

# TAX INCREMENT FINANCING PLAN UPDATE



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## Introduction

In 1994, a market study by Ferndale Downtown Development Authority (DDA) identified several areas for improvement downtown: a poor physical appearance, inadequate promotions and retail programs, a lack of pedestrians, and a weak business mix. Fifteen years later, after considerable hard work by the DDA, the City of Ferndale is recognized as one of the top downtowns in the United States by a national downtown revitalization organization.

The DDA, created by the City Council on July 14, 1980, is led by a Board of Directors whose primary purpose is to correct and prevent deterioration and promote economic growth within Ferndale's downtown business district. The DDA also works to reverse declining property values, improve the overall business climate, and increase employment opportunities for the entire city. The DDA is funded through tax increment financing (TIF), which is the ability to capture the incremental increase in property taxes that results from improvements in the district. The captured revenues from multiple taxing jurisdictions are used to finance public improvement projects within the district, as a means for jumpstarting economic growth.

In 2010, the City of Ferndale was named a "Great American Main Street" by the National Trust Main Street Center, a 30-year old economic development program with over 2,000 member communities across the country. Ferndale has been a member of the NTMSC since 2001, assisted by the center's local coordinating program, Main Street Oakland County, which provides technical services, resources, and networking opportunities for eleven program communities. Through its revitalization activities, Ferndale has leveraged over \$57 million in investment during its ten years in the program. The national recognition comes after years of hard work and vision by the residents, business owners, city officials, and staff of the City and the Downtown Development Authority. The hard work, however, is never over. Truly great communities continue to evaluate needs and plan for growth.

The 1980 TIF Plan has been updated and amended in past years. It is currently set to expire in 2013, and must be updated if the DDA is to continue its revitalization efforts. Although much has been accomplished, there is still work to be done to continue the successes of downtown Ferndale. Building on the momentum of the last ten years, this TIF Plan updates the DDA's goals, objectives and recommended actions that will lead to planning and prioritizing future projects. Through this TIF Plan update, the DDA will ensure that the development, redevelopment and other improvements within the downtown district occur in an orderly manner, so as to continue positive improvements downtown.



# Evolution



The face of Ferndale has certainly changed considerably since its settlement in the 1800's. Despite its struggles over the years, Ferndale has evolved from a quaint suburban Detroit community into a vibrant regional destination with a thriving downtown. Ferndale still manages to retain its hometown feel and strives to nurture homegrown businesses while serving the needs of a greater population that is looking for shopping, dining and entertainment.

Back around the turn of the 20th Century, Ferndale experienced significant development in conjunction with the Detroit Urban Railroad, which was extended up Woodward Avenue beginning in 1898. Today, after many years of a dominant automobile-centered culture, rail and mass transit may once again impact the development and redevelopment of the region. Ferndale is well-positioned to capitalize on this change, and given the progressive nature of the community, may likely be one of the future model cities of the region. Ferndale's strength is its diverse population of old and young residents, some of whom remember fondly the Ferndale of the past, and those who have the skills and energy to build on the momentum of recent accomplishments.

## The Start of Thriving Downtown Ferndale

The heyday of Ferndale during the 20th Century occurred from the 20's to the 60's, when the City was a vibrant place to live, work, and shop. Woodward Avenue was a busy thoroughfare, linking the cities of Detroit and Pontiac, which employed many in the manufacturing sector, as well as supporting businesses. Ferndale was ideally-located and enjoyed thriving retail businesses, nice quiet neighborhoods, and access to all the Woodward Corridor had to offer.



Northeast corner of Nine Mile & Woodward in the 1930's (top left); Wetmore's Auto in the 1920's (top right) and today (above right). The southeast corner of Nine Mile & Woodward in 1950 (below), and the restored traffic landmark in the Woodward median (above left).







Scenes from a struggling 1985 Downtown Ferndale (above)

### The Mall & its Impact on Downtown

The introduction of malls into suburban communities forever changed the landscape. Northland Mall, built in nearby Southfield in 1954, inspired the development of several other regional shopping malls (with the similarly geographically-inspired names, "Oakland," "Eastland," and "Westland."). Lured by "convenient parking," a variety of stores, and a clean and climate-controlled environment, shoppers passed by downtowns in favor of the malls. The innovation of malls completely changed the way people experienced the buying and selling of goods. With its comprehensive and consistent approach to marketing, maintenance, leasing, and even event planning, the mall attracted many retailers who could now more easily manage stores in multiple locations across the country. The consistency offered by mall management was noticeably lacking from downtowns. In fact, many downtowns across the country experienced abandonment during the 1960's-1980's as businesses either moved to the mall or simply closed up shop due to the decrease in traffic downtown.

### State & Local Efforts to Revive Downtowns

To counteract this downward trend, the State of Michigan enacted legislation in the 1970's designed to improve the conditions of downtowns in the State by allowing the creation of Downtown Development Authorities (DDAs). A DDA is established by a community to correct deterioration and blight, as well as improve property values for a community's primary commercial core. The goal is to encourage private investment in a defined downtown area by making public investments aimed at improving aesthetics, making sidewalks and roads safer, retaining and recruiting businesses, and raising awareness of downtown.

Primary support for the DDA comes from a mechanism called "tax increment financing," which means upon creation of a DDA, a base level of property tax revenues is established. **As property values increase in the district, the amount of increased property tax revenue is invested by the DDA for further improvements within the district.** The base property tax revenue continues to flow to the community's general fund. In addition, the benefit of a DDA is that **other taxing jurisdictions** (including a county) may forgo its share of increased property tax revenue, **effectively reinvesting those funds into the downtown.**

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To address its downtown needs, the City of Ferndale passed an ordinance in 1980 to create a DDA in order to “halt property value deterioration and increase property tax valuation where possible in the business district of the City, to eliminate the cause of the deterioration and to promote economic growth.” DDA efforts in Ferndale between 1980-2000 focused on marketing efforts, parking lot and streetscape improvements, and special events.

## Ferndale & the National Main Street Program

Elsewhere in the country during this same time, in response to the demise of downtowns and deterioration of their historic resources, a downtown revitalization organization was established by the National Trust for Historic Preservation. Currently in its 30th year, the organization is now called the National Trust Main Street Center (NTMSC) and includes over 2,000 downtown revitalization programs across the US. Its program services aimed at the organization of downtown are administered through state and regional partners.

In 2002, Ferndale made application to participate in the National Trust Main Street Center program through its regional coordinating program. Main Street Oakland County (MSOC) was launched in 2000, under the leadership of County Executive L. Brooks Patterson, with the unanimous support of the County Board of Commissioners. Ferndale is one of eleven communities served by MSOC, the only county-level program in the country. All communities with downtowns in the County may apply for this program, and are accepted upon meeting standards set forth by the NTMSC.

During the 10 years that Ferndale has participated in this program, the DDA has provided the statistics required by the National Trust’s guidelines. These statistics reflect investment in downtown leveraged by the DDA’s expenses in the downtown area. These DDA investments include physical improvements to downtown, special events, business support programs, grant programs, and other activities intended to make the downtown environment a place where businesses can flourish and make the downtown more vibrant. All these public investments and expenses prompt private investments in terms of façade improvements, new businesses, new jobs, and new development. The reports include the DDA budget, dollars spent on public improvements and private investments.



What does Main Street Oakland County do?

- ◇ Empower Oakland County's traditional downtowns to establish and/or maintain successful, comprehensive, ongoing revitalization programs
- ◇ Build a greater awareness of the economic and quality of life importance of revitalizing and maintaining the County's historic commercial districts
- ◇ Provide the stakeholders of Oakland County's traditional downtowns with technical assistance and training resources
- ◇ Assist communities in implementing the "Main Street Four Point Approach" to downtown management in each of the County's traditional downtowns and corridors
- ◇ Facilitate networking and communication between communities about downtown revitalization
- ◇ Provide information about County business finance programs and other economic development resources to existing downtown businesses and to those considering downtown locations
- ◇ Monitor and measure progress and success in local downtown revitalization efforts
- ◇ Assist each of the 30 traditional downtowns and town centers in the County to help them realize their full economic development potential while preserving their sense of place.

Over the past 10 years in the Main Street Program, the DDA reports:

- ◊ \$50,000,000 in private investment occurred in downtown Ferndale.
- ◊ 172 New Buildings, Facades and Rehabs and 122,002 square feet of new buildings/additions
- ◊ 35 Net Businesses and 780 Net Jobs Gained
- ◊ 17,647 Volunteer Hours, valued at \$337,624 (*source: the Corporation for National & Community Service*)

Since launching the BUILD program in 1991, the Ferndale DDA has awarded nearly \$500,000 in improvement grants, directly leveraging \$2.5 million in private investment downtown.

### Measures of Success

Over the last eight years in the Main Street program, the DDA has used its approximately \$500,000 per year budget (an average) to leverage a total of nearly \$50,000,000 in private investment in downtown Ferndale.

One of the direct leveraging programs of the DDA is the BUILD (Building Upgrades and Investment for a Landmark Downtown) program. Its goal is to strengthen the economic viability of Downtown Ferndale by providing financial incentives for improving the exterior of existing buildings and constructing new commercial buildings. BUILD provides an opportunity to preserve the architectural heritage and enhance the unique atmosphere of Downtown Ferndale. The BUILD program provides a 20% reimbursement for eligible façade improvements and construction costs up to \$5,000 per project. Over the past 20 years, the Ferndale DDA has contributed nearly \$500,000 to the BUILD program, leveraging \$2.5 million in private investment downtown.

In addition to public dollars spent in the community, the Main Street program recognizes that, being a community-driven program, there are considerable volunteer hours poured into the downtown revitalization process. Since 2002, volunteers in Ferndale have offered 17,647 volunteer hours for downtown activities, including organizational guidance. This shows the level of community support and commitment to the DDA and the Main Street program.

### Visible Changes

A downtown does not decline overnight; likewise, the process of downtown revitalization requires years of investment and persistent hard work. Changes are made year by year that add up over time, contributing to the sense of activity and improvement. Over the years, the DDA has utilized its tax increment financing (TIF) capture—*combining local and non-local revenues*—for numerous projects and activities that have contributed to revitalizing downtown, that likely would not have occurred otherwise. Major investments have been made for streetscape improvements to West Nine Mile, and side streets, including sidewalks, planters, light fixtures, and street furniture. While these visible changes promote a sense of place and encourage civic pride, they also attract new businesses to the area. In 2011, the DDA reported 26 new businesses started in Ferndale during the previous year. It's 6% vacancy rate is unparalleled in the region, and is a mark of achievement, given the 30% vacancy rate in 2000.

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## National Recognition

The concerted effort by the Ferndale DDA is making an impression, both locally and on the national scene. In 2010, the National Main Street Center awarded the City of Ferndale its “Great American Main Street” award. This recognition, given to only five communities across the US each year, comes at a time when the economy is struggling, and Michigan has been hit hard. Recognized for its extended revitalization effort and unwavering determination to create a sustainable business district, the Ferndale Downtown Development Authority is the first Main Street Oakland County program participant to bring home the GAMSA and only the third in Michigan to be so honored since the award began in 1995.

The Main Street Center notes that despite the economic conditions, Ferndale is able to boast new businesses, new jobs, investment, and, not to be looked over, civic pride. Most importantly, because the program is volunteer-driven, the accomplishments of the DDA can be shared throughout the community.

## The Evolution Continues

The work is never over for downtown revitalization. Changes in the local, regional, and state economy, as well as social changes, impact how downtown functions. To stay competitive and continue to improve the quality of life for Ferndale residents and business owners, the DDA must continue to celebrate its successes, build on what works, and improve what needs work. This plan analyzes the core DDA district, and identifies ways to make it more attractive, safer, and unique to Ferndale.

The next few pages discuss important elements—best practices—for downtowns. This section is followed by an overall assessment of existing conditions and a property value analysis. Then specific elements of streetscape and traffic and circulation are evaluated. Understanding these assessments, best practices, and property value analysis, projects will be identified and a strategic plan established that will keep Ferndale evolving in positive ways in the future.

**As recognized by the National Main Street Center, Great American Main Street Award winners, including Ferndale, demonstrate exemplary achievement in the process of strengthening their downtowns and commercial districts based on the following selection criteria:**

- ◇ Active involvement of the public and private sectors;
- ◇ Broad-based community support for the revitalization effort;
- ◇ Quality of achievements over time;
- ◇ Innovative solutions to significant problems;
- ◇ Commitment to historic preservation;
- ◇ Evolving track record of successful commercial district revitalization;
- ◇ Comprehensive revitalization effort: activity in all four points of the Main Street Four-Point Approach® to commercial district revitalization;
- ◇ Economic impact of the revitalization program; and
- ◇ Successful small business development.



# Evolving Forward—Principles for a Healthy Downtown

Community decision-makers should understand why downtown is important and see how investments that contribute to creating a strong downtown are powerful economic development tools for the entire community.



## Best practice: Land Use

Outdoor dining areas provide a great opportunity for dining “al fresco” and watching people go by. It increases activity in public spaces and expands seating areas for restaurants. Outdoor dining can be as simple as a bench or a few chairs. Allow outdoor dining to encroach onto the public sidewalk, provided sufficient passing space is available. Make sidewalks wider on the “sunny” side of the street to maximize the outdoor dining season in cool climates.

Marshall, MI

Community activist Jane Jacobs once said, “the greatest asset a city or neighborhood can have is something different from every other place.” These words serve as a good reminder for us today to focus on what makes a place special and allow that uniqueness to be a springboard for economic development. For many communities, those special qualities are often found downtown or in a commercial core. Building upon the unique features of a place leads to long-term sustainability as these efforts enhance the quality of life and provide business and employment opportunities.

## Downtown Buildings

Downtown buildings frame the public realm and provide the physical context for human activity. Some of their aspects that should be addressed include:

- ◇ Massing: Buildings should be designed to reinforce the street wall, creating a comfortable and interesting environment. The mass of buildings – their size, shape and volume—frames the outdoor space of downtown. Changes to the vertical and horizontal planes of buildings affect how people perceive the mass of buildings and are an important element in building design.
- ◇ Architectural materials and details: A wide variety of quality architectural building details that fit within the context of individual buildings and the block as a whole is encouraged to create an interesting downtown.
- ◇ Ground floor features: Ground floor elevations are the most important building element for pedestrians as they are a point of interaction. Ample transparent display windows, recessed doorways, quality doors and door hardware, awnings, and other interesting architectural details draw pedestrian into buildings as well as along a street.
- ◇ Upper floor features: Upper floors make up the “core” of the building and add architectural interest for downtown visitors. The core of the building should clearly reflect a change in the building structure. This can be done by simplifying materials and design on upper floors and by using projections and recesses for certain building elements.
- ◇ Rear facades: Rear facades of buildings are often missed opportunities to create inviting spaces and draw people

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from rear parking areas to the main street. Make the backdoor as inviting as the front, by adding secondary signage, presenting a clean clutter-free entrance, and where possible, using this semi-public space for courtyards, plazas and outdoor dining.

- ◇ Historic buildings themselves should be assessed as well, for how their maintenance and use contribute to a downtown's sense of place and history.

## Circulation & Parking

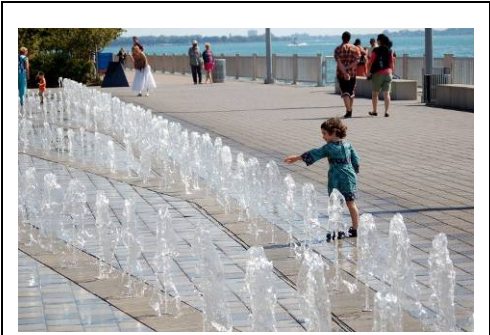
Circulation and parking in the downtown are important for visitors, residents and business owners. Pedestrian, bicycle, and automobile flow should be intuitive, convenient and employ common sense design.

- ◇ Pedestrian and bicycle: Create a welcoming, safe, walkable, and barrier-free environment for pedestrians and cyclists. Plan on locations for bicycle racks in areas that are visible to the public for safety and security, as well as to suggest cycling as a transportation alternative. Strategic connections to local/regional trails identifies your town as a healthy community and allows outdoor enthusiasts to "discover" downtown on their own. Provide linkages from off-street parking to the commercial core. While strategies for improving circulation downtown may involve streetscape design and construction, a few well-placed signs can also improve the flow and connectivity downtown.
- ◇ Vehicle: Safe and efficient traffic circulation accommodates drivers. Use a variety of curb and paving treatments to slow traffic. Integrate traffic signals into the streetscape, removing overhead wires where possible and installing mast arms. Provide ample public parking away from Main Street, using effective signage to alert visitors to parking areas. On-street parking provides easy access to businesses, slows traffic for better business visibility, and buffers the sidewalk from the roadway.

## Streetscape

Streetscape elements include plantings, pedestrian amenities, and gathering spaces. Streetscape designs need not be elaborate, but should consider the following:

- ◇ Plantings: Downtown streets should be lined with trees that will shade pedestrians in warm weather, and add color and softness to what can be a harsh environment. Off-street parking lots should be partially screened from view



### Best practice: Gathering Spaces

Public plazas are great flexible spaces for downtown. Shoppers needing a rest and employees who need a break in the fresh air can use space within a plaza. Plazas can also function as event space. For example, small plazas can be used for intimate concerts, wine tastings, book signings, farmers markets, or events for small children. Larger plazas can be used for concerts, food festivals and art fairs.

Detroit Riverwalk

The perception of the quality of businesses, homes, and local government itself is impacted by the condition of downtown.



### Best Practice: Circulation

Mid-block pedestrian connections can be used to promote convenient parking and shopping connections or access to hidden gems such as intimate bistros and smaller shops that may not be able to afford “Main Street” rents but desire a downtown presence. It should not go unnoticed that this idea multiplies the opportunities for new businesses and entrepreneurial activity.

Kalamazoo, MI

Community leaders and decision-makers who understand the value of investment downtown will make successful public investments that instill confidence in the private sector. This results in leveraging private investments downtown in a manner that adds value to the whole community. Strategic investment during an economic slowdown can increase market share for the downtown and its individual businesses.

with landscaping or screen walls. Annual and perennial flowers should be found in every direction. Green areas, like public squares, semi-public spaces, and parks should be part of the downtown fabric. (Take care to select plants that are hardy in an urban environment. Select trees for proper size at maturity and maintain them to prevent obscuring business signs and window displays).

- ◊ Amenities: Paying attention to the details of a downtown streetscape, such as streetlights, park benches, or a public water fountain, shows the depth of community planning and civic pride in the downtown.
- ◊ Gathering spaces: When properly designed and located, gathering spaces can provide people with informal meeting places, as well as formal places for community celebrations.

### Signs

Signs convey a great deal of information to downtown visitors, and go beyond simply identifying businesses or the locations of downtown features.

- ◊ Business: signs highlight the downtown’s offering of quality goods and services, illustrate an attention to detail and contribute to community character.
- ◊ Wayfinding and directional signs: use wayfinding signs to help visitors find parking, civic uses, business districts and parks. Make them uniform in design and easy to read.

### Land Use

Land uses make downtown amenable for living, working and playing. Successful downtowns have a good variety of pedestrian-oriented uses that generate pedestrian traffic throughout the day and week. The ground floor of most downtown buildings should be a mix of retail uses that serve the nearby population and draw visitors from the region. Civic uses, such as municipal offices, libraries, and museums attract residents, business owners, and visitors, and project a sense of confidence downtown. These uses should be encouraged and maintained, while not monopolizing prime commercial spaces. Consider upper floors for civic uses, and mixing in commercial uses on the ground floor.

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# Existing Development

## NINE MILE & WOODWARD GATEWAY

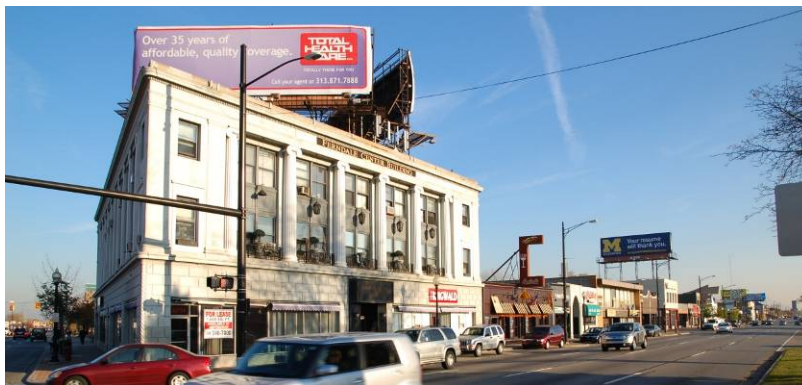
(Nine Mile between Livernois & Bermuda;  
Woodward between Breckenridge & Saratoga)

### What Is Working

- + The intersection of Nine Mile Road and Woodward Avenue is full of entertainment and dining opportunities.
- + Most of the businesses in this area appear to be viable.
- + The historic Magic Bag Theater has been serving Ferndale residents since 1921 and has adapted to the changing times by offering live music in addition to film events.
- + This portion of the district features several historic buildings.
- + Residents are conveniently served by the five grocery stores along W. Nine Mile.
- + Schiffer Park on W. Nine Mile is a good example of how small spaces can be turned into a useful pocket park through the addition of street furniture and landscaping.
- + Spaces behind buildings is well-used on Troy Street.
- + Pedestrian alley offers appealing mid-block access



Schiffer Park on W. Nine Mile and attractive rear spaces (above) use small spaces well. Rosie O'Grady's (below) is a newer building that contributes well to the downtown mix. The Magic Bag Theater is a successfully rehabilitated historic theater.



Historic buildings (above) and grocery stores (below) offer a stable feeling to downtown.







## What Needs Work

- ❑ The automobile collision shop on Vester may not be the best use for this part of downtown and may be limiting redevelopment potential on the north side of the street.
- ❑ The vacant alleyway between Nine Mile and Withington is very large and offers no good use in its current form.
- ❑ Low-rise buildings on Woodward detract from the area's potential to be more dense and urban feeling.
- ❑ Woodward/Nine Mile is not bicycle-friendly.

The auto repair business on Vester (left) detracts from other, more walkable uses. The low-rise buildings south of the historic building on Woodward do not contribute to the downtown feel of the district. The alley between Nine Mile and Withington is overly wide and not well designed.



## Development & Redevelopment Opportunities

- » There are additional opportunities for pocket parks and enhanced open space in this corridor.
- » The site of the vacant building at W. Nine Mile and Woodward Ave. could be redeveloped as a multi-story mixed use building.
- » The alley between Nine Mile and Withington could be redesigned, narrowed, and enhanced, leaving additional room for redevelopment.
- » Upper story development may be added to existing buildings
- » Pedestrian alleys will improve access throughout downtown

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# Streetscape Analysis

(Nine Mile between Livernois & Bermuda;  
Woodward between Breckenridge & Saratoga)

## What Is Working

- ✚ The pedestrian crossing at Woodward and Nine Mile features landscaping and historic markers that provide refuge for those stopping at the midpoint across Woodward Avenue and gives pedestrians something to do between traffic cycles.
- ✚ The historic structure and information sign provide good landmarks and identify the area as the center of downtown.
- ✚ Many rear entrances facing Troy Street and the Withington Alley are appealing to pedestrians.
- ✚ With its painted mural, street lights, and pavers, the alley from Troy to W. Nine Mile provides an appealing link between the rear parking area and the main business area.
- ✚ The alley from E. Nine Mile, just east of Woodward Avenue provides an enticing respite from the busy intersection and roadways.
- ✚ There are well-spaced, signalized pedestrian crossings of W. Nine Mile at Planavon, Allen, and mid-block between Allen and Woodward.



The alley from E. Nine Mile shows how pedestrian alleys can be create safe and comfortable spaces, enhancing the pedestrian experience.

## NINE MILE & WOODWARD GATEWAY



The crossing at Woodward and Nine Mile (above) has been enhanced with landscaping, brick pavers, and historic markers, providing safe refuge for pedestrians, and creating a strong sense of place at this historic intersection. A mural along the alley linking Troy Street to W. Nine Mile is appealing to pedestrians (above right).





## What Needs Work



Unattractive overhead utility lines (above left) detract from the pedestrian experience. A lack of bike racks (above right) causes people to improvise, which may impact other pedestrians.



- ❑ With no streetscape elements to soften the vast pavement, the Withington Alley is unwelcoming to pedestrians. Overhead utility lines facing Withington are unsightly.
- ❑ Inappropriate placement of some streetscape elements, especially trees, on W. Nine Mile impede the flow of pedestrians.
- ❑ The proliferation of newspaper boxes at multiple locations downtown is unsightly.
- ❑ The bus stop on E. Nine Mile lacks street furniture.
- ❑ Due to the location of bars, restaurants, and the theater, pedestrians routinely cross Woodward at Withington/Vester (where there is no marked crossing) rather than walking further (and often out of their way) to the marked crosswalk at the intersection of Woodward and Nine Mile.
- ❑ Vester, between Woodward and Bermuda, has right-angle parking directly accessible from the street. This is out-of-character for a downtown and interferes with the safe movement of pedestrians, bicyclists, and cars circulating in search of parking.
- ❑ This area is not bicycle-friendly.

Landscaping, street lights, and street furniture would enhance this alley (left) between W. Nine Mile and Withington. The location of street trees and parking meters impedes pedestrians in certain locations (below). A shelter and/or street furniture would enhance the bus stop (below right).



## Development & Redevelopment Opportunities

- » See the corresponding Traffic and Parking section for redevelopment opportunities of the street network that reinforce the City's Complete Streets policy.
- » Create a public art program throughout downtown to enhance the district.
- » Develop a comprehensive streetscape plan, including identifying style and location of lights, benches, receptacles, newspaper boxes, bike racks, and pocket parks.
- » Enhance mass transit stops for safety and comfort to encourage use.
- » A thoughtful redesign of Nine Mile and Livernois could significantly improve the pedestrian experience, provide clarity for motorists, enhance safety, and possibly result in a developable retail site and/or pocket park.
- » Troy Street and Vester afford opportunities for redesign and enhancement.

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# Traffic & Parking Analysis

(Nine Mile between Livernois & Bermuda;  
Woodward between Breckenridge & Saratoga)

## What Is Working

- ✚ The downtown parking supply is generally adequate for day-time activities.
- ✚ There are some trailblazing signs directing motorists to the City's largest parking lot, on Withington just west of Woodward. There is a Public Parking sign on the eastbound signal mast arm at Planavon, as well as roadside signs on southbound Woodward near Withington and northbound Woodward near Breckenridge.
- ✚ There are well-spaced, signalized pedestrian crossings of W. Nine Mile at Planavon, Allen, and mid-block between Allen and Woodward.
- ✚ There are enhanced crosswalks on Woodward, both north and south of Nine Mile, along with related amenities in the Woodward median.

## What Needs Work

- ✚ Due to the extensive restaurant and bar activity, there are significant parking shortages on weekend evenings, both east and west of Woodward.
- ✚ Localized points of traffic congestion result from motorists circulating in search of convenient evening parking. Some of this extraneous traffic may be due to the incomplete system of trailblazing signs. For example, visitors approaching from the east on Nine Mile are not directed into the Withington lot via the alley. There also appears to be no trailblazing for the parking lots along W. Troy.
- ✚ Excessive signing on Planavon at the Withington parking lot could confuse unfamiliar visitors. Note that the ONE WAY sign on the north side of the alley (pictured above right) appears to prohibit entry to the parking lot.
- ✚ Visitors to downtown commercial establishments sometimes park in the residential neighborhood along W. Troy and W. Saratoga west of Allen.
- ✚ The unloading zone on W. Troy immediately upstream (east) of the crosswalk can result in pedestrians being obscured just before they step off the side-walk, placing them at great risk of injury from collisions involving westbound cars.
- ✚ Note that the crosswalk lacks yield lines to support the sign.

Note: The DDA was completing a wayfinding study and the first phase of installation when this report was written.

## NINE MILE & WOODWARD GATEWAY



Signs at Planavon and Withington are confusing as the One Way signs appear to prohibit entry to the parking lot (above). This loading zone on W. Troy (below) may block the view of pedestrians by westbound vehicles.







Some areas feature excessive signage, which can be confusing (above); this narrow sidewalk (below) may be hazardous to pedestrians.



- ❑ The tee intersection of Allen and W. Troy confuses some drivers, due to there being stop signs on northbound Allen and west-bound Troy, but not on southbound Allen. The City has requested a study to evaluate alternative traffic control at this intersection.
- ❑ The requested study will also evaluate the need for two northbound lanes on Allen between Troy and Nine Mile. As illustrated at left, eliminating one of these lanes would allow the very narrow sidewalk to be widened.
- ❑ At Woodward and Nine Mile, turning drivers often appear to not be watching for pedestrians.
- ❑ Due to the location of bars, restaurants, and the theater, pedestrians routinely cross Woodward at Withington/Vester (where there is no marked crossing) rather than walking further (and often out of their way) to the marked crosswalk at the intersection of Woodward and Nine Mile.
- ❑ Vester, between Woodward and Bermuda, has right-angle parking directly accessible from the street. This is out-of-character for a downtown and interferes with the safe movement of pedestrians, bicyclists, and cars circulating in search of parking.
- ❑ There is a lack of crosswalks across Woodward
- ❑ Woodward/Nine Mile is not bicycle-friendly.

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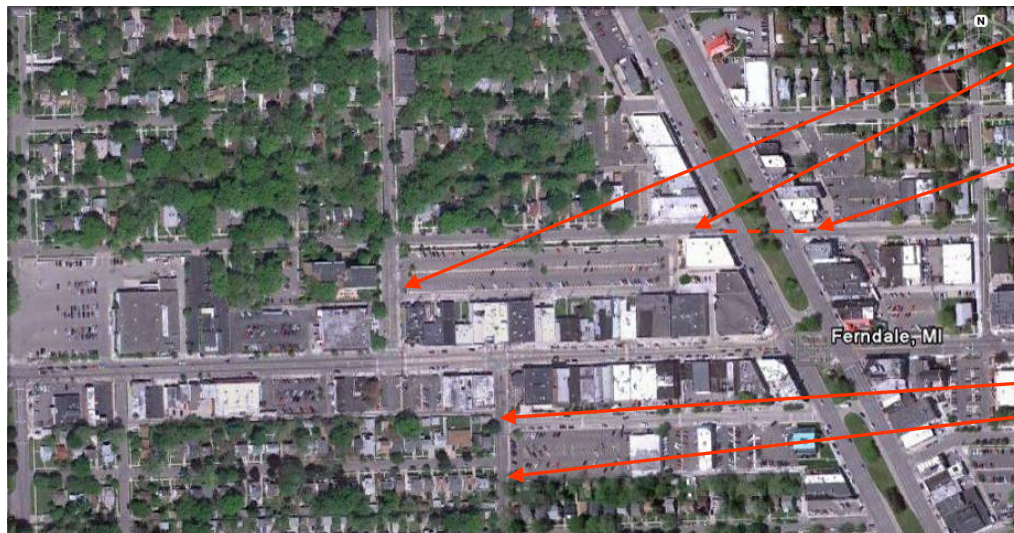
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# Traffic & Parking Analysis

(Nine Mile between Livernois & Bermuda;  
Woodward between Breckenridge & Saratoga)

## NINE MILE & WOODWARD GATEWAY



Review directional signs for parking areas.

Explore pedestrian crossing options to address needs of pedestrians in this area.

Mitigate parking intrusion along W. Troy and W. Saratoga.

### Development & Redevelopment Opportunities—Nine Mile and Woodward Gateway Parking

Based on the latest studies by consultants to the DDA and/or City of Ferndale, the first two downtown parking structures should be located on 1) the east end of the Withington parking lot, and 2) the site of the existing parking lot between City Hall and the Library.

#### Traffic

##### Overall

- ▶ Support the study needed to implement a "road diet" for Woodward Avenue, in which one travel lane in each direction would be eliminated to facilitate the addition of bike lanes and a wider sidewalk (per the "Woodward Avenue Non-motorized Transportation Master Plan, Eight Mile Road to Maple Road," January 2010).
- ▶ Support development of the City's non-motorized transportation network plan, mandated by the Complete Streets Ordinance approved on 10-25-10. A key element of that plan should be the identification of one or more bike routes, following or closely paralleling Nine Mile Road, between Livernois and Hilton.
- ▶ Provide a more complete and identifiable system of wayfinding signage for the City's major public parking facilities (e.g., guide westbound Nine Mile drivers into the Withington lot via the alley connection to Nine Mile, and guide Woodward drivers to the lots on E. and W. Troy.)

##### N. Woodward Area—W. Nine Mile

- ▶ Place "Turning Traffic Must Yield to Pedestrians" (R10-15) signs on the right side of each approach to the Nine Mile / Woodward intersection.
- ▶ Review areas for directional signs that could be removed or relocated to improve their effectiveness (e.g., along Planavon near the west end of the Withington parking lot).

Evaluate "road diet" for Woodward Avenue

Improve pedestrian safety W. Troy relative to loading zone.



- » Evaluate traffic access and pedestrian safety related to the proposed Withington parking garage. Additional parking capacity may precipitate eastbound and westbound queues on Withington. A few on-street parking spaces may need to be removed to create a westbound through lane.
- » Explore the feasibility of providing a controlled pedestrian crossing of Woodward at Withington via either pedestrian-activated signals or a pedestrian bridge.

#### N. Woodward Area—E. Nine Mile

- » Explore the feasibility of providing a controlled pedestrian crossing of Woodward at Vester via either pedestrian-activated signals or a pedestrian bridge.
- » Encourage the auto repair business on Vester at Bermuda to relocate its parking to an off-street lot, supplemented by new parallel parking along Vester.

#### S. Woodward Area - W. Nine Mile

- » Investigate parking intrusion along W. Troy and W. Saratoga west of Allen Road, and consider mitigating through permit parking and/or road closure for non-emergency vehicular traffic.
- » Conduct traffic study to identify optimum traffic control and number of lanes along Allen just south of W. Nine Mile. Strive to widen adjacent sidewalk(s).
- » To improve pedestrian safety, relocate the truck loading/unloading zones along W. Troy to the far side of the mid-block crosswalks. Also install yield "lines" in advance of those crosswalks.

#### S. Woodward Area - E. Nine Mile

- » Place "Turning Traffic Must Yield to Pedestrians" (R10-15) signs on the right side of each approach to the Nine Mile / Woodward intersection.

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# Property Values Analysis

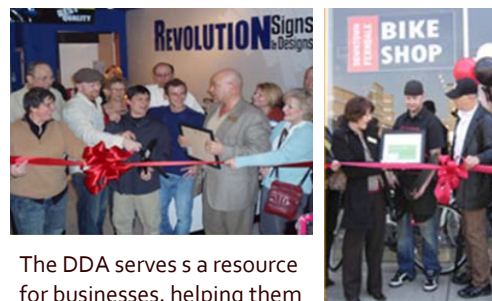
The work of the Ferndale Downtown Development Authority (DDA) was created to improve property values. This overall mission requires a comprehensive strategy, aimed at assisting downtown businesses, promoting the downtown, and community building activities. The DDA identifies the following as its goals for 2011:

- ◇ Sustain, grow and promote Downtown Ferndale's vibrant, diverse and cooperative business district.
- ◇ Ensure that Downtown Ferndale provides a quality environment and experience
- ◇ Ensure Downtown Ferndale continues to be a leader in local, state and national economic development
- ◇ Celebrate the history, culture and progress of Downtown Ferndale while shaping the future to enhance the quality of life and business.
- ◇ Efficiently and effectively maintain and manage the operations of Downtown Ferndale.
- ◇ Empower stakeholders, creating strong partnerships and ownership of Downtown Ferndale.
- ◇ Create a clear and positive impression of Downtown Ferndale and the City as a whole, and how the DDA is integral to its evolution.

To achieve these goals, the DDA takes on specific strategies:

**Business Start Up & Assistance:** The DDA helps existing businesses grow, attracts new businesses, and nurtures new businesses. It does this by:

- ◇ Providing new business and/or Welcome Packets that Include: BUILD Grant information, City ordinances and applications
- ◇ Assisting with permits, applications, zoning
- ◇ Tracking and list available properties on website
- ◇ Providing location assistance and consultation services
- ◇ Offering networking For every business stage:
  - FernNet, For Established Businesses
  - IGNITE, For New, Emerging Or Growing Businesses
  - Ferndale First, For ALL Ferndale Businesses
- ◇ Offering free marketing, promotions & consultations



The DDA serves as a resource for businesses, helping them grow and enrich the downtown.



The DDA maintains the Downtown Ferndale website, a clearinghouse for downtown events and activities, as well as a resource for businesses.







The DDA beautifies downtown through streetscape improvements and by encouraging businesses to enhance their storefronts.

The DDA develops marketing materials for downtown, including a business directory, and also uses social media to raise awareness of downtown businesses and activities..



- ◇ Serving as a resource for State & Federal financial incentives and business planning
- ◇ Coordinating public/private partnerships for improvements & maintenance

**Streetscape Plans, Projects & Improvements:** The DDA contributes to the planning, design, construction and maintenance of downtown streets and sidewalks. Some of these improvements include:

- ◇ Landscape & flower installations & maintenance
- ◇ Planting more than 40 new trees on Woodward Ave
- ◇ Design guidelines & façade grants For façade improvements
- ◇ Long term planning for capital improvement projects
- ◇ Wayfinding, directional and historical signage
- ◇ Develop programs to encourage businesses to improve their visuals, i.e. Pimp Your Pot
- ◇ Encourage environmental sustainability with financial incentives

**Promotions & Marketing:** The DDA provides an essential role in communicating assets For Downtown Ferndale & its businesses by:

- ◇ Regularly distributing press releases & media alerts
- ◇ Social media management: Maintain & update 3 separate facebook pages with more than 4,300 fans (Downtown Ferndale, Ignite & Fido Does Ferndale); Maintain & update LinkedIn, Twitter & blog; E-Blast newsletters to more than 2,000+ consumers and businesses.
- ◇ Maintain & Update [www.downtownferndale.com](http://www.downtownferndale.com) (more than 13,000 unique visitors per month). Website updates include business listings, events, volunteer opportunities, etc.
- ◇ Special Events for downtown Ferndale

**Grass Roots Community Building:** As a Main Street community, the DDA is a volunteer-driven organization. This approach gives the community ownership in its downtown and generates civic pride. The DDA recruits volunteers for a variety of jobs, trains and recognizes its volunteers, and engages non-profits in partnerships to improve the community.

**The approximate annual value of these services is \$747,000.** Refer to the Ferndale DDA 2012 Budget Presentation for more details.

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# Property Values Analysis

The Ferndale Downtown Development Authority (DDA) is funded primarily through Tax Increment Financing (TIF). By State law (DDA Act, PA 197 of 1975), a TIF district collects only the incremental increase of City and non-City tax revenues.

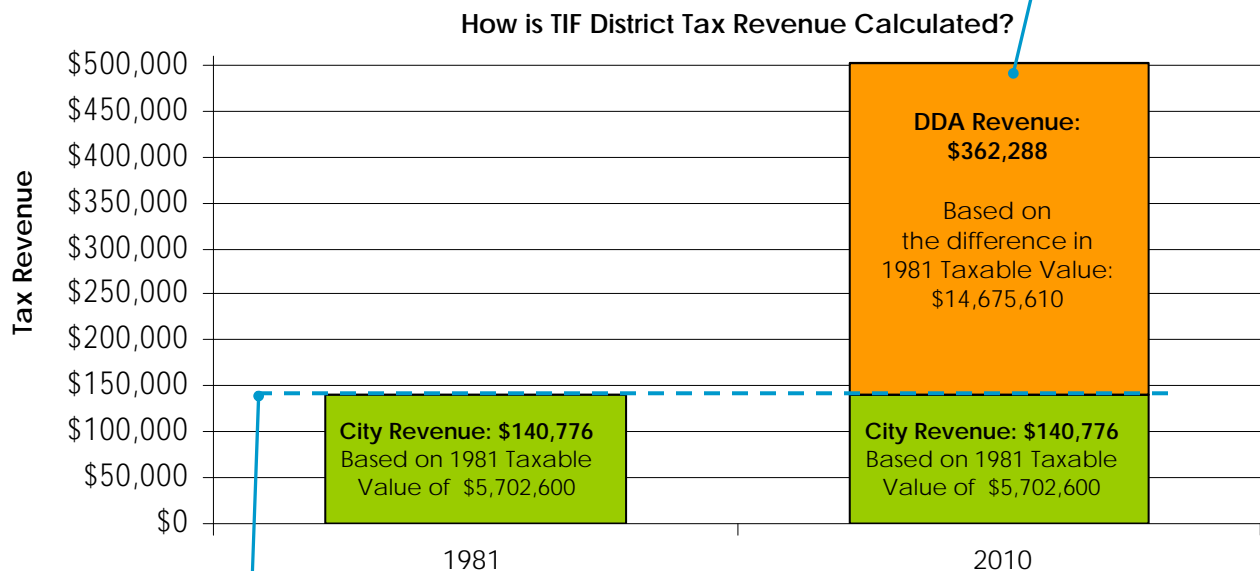
- The amount captured is only the percentage of revenue that increases as property values rise each year
- The City continues to receive the base amount of tax revenue from the district
- The bonus to the City is that other taxing entities, such as Oakland County, have agreed to invest their portion of the increased tax revenue in improvements to the DDA district. This non-City portion is revenue that would otherwise leave the City.

1

In 1981, the City of Ferndale established a tax increment financing (TIF) district as a way to improve the condition of the downtown. (Ordinance 703, July 1980) The taxable value of the district that year was \$5,702,600

2

As property values increase from 1981, the tax revenue generated from the increased value is reinvested in the DDA District.



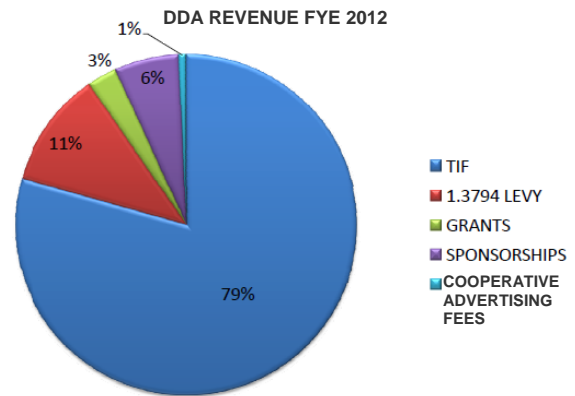
3

Each year the City receives \$140,776 of tax revenue from properties in the district, based on the 1981 taxable value of the district. As the district improves, the increase in property values helps fund more improvement activities

4

Revenues are reinvested by the DDA to improve the downtown area for all residents. The value of DDA services to the community is over \$747,000 per year. Refer to Ferndale 2012 budget information packet for more details.

By law, the DDA also may be financed through donations, tax levies, revenue bonds, and other sources as approved by City Council. As seen in the chart (DDA Revenue FYE 2012, right), the DDA has other, smaller, funding revenue sources: a 1.3794 tax levy on commercial and industrial properties in the tax district (1996), grants, sponsorships, and cooperative advertising fees. These sources comprise about 20% of the DDA budget.



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The biggest benefit of a TIF district is the ability to retain incremental tax revenue from other taxing jurisdictions, including Oakland County. This money would otherwise leave the City. As seen in the chart below, about 22% of the DDA Revenue that comes from TIF is from outside the City of Ferndale.

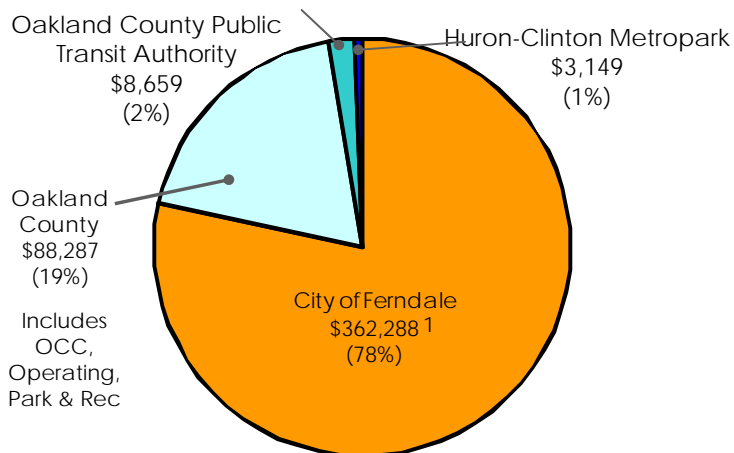
When other taxing jurisdictions agree to participate in a TIF, they are projecting the property values in the district to increase over time, leading to further revenues in the future.

Without the TIF, in 2010, the City would lose the \$100,095 from other taxing jurisdictions. In addition to this investment, the DDA brings grants, sponsorships, donations, and other fees into the downtown for reinvestment. The DDA tax levy supplements revenue from the TIF and other sources, which is important in this economic downturn.

When a community creates a TIF district, it develops a plan for how the money it receives will be reinvested into the district. The TIF Plan is reviewed when the district is created and other taxing jurisdictions are asked if they will partner with the community in the reinvestment or opt-out of the TIF capture.

A DDA TIF district is built upon the principle that strengthening a core area benefits the entire community, improving property values not only in the core district, but throughout the community.

**2010 Ferndale DDA TIF Revenue by Taxing Jurisdiction**



<sup>1</sup>Note: the City always retains the base district tax revenue of \$140,000

# Property Values Analysis

## What Is Working

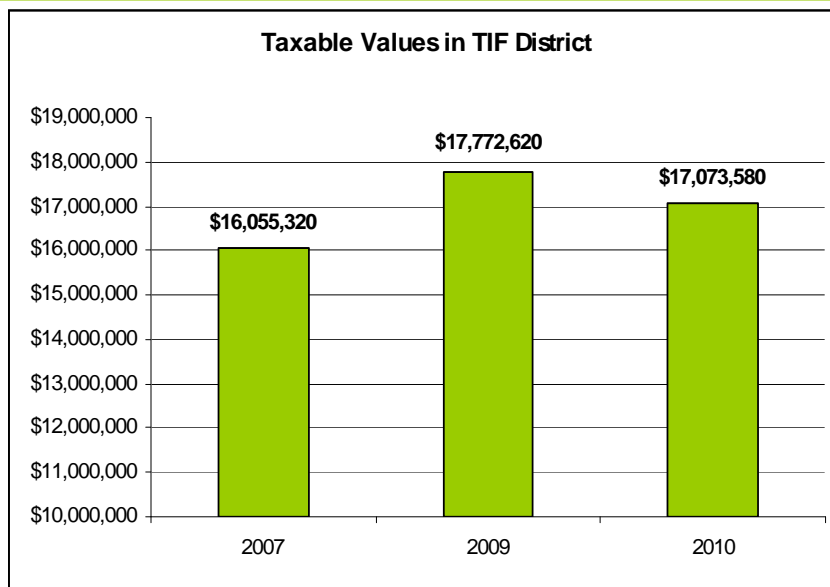
- ✚ The DDA is using tax increment financing (TIF) revenues to leverage private investment through its projects, activities, and events.
- ✚ DDA revenues are enhanced by the investment of other taxing jurisdictions' revenues that would otherwise be spent elsewhere.
- ✚ The BUILD program is a matching grant program to encourage quality investment in downtown buildings, which further increases their taxable value.
- ✚ Despite the difficult economic situation in Michigan and across the country, downtown Ferndale boasts a low 6% vacancy rate, down from 30% in 2000.
- ✚ While taxable values of property have decreased across Oakland County by 11.75% between 2009 and 2010, taxable values in Ferndale have decreased at a lower rate (7.61%) , with the downtown district even lower (4%) (*source: Oakland County Equalization*).

## What Needs Work

- ✚ Because the economy is currently weak, efforts should continue to be made to encourage public and private investment in the downtown area, instilling confidence in property owners and raising property values.
- ✚ An education campaign for the community as well as the other taxing jurisdictions would help people understand the benefits of the DDA.

In 2010, the Ferndale DDA reported the following 10-year statistics to the National Main Street Center. These statistics contributed to Ferndale receiving the 2010 Great American Main Street Award.

- ◇ Population: 21,000
- ◇ Net number of new jobs: 699
- ◇ Net number of new businesses: 33
- ◇ Number of building rehabilitations: 163
- ◇ Number of new buildings: 12
- ◇ 2000 Vacancy rate : 30%
- ◇ 2010 Vacancy rate: 6%
- ◇ Dollar amount of public investment: \$4,881,785
- ◇ Dollar amount of private investment: \$35,182,705



The chart at left illustrates the change in taxable values of property in the Tax Increment Financing (TIF) District of Ferndale for 2007, 2009 and 2010.

- ◇ The difference in taxable value between 2007 and 2009 was \$1,717,300. This means taxable values increased by 11% during this period.
- ◇ From 2009 to 2010, taxable values decreased by \$699,040, or a decrease of 4%.
- ◇ Taxable values in Oakland County declined by 11.75% during this same period.

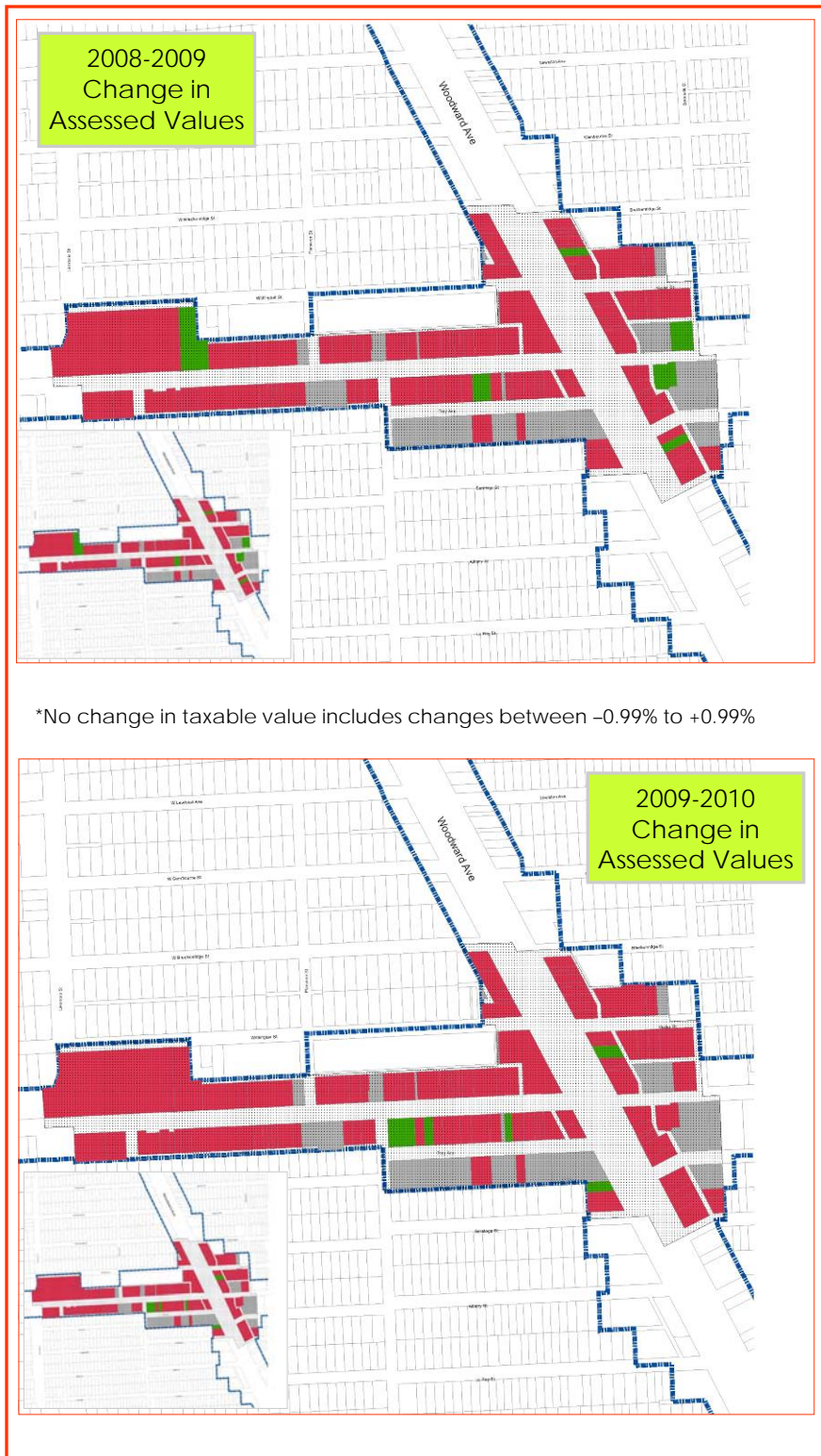


## Declining Property Values

In Michigan, property taxes are calculated based on Taxable Value (TV), which through Proposal A cannot increase more than the rate of inflation each year, even when the market conditions support higher property values. Therefore, it is not a true reflection of the values of properties.

In addition to taxable value, assessors identify a State Equalized Value (SEV) and Assessed Value, equal to 1/2 the market value of the property. Since the passage of Proposal A, the SEV of properties has typically been higher than the TV. Over the last two years, however, the market value of properties has plummeted, lowering SEVs. Taxable values have declined also, but because they lagged behind SEV, may end up being higher than the SEV.

The maps at right illustrate how assessed values declined between 2008-2009 (by less than one percent), but more significantly between 2009-2010 (nearly 11%). Only a handful of parcels experienced no change, and even fewer increased in value. This trend is likely to continue into the next few years. In its 2012-2014 Triennial Budget, Oakland County projects declining values until 2014.



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# Development Plan

## Development Plan Projects

Although downtown Ferndale has come a long way over the past ten years, there are abundant opportunities to further enhance and improve the City. By continuing to strengthen the downtown, these improvements will benefit businesses and residents throughout the City. The following projects have been identified as appropriate strategies for the DDA to pursue over the next 20 years, through assessment and analysis of downtown, in conjunction with the City's Master Plan, and through the public input process. All were rated "high" when considering priorities.



The projects are broken into three components: Development, Streetscape, and Traffic & Parking. Many of the following projects apply to both the existing TIF district as well as the overall DDA district. It is anticipated that over time, the TIF district will be expanded to include most of the DDA district, to increase revenue and allow expenditures in those areas.

There are many factors that will be at play in estimating costs for Development Plan projects. Some projects may qualify for grants, and some will likely be implemented through a public/private partnership and even through a partnership of multiple jurisdictions. Therefore, a very rough estimate of project costs is noted with each project, as applicable.

## A. Development-Related Projects

Create a redevelopment facilitation program to encourage the redevelopment of specific properties in the TIF district, leveraging private investment. Potential Redevelopment Sites include those detailed in the Existing Development chapter, to be prioritized by the DDA as market conditions, community needs, and funding allows. The program will include criteria by which the DDA could evaluate properties for the following potential activities:

1. DDA purchase and redevelopment,
2. Public/private partnership,
3. Shovel-ready permitting, and/or
4. Marketing to the private sector

This program may include the following options for DDA involvement and/or assistance, some of which the DDA currently provides:

- ◇ Design assistance
- ◇ BUILD program
- ◇ Market data

- ◇ Incentives for specific development needs (i.e., floor area bonus, parking reduction, etc.)
- ◇ Site acquisition
- ◇ Preparation of site plans & permitting
- ◇ Tenant relocation assistance

**Budget:** The DDA currently undertakes many of these tasks, and they are reflected in the DDA operating budget, which currently totals approximately **\$560,000**.

**Priority:** High

## B. Streetscape Projects

1. Create a comprehensive streetscape program for the entire downtown that will identify the style and location of lights, benches, receptacles, pocket parks, LED lighting, and alley enhancements. Special attention will be given to streetscape amenities that improve the safety, ease, and comfort of mass transit. The streetscape program will include phasing for implementation of streetscape elements, beginning with areas that either do not have any streetscape elements, or those in which streetscape elements are worn and outdated.  
**Budget:** \$2,000,000  
**Priority:** Medium
2. Create a public art program throughout downtown to enhance the district. This program would identify sites for public art, encourage art on private property, procure art, promotion  
**Budget:** Low cost/no cost  
**Priority:** High
3. Implement streetscape projects along the Woodward Avenue corridor in conjunction with the Woodward Avenue Action Association's 2010 Non-Motorized Transportation Plan (See Appendix).  
**Budget:** State, Federal Grants, Local match  
**Priority:** High
4. In conjunction with a "road diet," redesign Nine Mile and Livernois to improve the pedestrian experience, provide clarity for motorists, enhance safety. This may include a developable retail site as market conditions and community needs warrant, and/or a pocket park.  
**Budget:** \$50,000—\$250,000  
**Priority:** High
5. Implement all components of wayfinding plan (2010) to help identify businesses, history, and culture.  
**Budget:** \$50,000—\$100,000  
**Priority:** Medium
6. Incorporate West Troy Street and East Vester Street more completely into the downtown area by densifying uses, adding on-street parking, improving streetscape and enhancing pedestrian connections.  
**Budget:** \$250,000—\$300,000  
**Priority:** Medium

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# Development Plan

## C. Traffic & Parking Projects

Refer to Traffic and Parking chapter of development plan for specific recommendations on these projects.

1. Support the study needed to implement a “road diet” for Woodward Avenue, in which one travel lane in each direction would be eliminated to facilitate the addition of bike lanes and a wider sidewalk (Refer to the “Woodward Avenue Non-motorized Transportation Master Plan, Eight Mile Road to Maple Road,” January 2010—in the Appendix).  
**Budget:** State, Federal Grants, and Local match  
**Priority:** High
2. Work with MDOT to improve pedestrian crossings of Woodward Avenue, specifically at Cambourne, Withington/Vester, and Pearson.  
**Budget:** Assume 20% local share—\$750,000 per crossing  
**Priority:** High
3. Support development of the City’s non-motorized transportation network plan, mandated by the Complete Streets Ordinance approved on 10-25-10 (See Appendix). A key element of that plan should be the identification of one or more bike routes, following or closely paralleling Nine Mile Road, between Livernois and Hilton.  
**Budget:** Low cost/no cost for bike routes  
**Priority:** Medium
4. Develop a “road diet” plan for West Nine Mile Road, between Pinecrest and Livernois. This project may also include the reopening of Livernois north of Nine Mile to re-establish the connection between the neighborhood and Downtown.  
**Budget:** \$1,250,000  
**Priority:** Medium
5. Build parking structures in downtown area as appropriate.  
**Budget:** \$8,500,000 for Withington; \$6,750,000 for City Hall/Library. It should be noted that financing of these structures through a public/private partnership would reduce the DDA’s share of construction and financing costs.  
**Priority:** Medium
6. Provide a more complete and identifiable system of wayfinding signage for the City’s major public parking facilities.  
**Budget:** Medium cost (DDA Operating budget; refer to Capital Improvements Plan and Wayfinding Budget Compilation)  
**Priority:** Medium

7. Conduct traffic studies to identify specific plans for improving traffic flow and safety at the following locations:
  - ◊ Withington (Funded in conjunction with parking garage project)
  - ◊ W. Troy and W. Saratoga (west of Allen Street – to evaluate parking intrusions as well as truck loading/unloading)
  - ◊ Allen Street (just south of W. Nine Mile – to study optimum traffic control)
  - ◊ Paxton (to study optimum traffic control)

**Budget:** Low cost (DDA Operating budget)  
**Priority:** Medium
8. Develop an incentive program to consolidate private parking lots that will facilitate shared parking and allow for redevelopment of properties.  
**Budget:** Low cost (DDA Operating budget)  
**Priority:** Medium

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# TIF Plan

The Tax Increment Financing Plan is presented in this section. An explanation of Tax Increment Financing (TIF) is provided in the Property Analysis chapter.

## Development Plan Requirements

This development plan meets the requirements of state law (Act 197 of 1975) as follows:

1. **Development Area Boundaries.** The designation of boundaries and the location of streets and public facilities may be found on the DDA district maps (See Map 1). The legal description is contained in the appendix of this report.
2. **Public Facilities and Land Use.** A map of streets and public facilities is found in the appendix. Land use by categories (which reflects how the majority of property is used) is noted below:

**Items 3-7** speak to the demolishing, repair, or alteration of existing improvements, construction stages, open space, and property disposition. Refer to the project list, found in the Development Plan chapter.

8. **Desired Zoning Changes.** There are no zoning changes proposed at this time.

2009 Land Use in the DDA district	Acres	Percentage
Residential	0.00	0
Commercial	14.30	54.4%
Industrial	0.6	2.52%
Recreation	0.13	0.5%
Public/Civic/Institutional	11.19	42.53%
Other	0.02	0.07%
Total	26.31	100%
<i>Source: Oakland County Planning &amp; Economic Development Services</i>		

9. **Cost estimate of the proposed development.** See the TIF plan, on the following pages, for details.
10. **Designation of person(s) to benefit.** This information is unknown at this time.
11. **Procedures for bidding.** This is not applicable at this time.

**Items 12-14** relate to Persons displaced. There are no plans to displace any persons as a result of any proposed improvements.

15. **Legal compliance.** This plan, and its implementation, will comply with all applicable municipal, state, and federal laws.

## Use of TIF Funds

The use of revenues for improvements in the Development Area (the TIF capture area) is controlled by the enabling legislation for the DDA, PA 197 of 1975. The City created The DDA and TIF district in 1980, and amended the Development Plan in 1992 and 1997. According to the Act, the DDA Board may:

1. Prepare an analysis of economic changes taking place in the downtown district.
2. Study and analyze the impact of metropolitan growth upon the downtown district.
3. Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration,



preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district.

4. Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code (1972 PA 230, MCL 125.1501).
5. Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.
6. Implement any plan of development in the downtown district necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.
7. Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.
8. Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in property, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect to that property.
9. Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances to that property, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination of them.
10. Fix, charge, and collect fees, rents, and charges for the use of any building, property, or facility under its control and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.
11. Lease any building or property under its control, or any part of a building or property.
12. Accept grants and donations of property, labor, or other things of value from a public or private source.
13. Acquire and construct public facilities.
14. Create, operate, and fund marketing initiatives that benefit only retail and general marketing of the downtown district.
15. Contract for broadband service and wireless technology service in the downtown district.
16. Create, fund and operate retail business incubators with preference given to tenants who would provide goods and/or services unavailable or underserved in the DDA area.
17. Create, fund and operate a loan program to pay for improvements for existing buildings located in the DDA district in order to make them marketable for sale or lease. Loans could be at or below market rate.

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## TIF Procedures

This plan is a continuation and renewal of the 1981 DDA TIF Plan. The initial assessed value in the district remains \$5,702,600. To project growth over the next 20 years requires certain assumptions to be made. In its 2012-2014 Triennial Budget, Oakland County projects county property values to decline by 3% in 2012, by 1% in 2013, and bottom out with no change in 2014. This plan projects property values in the TIF district to make similar changes, and then increase by a modest 2% for the remainder of the 20-year extension time. The table of projected capture over 20 years is found on page 32.

The DDA Board will commit available funds, as described in this plan, as appropriate to meeting the purposes of the DDA/TIF Plan. These commitments relate to projects in this plan, and may include: principal and interest payments for any bonded indebtedness, cash payments, operating deficits, administrative costs for the DDA and its projects. Additional improvements agreed upon by the DDA and City may also be included.

## Bonded Indebtedness to be Incurred

The specific project costs for accomplishing all activities described in this Development Plan will be refined upon additional planning. It is anticipated that the costs associated with these projects may be either disbursed on a pay-as-you-go basis or through bonds. Estimated revenues from TIF and tax levy capture, as well as other revenue sources will be adequate to provide for payment of principal and interest.

## Impact on Assessed Values and Tax Revenues

It is anticipated that the projects within the Development Plan will generate increased economic activity in downtown Ferndale. This increase generates additional amounts of tax revenue to local taxing jurisdictions through increases in assessed value and increases in personal income.

## Duration of the Plan

The extension of the TIF Plan is for a twenty-year period, except as may be modified as appropriate by the City Council upon notice and public hearing as required by the Act. The duration of the plan shall be from 2012 to twenty years past the last issuance of bonds.

## Initial Proposed Projects

The strength of a TIF is to use public investment as the catalyst for quality private development. Public investment benefits the community with public facilities and amenities; however, public investment may also be used to leverage and facilitate private development. This is often crucial for redeveloping areas with declining property values.

While projects listed in this Plan are thought to be the most important in terms of promoting economic growth and development in the district, implementation of additional projects not listed herein is at the DDA Board's discretion, based on their interpretation and appropriate plan amendments. Circumstances may arise after plan adoption which dictate a change in project priorities. Actual projects funded will be reflected in the DDA's annual budget, as approved by the City Council. For all projects presented, the DDA has the ability to arrange financing, provided that the City Council approves the financing, and that the TIF revenues generated meet or exceed the projections shown in Table 1. Financing mechanisms may be:

1. Bond: DDA Board will secure a bond. Bond durations and interest rates vary. The assumption is that DDA bonds will be paid over an 18 year period (or less), at a six percent interest rate.
2. Annual Revenues: As revenue is generated by the TIF, the DDA Board may allocate funds directly to projects. This is also referred to as 'pay as you go' projects.
3. Public / Private Partnerships: Refers to projects financed through both public and private funding sources.
4. Public / Public Partnerships: Projects where one or more governmental entities partner to complete a project. Grants are considered a Public / Public Partnership.

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# TIF Plan

TIF District 20-year projection of tax revenue by jurisdiction, assuming 2% annual growth in Taxable Value

Year	Taxable Value Capture <sup>1</sup>	City					Non-City				Total Revenue Capture <sup>4</sup>
		Library (1.9601)	Debt (6.000)	Refuse (2.1815)	City Operating (14.5448)	Headlee Override Increase (3.7800) <sup>3</sup>	Total City Revenue <sup>2</sup>	County (6.6059)*	HCMA (0.2146)	Total Non-City Revenue (6.8205)	
2012	\$21,032,575	\$30,048	\$91,980	\$33,442	\$222,971	\$57,947	\$436,389	\$101,268	\$3,290	\$104,558	\$540,947
2013	\$20,822,249	\$29,636	\$90,718	\$32,984	\$219,912	\$57,152	\$430,402	\$99,879	\$3,245	\$103,124	\$533,526
2014	\$20,822,248	\$29,636	\$90,718	\$32,984	\$219,912	\$57,152	\$430,402	\$99,879	\$3,245	\$103,124	\$533,525
2015	\$21,238,692	\$30,452	\$93,217	\$33,892	\$225,969	\$58,726	\$442,257	\$102,630	\$3,334	\$105,964	\$548,221
2016	\$21,663,464	\$31,285	\$95,765	\$34,819	\$232,148	\$60,332	\$454,348	\$105,436	\$3,425	\$108,861	\$563,209
2017	\$22,096,733	\$32,134	\$98,365	\$35,764	\$238,449		\$404,712	\$108,298	\$3,518	\$111,816	\$516,528
2018	\$22,538,666	\$33,000	\$101,016	\$36,728	\$244,877		\$415,622	\$111,217	\$3,613	\$114,830	\$530,452
2019	\$22,989,439	\$33,884	\$103,721	\$37,711	\$251,434		\$426,750	\$114,195	\$3,710	\$117,905	\$544,655
2020	\$23,449,226	\$34,785	\$106,480	\$38,714	\$258,121		\$438,100	\$117,232	\$3,808	\$121,041	\$559,141
2021	\$23,918,210	\$35,704	\$109,294	\$39,737	\$264,942		\$449,678	\$120,330	\$3,909	\$124,240	\$573,917
2022	\$24,396,573	\$36,642	\$112,164	\$40,781	\$271,900		\$461,487	\$123,491	\$4,012	\$127,502	\$588,989
2023	\$24,884,504	\$37,598	\$115,091	\$41,845	\$278,997		\$473,532	\$126,714	\$4,116	\$130,830	\$604,362
2024	\$25,382,193	\$38,574	\$118,078	\$42,931	\$286,236		\$485,818	\$130,001	\$4,223	\$134,225	\$620,043
2025	\$25,889,836	\$39,569	\$121,123	\$44,038	\$293,619		\$498,350	\$133,355	\$4,332	\$137,687	\$636,037
2026	\$26,407,631	\$40,584	\$124,230	\$45,168	\$301,151		\$511,133	\$136,775	\$4,443	\$141,219	\$652,351
2027	\$26,935,783	\$41,619	\$127,399	\$46,320	\$308,832		\$524,171	\$140,264	\$4,557	\$144,821	\$668,992
2028	\$27,474,498	\$42,675	\$130,631	\$47,495	\$316,668		\$537,470	\$143,823	\$4,672	\$148,495	\$685,965
2029	\$28,023,986	\$43,752	\$133,928	\$48,694	\$324,660		\$551,035	\$147,453	\$4,790	\$152,243	\$703,278
2030	\$28,584,465	\$44,851	\$137,291	\$49,917	\$332,812		\$564,871	\$151,155	\$4,910	\$156,066	\$720,937
2031	\$29,156,153	\$45,971	\$140,721	\$51,164	\$341,127		\$578,984	\$154,932	\$5,033	\$159,965	\$738,949
	\$487,707,123	\$732,401	\$2,241,931	\$815,129	\$5,434,739	\$291,310	\$9,515,510	\$2,468,328	\$80,186	\$2,548,515	\$12,064,025

1) All 2012 figures based on Ferndale DDA Projected Revenue for FY2012, and assumes 1% decline in 2013, no change in 2014, then 2% increase for future years (value change based on Oakland County 2012-2014 budget)

2) Includes Headlee Override millage of 28.4664 for 2012-2016, then reverts to original millage of 24.6864

3) the Headlee override increase includes a 3-mil voted increase in City operating levies, a 0.7800 increase in City Debt levies

4) Includes 6.8205 mills from other taxing jurisdictions. Based on May 2010 Headlee Override millage for 2012-2016, then reverts to original millage of 24.6864

## Potential Redevelopment Impact

Because the timing and valuation of private investment is difficult to gauge, especially in a developed area such as Ferndale, the preceding table is intended to provide a conservative projection of DDA TIF capture over a 20-year timeframe. However, it is important to illustrate in this plan the potential for redevelopment, especially development that may be leveraged from TIF investment into the Development Projects.

As Development Projects are implemented, and the development area starts to show signs of improvement, the private sector will gain confidence and investments can be better justified. While all development projects may leverage private investments generally, certain projects may leverage redevelopment of nearby parcels. The Ferndale DDA has identified a significant number of parcels that are ripe for redevelopment (identified on the Redevelopment Opportunities map on page 36). Following is a discussion of how one such project may impact future tax capture (map on page 34):

### Withington Lot/Parking Structure

With the construction of a parking deck at the Withington lot, the need for private surface parking lots is diminished. While this lot is not included in the existing TIF district, its redevelopment will have a major impact on the surrounding properties in the existing TIF district. New mixed-use buildings may take the place of private lots. One example of this redevelopment opportunity is on the north side of West Nine Mile Road, west of Planavon Street (labeled "A" on the following map). Redevelopment of the existing 25,000 sq. ft. parking lot into a new mixed use infill building that covers 80% of the parcel could generate the following annual revenue capture for additional reinvestment by the DDA:

Floor (20,000 Sq. ft. per floor)	Use	Est. Cost/ Sq. Ft.	Est. Property Value	Est. Taxable Value	Est. Tax Revenue Capture (Year 1) (31.5069 Total mils)
1	Retail	\$200	\$4,000,000	2,000,000	\$63,014
2	Office/Flex	\$125	\$2,500,000	1,250,000	\$39,384
3	Residential	\$125	\$2,500,000	1,250,000	\$39,384
4	Residential	\$125	\$2,500,000	1,250,000	\$39,384
<b>Total</b>			<b>\$12,000,000</b>	<b>\$6,000,000</b>	<b>\$181,166</b>

Evolution

Existing  
Development

Streetscape

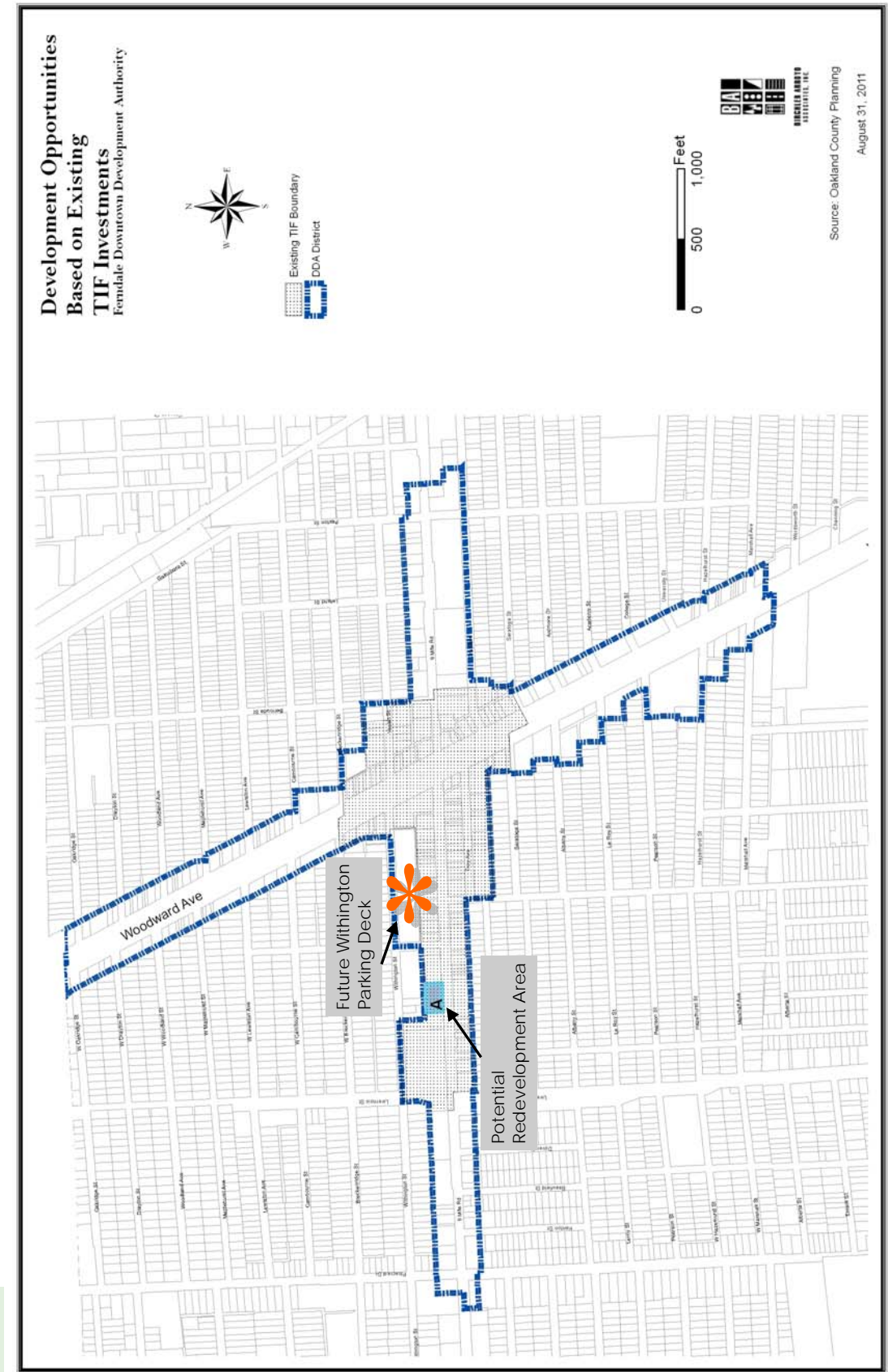
Traffic &  
Parking

Property  
Values

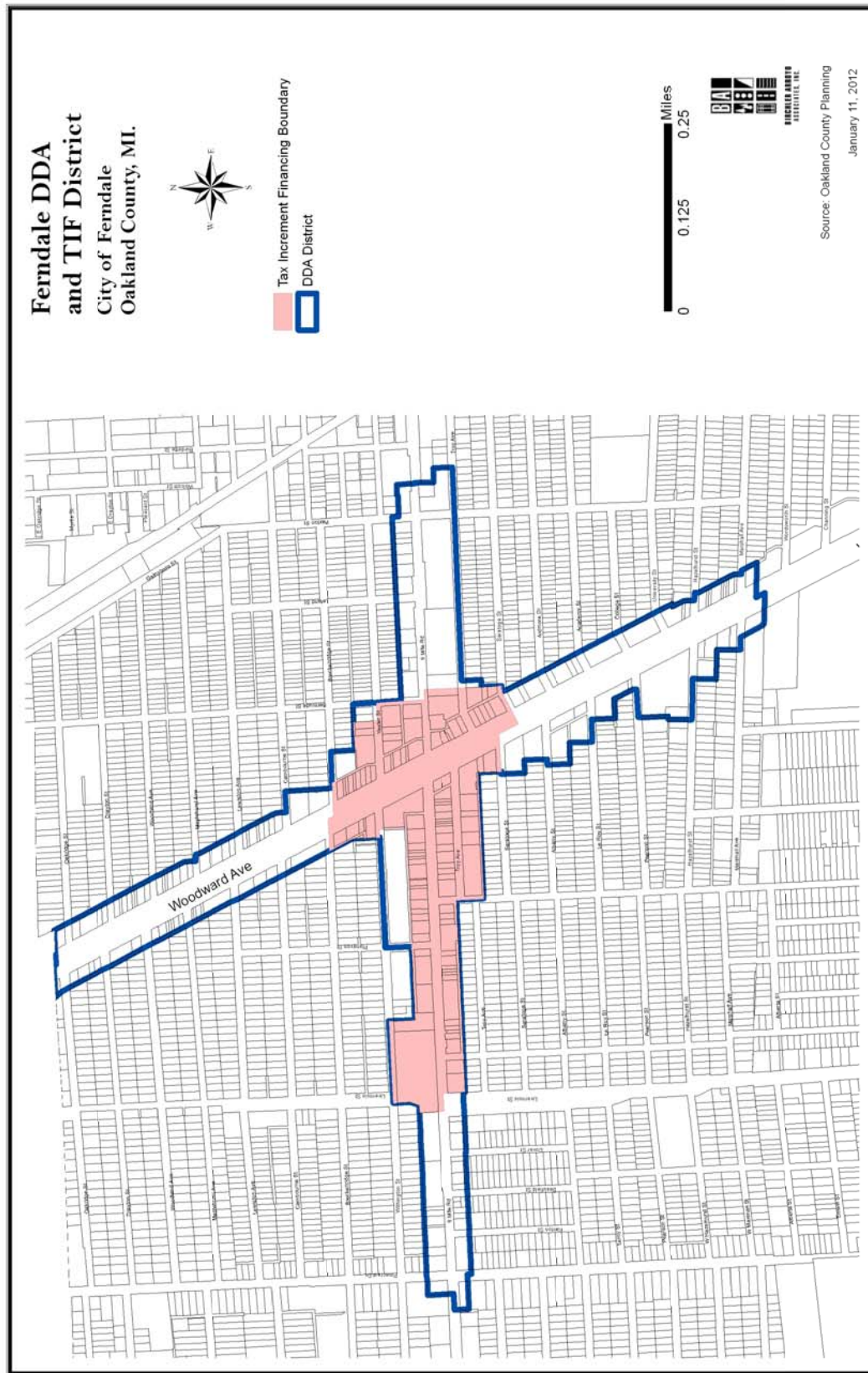
Development  
Plan

TIF Plan

# TIF Plan







Evolution

Existing  
Development

Streetscape

Traffic &  
Parking

Property  
Values

Development  
Plan

TIF Plan

# TIF Plan

