, AS AMENDED
SECTION 12 (2)*

TAX INCREMENT FINANCING PLAN
PLAN NO. 1

DEFINITIONS

"Section 12. (1) As used in this section and sections 13, 14, and 17:

- "(a) 'Captured assessed value' means the amount in any 1 year by which the current assessed value, as equalized, of the eligible property identified in the tax increment financing plan, including the current 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 the eligible property identified in the tax increment financing plan at the time the resolution establishing the tax increment financing plan is approved as shown by the most recent assessment roll 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. Property for which a specific local tax is paid in lieu of property tax shall not be considered exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of property tax shall be determined as provided in subdivision (c).
- "(c) 'Specific local taxes' 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 enterprise zone act, Act No. 224 of the Public Acts of 1985, being sections 125.2101 to 125.2122 of the Michigan Compiled Laws, Act No. 189 of the Public Acts of 1953, being sections 211.181 to 211.182 of the Michigan Compiled Laws, and 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. 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."

Section 12. (2)

IF THE BOARD DETERMINES THAT IT IS NECESSARY FOR THE ACHIEVEMENT OF THE PURPOSES OF THIS ACT, THE BOARD SHALL PREPARE AND SUBMIT A TAX INCREMENT FINANCING PLAN TO THE GOVERNING BODY. THE PLAN SHALL BE IN COMPLIANCE WITH SECTION 13 AND SHALL INCLUDE A DEVELOPMENT PLAN AS PROVIDED IN SECTION 15. THE PLAN SHALL ALSO CONTAINING THE FOLLOWING:

12 (2) (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.

The availability of potable water in sufficient quantities and quality is vital, not only for the public health safety and welfare of existing property owners but for industrial and commercial expansion as well.

The Village of Dundee's Water Treatment facility was originally constructed in 1930 and requires major renovation and improvement to meet the water demands of the Village of Dundee's individual and corporate users. The present facility is considered unreliable at its rated capacity. Consequently, the State of Michigan has imposed a moratorium of any water distribution system expansion. The expansion of the water treatment plant will facilitate the development of the eligible property in the District and the Village, in general.

In order to insure compliance with the Safe Drinking Water Act of 1974, strengthen and revitalize the economy, and encourage the location and expansion of industrial and commercial enterprises, a more reliable water supply facility must be developed.

No additional growth in the community's tax base can be expected without LDFA assistance.

12 (2) (b)

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 CAPTURED ASSESSED VALUE AS SPECIFIED IN THE PLAN OR GROWTH IN PROPERTY VALUE RESULTING FROM INFLATION. IF EXCLUDED, THE PLAN SHALL SET FORTH THE METHOD FOR EXCLUDING GROWTH IN PROPERTY VALUE RESULTING SOLELY FROM INFLATION.

INITIAL ASSESSED VALUE

<u>1989 BASE YEAR</u>	<u>REAL</u>	<u>PERSONAL</u>	
Tecumseh Products	\$492,000	\$1,825,855	
Dundee Wire	480,900	1,204,910	
Diamond Electric	<u>- 0 -</u>	<u>- 0 -</u>	
	\$972,900	\$3,030,765	\$4,003,665

TOTAL BASE YEAR (1989) \$4,003,665

	<u>1990 SEV - Estimated</u>		<u>1991 SEV - Estimated</u>		<u>1992 SEV - Estimated</u>	
	<u>REAL</u>	<u>PERSONAL</u>	<u>REAL</u>	<u>PERSONAL</u>	<u>REAL</u>	<u>PERSONAL</u>
Tecumseh Products	\$513,450	\$2,117,320	\$528,000	\$2,217,000	\$543,840	\$2,061,810
Dundee Wire	480,900	1,439,647	495,000	1,338,000	509,850	1,244,340
Diamond Electric (Est.)	<u>-0-</u>	<u>-0-</u>	<u>450,000</u>	<u>500,000</u>	<u>477,000</u>	<u>1,000,000</u>
	\$994,350	\$3,556,967	\$1,473,000	\$4,055,000	\$1,530,690	\$4,306,150
	<u>\$4,551,317</u>		<u>\$5,528,000</u>		<u>\$5,836,840</u>	

Section 12 (2) (b) - continued

1990 SEV	\$4,551,317	1991 SEV	\$5,528,000	1992 SEV	\$5,836,840
1989 SEV Base Year	<u>4,003,665</u>	1989 SEV Base Year	<u>4,003,665</u>	1989 SEV Base Year	<u>4,003,665</u>
1990 Captured Value	\$547,652	1991 Captured Value	\$1,524,335	1992 Captured Value	\$1,833,175

ANTICIPATED CAPTURED VALUE

<u>Calendar Year</u>	<u>Real</u>	<u>Personal</u>	<u>Total</u>
1990	\$21,450	\$526,202	\$547,652
1991	500,100	1,024,235	1,524,335
1992	557,790	1,275,385	1,833,175
1993	574,524	1,186,108	1,760,632
1994	591,759	1,007,554	1,599,314
1995	609,512	854,508	1,464,020
1996	627,798	765,231	1,393,029
1997	646,631	688,708	1,335,339
1998	666,030	624,939	1,290,969
1999	686,011	586,677	1,272,688
2000	706,592	561,169	1,267,761
2001	727,789	535,662	1,263,451
2002	749,623	510,154	1,259,777
2003	772,112	484,646	1,256,758
2004	795,275	459,139	1,254,414
2005	819,133	433,631	1,252,764
2006	843,707	408,123	1,251,831
2007	869,019	382,616	1,251,634
2008	895,089	382,616	1,277,705
2009	921,942	382,616	1,304,557
2010	949,600	382,616	1,332,216

For purposes of projecting future property values to be captured, for the years 1992 and beyond, it is anticipated that Real property will increase at an annual rate of 3% and Personal property will, for property tax purposes, depreciate in accordance with the Michigan State Tax Commission's Average Life Depreciation Schedule.

SEE EXHIBIT B

12 (2) (c)

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

<u>CALENDAR YEAR</u>	<u>CAPTURED SEV</u>	<u>CAPTURED REVENUES @55.9416 MILLS</u>
1990	\$547,652	\$30,637
1991	1,524,335	85,274
1992	1,833,175	102,551
1993	1,760,632	98,493
1994	1,599,314	89,468
1995	1,464,020	81,900
1996	1,393,029	77,928
1997	1,335,339	74,701
1998	1,290,969	72,219
1999	1,272,688	71,196
2000	1,267,761	70,921
2001	1,263,451	70,679
2002	1,259,777	70,474
2003	1,256,758	70,305
2004	1,254,414	70,174
2005	1,252,764	70,082
2006	1,251,831	70,029
2007	1,251,634	70,018
2008	1,277,705	71,477
2009	1,304,557	72,979
2010	1,332,216	74,526
2011	1,360,704	76,120

12 (2) (d)

A DETAILED EXPLANATION OF THE TAX INCREMENT PROCEDURE.

Tax increment financing permits the Authority to capture tax revenues attributable to increases in the value of real and personal property resulting from the acquisition and construction of eligible property as defined in Act 281. Property value increases will be attributable to the construction of the projects.

The use of tax increment financing under this Act assumes that new construction of or improvements to public facilities in an industrial park will encourage new private development in the park. New industrial development will result in greater property values, create new jobs and strengthen the local economy. Increased tax revenues are used to pay for improvements to public facilities.

Tax increment finance revenues are the "captured assessed value", which is defined as being the difference in property valuation from the "initial assessed value" (1989 base year) and the present year. It is the increase in assessed valuation of the industrial park in any given fiscal year over the valuation of that park at the time the development plan was adopted. Act 281 assumes that all development and increases in valuations that occur in the industrial park is the result of action taken in the development plan. Tax increment revenues generated from the industrial park to the LDFA are the result of applicable tax rates of the incorporating municipality and all other political jurisdictions that levy taxes in the county which the industrial park is located.

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 State Equalized Value of the eligible property for that year.

Section 12 (2) (d) - continued

The Authority receives that portion of the tax levy of all taxing jurisdictions paid each year on the Captured Assessed Value of the eligible property included in the tax increment financing plan; provided, however, that the Authority does not receive any part of millage specifically levied for the payment of principal of and interest on obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit.

If the tax rate is 55.9416 mills (0.559416) the tax increment will be 55.9416 mills applied to the captured assessed valuation unless tax abatements have been granted to the industry. The Village Treasurer will collect the general property taxes from property owners in the community. After taxes are collected, the Treasurer will deduct the portion of the total tax that is the captured assessed value of the industrial park and distribute them to the LDFA to use on projects outlined in the development plan.

12 (2) (e)

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

*It is anticipated that the maximum amount of indebtedness
to be incurred will not exceed \$4,500,000.*

12 (2) (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.

<i>Engineering Fees</i>	<i>\$10,000</i>
<i>Legal Fee</i>	<i>10,000</i>
<i>Financial Fee</i>	<i>5,000</i>
<i>Administrative Expenses</i>	<i>20,000</i>
<i>Survey</i>	<i>1,000</i>

12 (2) (g)

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

SEE EXHIBIT B

12 (2) (h)

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

The duration of the development plan shall extend through the life of the proposed bond issue, or other debt obligations, or the final completion of the financing required to accomplish all phases delineated in the Development Plan, or the collection of taxes levied through December of 2015, whichever is earlier.

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.**

Due to the presently restricted capacity of the Village's Water Treatment Plant and the resultant State of Michigan imposed moratorium of water main extensions, future development would not be possible in the absence of tax increment financing. None of the overlapping taxing jurisdictions will experience a reduction in revenues due to the implementation of this plan. The enhancement of the value of nearby property will indirectly benefit all local governmental units included in this plan. However, such future benefits cannot be accurately quantified at this time.

1989 MILLAGE RATES OF OVERLAPPING JURISDICTIONS

VILLAGE OF DUNDEE:

General Fund	11.00	
Streets & Highways	1.50	
Wastewater Treatment Plant Debt	<u>6.50</u>	19.00

DUNDEE COMMUNITY SCHOOLS:

General	30.53	
Debt	<u>2.99</u>	33.52

DUNDEE TOWNSHIP:

Operating	.9558	
Roads	.9558	
Senior Citizens - Debt	<u>.3823</u>	2.2939

MONROE COUNTY:

Operating	4.95	
Library	.50	
Debt	.22	
Senior Citizens	<u>.40</u>	6.07

MONROE INTERMEDIATE SCHOOL DISTRICT:

General Fund	2.90	
Debt	<u>.00</u>	2.90

MONROE COMMUNITY COLLEGE:

Operating	2.25	
Debt	<u>.06</u>	<u>2.31</u>

TOTAL MILLAGE - December 1989	66.0939
LESS: Millage Levied for Debt	<u>10.1523</u> Debt

ANTICIPATED APPLICABLE MILLAGE 55.9416

ESTIMATED CAPTURED REVENUES

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
PROJECTED SEV											
VILLAGE OF DUNDEE	12.5000 Mills	\$6,846	\$19,054	\$22,915	\$22,008	\$19,991	\$18,300	\$17,413	\$16,137	\$15,909	\$15,847
DUNDEE COMMUNITY SCHOOLS	30.5300 Mills	16,720	46,538	55,967	53,752	48,827	44,697	40,768	39,413	38,855	38,705
DUNDEE TOWNSHIP	1.9116 Mills	1,047	2,914	3,504	3,366	3,057	2,799	2,553	2,468	2,433	2,420
MONROE COUNTY	5.8500 Mills	3,204	8,917	10,724	10,300	9,356	8,149	7,812	7,552	7,445	7,416
MONROE INTERMEDIATE SCHOOL DISTRICT	2.9000 Mills	1,588	4,421	5,316	5,106	4,638	4,246	3,872	3,744	3,691	3,677
MONROE COMMUNITY COLLEGE	2.2500 Mills	1,232	3,430	4,125	3,961	3,598	3,134	3,005	2,905	2,864	2,852
TOTALS		\$30,637	\$85,274	\$102,551	\$98,493	\$89,468	\$81,900	\$77,928	\$74,701	\$72,219	\$70,921

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
PROJECTED SEV											
VILLAGE OF DUNDEE	12.5000 Mills	\$15,793	\$15,747	\$15,709	\$15,680	\$15,660	\$15,645	\$15,971	\$16,307	\$16,653	\$17,000
DUNDEE COMMUNITY SCHOOLS	30.5300 Mills	38,573	38,461	38,369	38,297	38,247	38,212	39,008	39,828	40,673	41,541
DUNDEE TOWNSHIP	1.9116 Mills	2,415	2,408	2,402	2,398	2,395	2,393	2,442	2,494	2,547	2,600
MONROE COUNTY	5.8500 Mills	7,391	7,370	7,352	7,338	7,329	7,322	7,475	7,632	7,793	7,960
MONROE INTERMEDIATE SCHOOL DISTRICT	2.9000 Mills	3,664	3,653	3,645	3,638	3,633	3,630	3,705	3,783	3,863	3,941
MONROE COMMUNITY COLLEGE	2.2500 Mills	2,843	2,834	2,828	2,822	2,819	2,816	2,875	2,935	2,997	3,060
TOTALS		\$70,679	\$70,474	\$70,305	\$70,174	\$70,082	\$70,018	\$71,477	\$72,979	\$74,526	\$76,120

12 (2) (j)

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

See Section 15 (2) (a) of the Development Plan No. 1.

12 (2) (k)

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

*It is anticipated that this development project will result in the
creation of at least 100 new employment positions within the
immediate future.*

EXHIBITS

\$1,625,000
Village of Dundee
County of Monroe, State of Michigan
Dated Date: November 1, 1990
Term: 20 yrs., 6 mos.

Schedule of Principal and Interest Requirements

Cal. Year	Principal Due May 1	Interest Rate	Interest Due May 1	Interest Due Nov 1	Total P&I
1991	\$25,000	8.000 %	\$65,000.00	\$64,000.00	\$154,000.00
1992	25,000	8.000 %	64,000.00	63,000.00	152,000.00
1993	25,000	8.000 %	63,000.00	62,000.00	150,000.00
1994	25,000	8.000 %	62,000.00	61,000.00	148,000.00
1995	50,000	8.000 %	61,000.00	59,000.00	170,000.00
1996	50,000	8.000 %	59,000.00	57,000.00	166,000.00
1997	50,000	8.000 %	57,000.00	55,000.00	162,000.00
1998	50,000	8.000 %	55,000.00	53,000.00	158,000.00
1999	50,000	8.000 %	53,000.00	51,000.00	154,000.00
2000	75,000	8.000 %	51,000.00	48,000.00	174,000.00
2001	75,000	8.000 %	48,000.00	45,000.00	168,000.00
2002	75,000	8.000 %	45,000.00	42,000.00	162,000.00
2003	75,000	8.000 %	42,000.00	39,000.00	156,000.00
2004	100,000	8.000 %	39,000.00	35,000.00	174,000.00
2005	100,000	8.000 %	35,000.00	31,000.00	166,000.00
2006	100,000	8.000 %	31,000.00	27,000.00	158,000.00
2007	125,000	8.000 %	27,000.00	22,000.00	174,000.00
2008	125,000	8.000 %	22,000.00	17,000.00	164,000.00
2009	125,000	8.000 %	17,000.00	12,000.00	154,000.00
2010	150,000	8.000 %	12,000.00	6,000.00	168,000.00
2011	150,000	8.000 %	6,000.00	0.00	156,000.00
	<u>\$1,625,000</u>				<u>\$3,388,000</u>

18-Apr-90

ESTIMATED CASH FLOW SCHEDULE

<u>Cal.</u> <u>Year</u>	<u>Debt Service</u> <u>Requirements*</u>	<u>Tax Increment</u> <u>Revenues</u>	<u>Village of</u> <u>Dundee</u> <u>Water Funds</u>
1991	\$154,000	\$30,637	\$123,363
1992	152,000	85,274	66,726
1993	150,000	102,551	47,449
1994	148,000	98,493	49,507
1995	170,000	89,468	80,532
1996	166,000	81,900	84,100
1997	162,000	77,928	84,072
1998	158,000	74,701	83,299
1999	154,000	72,219	81,781
2000	174,000	71,196	102,804
2001	168,000	70,921	97,079
2002	162,000	70,679	91,321
2003	156,000	70,474	85,526
2004	174,000	70,305	103,695
2005	166,000	70,174	95,826
2006	158,000	70,082	87,918
2007	174,000	70,029	103,971
2008	164,000	70,018	93,982
2009	154,000	71,477	82,523
2010	168,000	72,979	95,021
2011	156,000	74,526	81,474
	<u>\$3,388,000</u>	<u>1,566,030</u>	<u>\$1,821,970</u>

* From Exhibit "A"

