IRVIN CORLEY, JR.
DIRECTOR
(313) 224-1076

City of Detroit

CITY COUNCIL

FISCAL ANALYSIS DIVISION
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 218
Detroit, Michigan 48226
FAX: (313) 224-2783
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ANNE MARIE LANGAN
DEPUTY DIRECTOR
(313) 224-1078

TO: COUNCIL MEMBERS

FROM: Irvin Corley, Jr., Director

DATE: February 6, 2008

RE: Remaining Bond Authorization for the Fire Department **(Addendum Report No. 1)**

Based on additional information received from the Fire Department, I would like to clarify information that was in the last paragraph of the report attached regarding the cost of a new fire station.

The cost of a new *single* fire station, or a station with one apparatus bay, would cost between $1 and $1.5 million. The cost moves closer to the $1.5 million mark when you include appurtenants, such as a dormitory, a kitchen, a meeting room, a locker room, a laundry room, etc.

So, the cost of a double fire station, with two bays, would cost between $2 and $2.5 million. A triple (three-bay) fire station would cost approximately $3.5 million.

For Council's information, there are 42 fire stations throughout the City of Detroit. 10 of them are single (one-bay) fire stations; 23 are double (two-bay) stations, and the remainder are three or four-bay stations. 9 fire stations were built within the last 30 years, and are considered in good shape. Some stations were built 80 years ago.

I suggest that Council request from the Administration a report on the condition of the fire stations before you go into the upcoming budget process to help you make any decisions regarding the amount of capital dollars that go towards existing or new fire stations.

Attachment

cc: Council Divisions
Auditor General's Office
Tyrone Scott, Fire Commissioner
Norman White, Chief Financial Officer

Pamela Scales, Budget Director
Renee Short, Budget Team Leader
Kerwin Wimberly, Mayor's Office

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City of Detroit

CITY COUNCIL

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ANNE MARIE LANGAN
ASSISTANT FISCAL ANALYST
(313) 224-1078

TO: COUNCIL MEMBERS

FROM: Irvin Corley, Jr., Director ICJ.

DATE: February 1, 2008

RE: Remaining Bond Authorization for the Fire Department

During the Budget, Finance and Audit Standing Committee meeting on Monday, January 7, 2008, President Pro Tem Monica Conyers requested that Fiscal Analysis determine how much in bond authorization is remaining from Proposal S for new fire stations.

Attachment I represents a spreadsheet prepared by the Budget Department that shows General Obligation Bond authorization approved by the voters since the year 2000, bonds issued (assuming completed bond sales through Fiscal 2007-08), and remaining bond authorization.

Since Fire falls under the "Public Safety" bond authorization category, there is $61.195 million in remaining authorization that technically could be used for new fire stations, according to Page 2 of Attachment I.

Our conclusion is based on the fact the ballot language for the Public Safety bond authorization proposal (Proposal S) was pretty broad (see Attachment II). By passing Proposal S on November 2, 2004, the voters approved bond authorization not to exceed $120 million in General Obligation Unlimited Tax Bonds "for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of public safety projects relating to Police (including projects required by the Department of Justice Consent Decree), Fire, Emergency Medical Services (EMS), and Health Facilities". The voters did not vote on specific amounts for the specific areas designated as public safety.

The Budget Department concurs with our analysis. However, for planning purposes, Budget uses the breakdown by department/project under the various bond proposals that the Administration shared with the Council and the public during its marketing campaign for the proposals in July 2004 (the breakdown was also included in the package Council acted on to approve the bond ballot proposal resolutions—see Attachment III). Based on this breakdown, only

$11.625 million would be remaining in bond authorization for new fire stations (see Page 2 of Attachment I).

Although the Budget Department prefers to stick with the plan for capital budgeting purposes, it constantly reminds departments that the broad ballot language allows for flexibility to address priorities or emergencies for any designated department/area in the ballot language.

Council should be reminded that your Honorable Body makes the final decision on the composition of the annual capital budget during the budget process. Your Honorable Body could decide to spend, or significantly spend the remaining $61.195 million in bond authorization on new fire stations for Public Safety purposes. However, it would be most likely prudent not to do so given the various capital improvement needs amongst other departments/areas within the bond ballot language.

In addition, the City sells only between $40 to $60 million in General Obligation Unlimited Tax Bonds annually to keep the property tax debt mileage rate constant. That is why traditionally, Council has for the most part concurred with the composition of the capital budget as proposed by the Mayor.

Finally, for Council's edification, the Fire Department has informed us that it would cost approximately $1 million to build a new fire station that contains the necessary employee environmental controls and space for the larger fire apparatus currently being developed by manufacturers.

Attachments

cc: Council Divisions
Auditor General's Office
Tyrone Scott, Fire Commissioner
Norman White, Chief Financial Officer
Pamela Scales, Budget Director
Renee Short, Budget Team Leader
Kerwin Wimberly, Mayor's Office

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Attachment I

General Obligation Bond Sale and Remaining Authorization (in millions)

Authorized Bond Issue Name	Authority	Date	Authorized Amount	Issued (assumes FY07 bonds sold)	Remaining Authorization	FY07-08 Bond Sale (Budget)	FY07-08 Remaining Authorization	Notes
	VOTER AUTHORIZATION							
DETROIT INSTITUTE OF ARTS	Electorate	11/7/00	25.000	25.000	$0.000	$0.000	**0.000**	FY 2007 Amended Budget DIA: Additional ($5million) See Municipal Facilities
PUBLIC LIGHTING	Electorate	11/4/97	40.000	40.000	0.000			
	Electorate	11/7/00	30.000	30.000	0.000	0.000	**0.000**	
	Electorate	11/2/04	22.000	7.765	14.235	7.000	**7.235**	
TOTAL PUBLIC LIGHTING			92.000	77.765	14.235	7.000	**7.235**	
ECONOMIC DEVELOPMENT								
1. Planning and Development	Electorate	11/7/00	25.000	25.000	0.000	0.000	**0.000**	FY 2007 Amended Bud ($3 million for Cobo Hall Parking)
	Electorate	11/2/04	19.000	4.705	14.295	6.500	**7.795**	
2. Airport	Electorate	11/7/00	5.000	5.000	0.000	0.000	**0.000**	
TOTAL ECONOMIC DEVELOPMENT			49.000	34.705	14.295	6.500	**7.795**	
CULTURAL FACILITIES:								
1. Eastern Market (Formerly Cultural, Arts & Tourism)	Electorate	11/2/04	2.000	0.800	1.200	1.000	**0.200**	
2. Recreation	Electorate	11/7/00	36.000	36.000 II.	0.000	0.000	**0.000**	FY2007-08 Sale Includes $1.2 million for General Services Dept
	Electorate	11/2/04	12.000	8.715 III.	3.285	3.285	**0.000**	
3. Zoo	Electorate	11/7/00	10.000	10.000	0.000		**0.000**	
	Electorate	11/2/04	8.000	7.015 III.	0.985	0.985	**0.000**	
4. Historical	Electorate	11/7/00	6.000	3.680	2.320	2.300	**0.020**	
5. Museum of African-American History	Electorate	11/7/00	4.000	3.545	0.455	0.000	**0.455**	
TOTAL CULTURAL FACILITIES			78.000	69.755	8.245	7.570	**0.675**	
MUNICIPAL FACILITIES:								
1. Public Works	Electorate	11/7/00	5.000	5.000 I.	0.000	0.000	**0.000**	FY 2007 Amended Budget (DPW: $3.150 of $5 million for DIA)
2. Health and Wellness Promotion	Electorate	11/7/00	5.000	4.880	0.120	0.000	**0.120**	(Health: $1.850 of $5 million for DIA)
3. Transportation	Electorate	11/4/97	3.000	3.000	0.000	0.000	**0.000**	
	Electorate	11/7/00	5.000	5.000	0.000	0.000	**0.000**	
4. Civic Center	Electorate	11/7/00	3.000	3.000	0.000	0.000	**0.000**	
TOTAL MUNICIPAL FACILITIES			21.000	20.880	0.120	0.000	**0.120**	

General Obligation Bond Sale and Remaining Authorization (in millions)

Authorized Bond Issue Name	Authority	Date	Authorized Amount	Issued (assumes FY07 bonds sold)	Remaining Authorization	FY07-08 Bond Sale (Budget)	FY07-08 Remaining Authorization	Notes
	********** VOTER AUTHORIZATION **********							
PUBLIC SAFETY:								
1. Police Facilities	Electorate	11/4/97	7.500	7.500	0.000	0.000	**0.000**	
	Electorate	11/7/00	6.000	9.080	-3.080 ****	0.000	**0.000**	**(0) *** **
	Electorate	11/2/04	78.000	25.500	52.500	15.000	**37.500**	
2. Fire & EMS	Electorate	11/4/97	7.500	4.420	3.080 ****	0.000	**0.000**	**(0.6250) *** **
	Electorate	11/7/00	6.000	6.000	0.000	0.000	**0.000**	
	Electorate	11/2/04	17.500	2.375	15.125	3.500	**11.625**	
3. Health and Wellness Promotion	Electorate	11/2/04	7.500	1.000	6.500	5.000	**1.500**	
4. Civic Center	Electorate	11/2/04	9.000	0.000	9.000	0.000	**9.000**	
5. Department of Public Works	Electorate	11/2/04	6.000	2.000	4.000	2.430	**1.570**	
6. Recreation Department	Electorate	11/2/04	2.000	0.000	2.000	2.000	**0.000**	FY2007-08 Sale Includes $2 million for General Services Dept
TOTAL PUBLIC SAFETY			147.000	57.875	89.125	27.930	**61.195**	
TRANSPORTATION IMPROVEMENTS								
1. Department of Transportation	Electorate	11/2/04	12.000	0.000	12.000	0.000	**12.000**	
2. Detroit Transportation Corporation	Electorate	11/2/04	15.000	10.000	5.000	0.000	**5.000**	
3. Airport	Electorate	11/2/04	5.000	0.190	4.810	1.250	**3.560**	
TOTAL TRANSPORATION IMPROVEMENTS			32.000	10.190	21.810	1.250	**20.560**	
HISTORICAL MUSEUM	Electorate	11/6/01	20.000	2.800	17.200	0.000	**17.200**	
LIBRARY	Electorate	11/4/97	7.500	7.500	0.000	0.000	**0.000**	
Museum of African-American History	Electorate	4/29/03	6.000	5.500	0.500	0.000	**0.500**	
Debt Service				0.003	(0.003) I.	0.000	**(0.003)**	
Bonds Approved/ Unissued **	n/a	n/a	n/a	0.000	0.000	0.000	**0.000**	
TOTALS			**$477.500**	**$311.970**	**$165.530**	**$50.250**	**$115.280**	

** The August 1995 bond sale of $50.000M funded $76.770M of appropriated projects. To date an additional $76.770M has been sold to cover these projects. This commitment has been fulfilled, no balance remains.

*** Authorization to fund mandatory Police projects for the FY04-05 was overcommitted by (-3.080); authorization was transferred from the Fire Dept. as permitted under the voter approved Public Safety ballot proposal. The Fire Dept. remaining authorization was 0.6250.

I. The August 2002 bond sale resulted in a premium which is considered a reduction in voter authorization. The premium amounts allocated to the agencies are rounded to the nearest 1,000; the residual amount was charged to Debt Service ($2,628). Total premium amount was $1,212,628.
DPW remaining authorization was reduced by $250,000 for premium amounts allocated to Civic Center (40,000) and DOT (210,000), both have no remaining authorization.

II. FY05 Bond Sale for Recreation includes $400,000 for the Eastern Mkt, now under the Culture, Arts & Tourism Dept. Also includes City Council additional project for Paradise Valley Momument ($400,000).

III. The December 2005 bond sale resulted in a premium of $2.1 million allocated to Recreation ($700,000) and Zoo ($1,400,000).

Attachment II

ND BEGINNING OF BALLOT APPEAR ON REVERSE SIDE

CITY PROPOSALS

PROPOSAL E
FORM OF GOVERNANCE FOR THE DETROIT PUBLIC SCHOOLS

Detroit Election Commission Note – As required by state law, this Proposal is presented as a "yes" or "no" question. The question presents a choice between two alternative forms of governance for the Detroit Public Schools:

"YES" is a vote for the form of governance in which the Chief Executive Officer will have authority over the expenditure of all school district funds and academic programs; the Chief Executive Officer will be nominated by the Mayor and approved by a nine (9) member elected board; the Chief Executive Officer may be removed by the Mayor; and the school board will be composed of nine (9) members elected by districts in which they live.

"NO" is a vote for the form of governance in which an eleven (11) member board will have authority over the expenditure of all school district funds and academic programs; the board will appoint or remove the Superintendent/Chief Executive Officer; the board will be composed of eleven (11) members with four (4) members elected at-large and seven (7) members elected by districts in which they live.

This Detroit Election Commission note is not part of the Proposal, but is provided to assist voters in understanding the meaning of a "YES" or a "NO" vote on the Proposal.

Shall the Detroit School District be reapportioned into 9 single-member election districts with district residency requirements, shall a new school board be elected according to these election districts to serve in the district, and shall the school district be governed by a chief executive officer nominated by the mayor of the city with the greatest population located within the boundaries of the school district and approved by this newly elected board? According to state law, a "yes" vote will result in the establishment of the 9 election districts, election of a school board, and appointment of a chief executive officer as described in this question, and a "no" vote will result in the school district being governed by the governance structure otherwise provided for a first class school district under part 6 of the revised school code, consisting of an 11-member school board for the school district with 4 members elected at-large and 7 members elected from election districts and with the school district governed by the 11-member school board.

1

CITY PROPOSALS

PROPOSAL P
CITY OF DETROIT PUBLIC LIGHTING SERVICE BONDING PROPOSAL

Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Twenty-two Million Dollars ($22,000,000) for the purpose of paying the cost of improving street lighting, service extensions, and for improvements required to supply light and power? The estimated millage that will be levied per $1,000 of the taxable value of property located in the City to pay for the proposed bonds will be $0.1645 in the first year, and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .1180 mills ($0.1180 per $1,000 of taxable value).

YES ←

NO ←

PROPOSAL R
CITY OF DETROIT RECREATION, ZOO, AND CULTURAL FACILITIES BONDING PROPOSAL

Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Twenty-two Million Dollars ($22,000,000) for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of Recreation, Zoo, and Cultural Facilities? The estimated millage that will be levied per $1,000 of the taxable value of property located in the City to pay for the proposed bonds will be $0.1645 in the first year, and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .1180 mills ($0.1180 per $1,000 of taxable value).

YES ←

NO ←

PROPOSAL S
CITY OF DETROIT PUBLIC SAFETY IMPROVEMENTS BONDING PROPOSAL

Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds

WAYNE COUNTY COMMUNITY COLLEGE TRUSTEE

6 YEAR TERM

Vote For Not More Than ONE (1)

See List for District Office Candidates

STATE PROPOSALS

PROPOSAL 04-1
A PROPOSAL TO AMEND THE STATE CONSTITUTION TO REQUIRE VOTER APPROVAL OF ANY FORM OF GAMBLING AUTHORIZED BY LAW AND CERTAIN NEW STATE LOTTERY GAMES

The proposed constitutional amendment would:

- Require voter approval of any form of gambling authorized by law after January 1, 2004.
- Require voter approval of any new state lottery games utilizing "table games" or "player operated mechanical or electronic devices" introduced after January 1, 2004.
- Provide that when voter approval is required, both statewide voter approval and voter approval in the city or township where gambling will take place must be obtained.
- Specify that the voter approval requirement does not apply to Indian tribal gaming or gambling in up to three casinos located in the City of Detroit.

Should this proposal be adopted?

YES

NO

PROPOSAL 04-2
A PROPOSAL TO AMEND THE STATE CONSTITUTION TO SPECIFY WHAT CAN BE RECOGNIZED AS A "MARRIAGE OR SIMILAR UNION" FOR ANY PURPOSE

The proposal would amend the state constitution to provide that "the union of one man and one woman in marriage shall be the only agreement recognized as a marriage or similar union for any purpose."

Should this proposal be adopted?

YES

NO

PROPOSAL L
LIBRARY OPERATING MILLAGE RENEWAL PROPOSAL

Shall the limitation on the total amount of taxes that may be imposed on each dollar of taxable value on all taxable property within the City of Detroit, for the purposes of operating and maintaining the library system, be renewed in the amount of 2.9943 mills ($2.9943 per $1,000), which will otherwise expire on June 30, 2005, for 10 years beginning July 1, 2005, which millage would provide estimated revenues to the Detroit Public Library of $25,290,522 in the first year, if approved and levied?

YES

NO

PROPOSAL M
LIBRARY OPERATING MILLAGE INCREASE PROPOSAL

Shall there be authorized a millage for the purpose of operating and maintaining the library system in the amount of one new additional mill ($1.00 per $1,000) on each dollar of taxable value on all taxable property with the City of Detroit for 10 years beginning July 1, 2005, which millage would provide estimated revenues to the Detroit Public Library of $8,446,222 in the first year, if approved and levied?

YES

NO

PROPOSAL N
CITY OF DETROIT NEIGHBORHOOD REDEVELOPMENT AND ECONOMIC DEVELOPMENT PROGRAMS BONDING PROPOSAL

Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Nineteen Million Dollars ($19,000,000) for the purpose of paying the cost of improvements to various neighborhood redevelopment and housing rehabilitation programs, and for economic development projects? The estimated millage that will be levied per $1,000 of the taxable value of property located in the City to pay for the proposed bonds will be $0.1421 in the first year, and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .1019 mills ($0.1019 per $1,000 of taxable value).

YES

NO

Proposal S, cont'd

principal and interest thereon in the principal sum of an amount not to exceed One-Hundred-Twenty-Million Dollars ($120,000,000) for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of public safety projects relating to Police (including projects required by the Department of Justice Consent Decree), Fire, Emergency Medical Services (EMS), and Health facilities? The estimated millage that will be levied per $1,000 of the taxable value of property located in the City to pay for the proposed bonds will be $0.8973 in the first year, and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .6437 mills ($0.6437 per $1,000 of taxable value).

YES

NO

PROPOSAL T
CITY OF DETROIT TRANSPORTATION FACILITIES BONDING PROPOSAL

Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Thirty-two Million Dollars ($32,000,000) for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of Detroit transportation facilities, and the procurement of vehicles? The estimated millage that will be levied per $1,000 of the taxable value of property located in the City to pay for the proposed bonds will be $0.2393 in the first year, and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .1717 mills ($0.1717 per $1,000 of taxable value).

YES

NO

MI82-2-B6

2

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VOTE BOTH FRONT AND BACK OF BALLOT

Attachment III

diction for 60 days of discovery during which the plaintiffs could bring to the court evidence of subcontracting which could or may serve as the basis for injunctive relief;

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT THAT:

The layoffs of 112 D-DOT employees on July 30, 2004 be suspended for 60 days to provide an opportunity for D-DOT to provide a plan that will prevent the collapse of the transportation system, provide for the continuation of the present minimum standards of service, review the utilization of current outside contractors with a view to bringing their work inside to provide employment for the laid off employees and produce a plan that will meet the needs of the citizens, be compliant with appropriate collective bargaining agreements and be consistent with the City Charter and the ordinances dealing with the privatization of work.

Section 2. All ordinances, or parts of ordinances, in conflict with this ordinance are suspended on Saturday, July 31, 2004, from 12:00 A.M. to Tuesday, September 28, 2004 at 11:59 P.M. only.

Section 3. This ordinance is declared necessary for the preservation of the public peace, health, safety and welfare of the People of the City of Detroit.

Section 4. This ordinance shall be given immediate effect and become Effective upon publication in accordance with the applicable provisions of the 1997 Detroit City Charter.

Section 5. This ordinance shall expire on the sixty-first (61st) day after enactment unless re-enacted as an emergency ordinance.

Read twice by title.

Council Member Watson then moved that inasmuch as this ordinance is an emergency measure, it be placed on the order of third reading.

THIRD READING OF THE ORDINANCE.

The title to the ordinance was read a third time.

The ordinance was then read.

The question being "Shall this ordinance now pass?"

The ordinance was not passed, a majority of the Council Members present voting therefor as follows:

Yeas — Council Members K. Cockrel, Jr., Collins, McPhail, Watson, and President Mahaffey — 5.

Nays — Council Members Bates, S. Cockrel, Everett, and Tinsley-Talabi — 4.

STATEMENT BY COUNCIL MEMBER SHEILA M. COCKREL ON EMERGENCY ORDINANCE TO HALT THE PROPOSED JULY 30, 2004 LAYOFF OF 112 D-DOT EMPLOYEES AND RESOLUTION TO REQUEST THE ADMINISTRATION TO TRANSFER $1,000,000.00 FROM CITY COUNCIL BUDGET TO RESTORE DDOT POSITIONS

On Friday, July 30, 2004, I voted in opposition to the emergency ordinance and in favor of the resolution referenced above. The emergency ordinance was worded in the form of a resolution and is riddled with legal issues. For example, Section 8-210 of the 1997 Detroit City Charter provides that after adoption of the Budget, emergency appropriations may be made, "upon request of the Mayor." In this instance, the Mayor has not requested the action that this ordinance would attempt to make and would thus be ineffectual. Additionally, this ordinance appears to be a direct interference with administration in contravention of Section 4-113 of the Charter.

The City Council received oral opinion from the Law Department, Budget Department, the Research and Analysis Division and the Fiscal Analysis Division that this action is not authorized by law and would be totally ineffectual. In that regard, continuing discussion on this proposal serves no purpose. It only serves to falsely raise the hopes of those individuals who were laid off. It raises false hopes that the City Council can take resounding action on this matter. The hard truth is that Council cannot take this action. The hard truth is that this "emergency ordinance" is a terrible political statement that will only briefly raise, before finally crushing the collective spirits of those individuals who want real answers.

A better policy was presented by Councilwoman Alberta Tinsley-Talabi. She presented a resolution that would urge the Mayor to transfer $1,000,000 from the City Council budget in order to restore those positions that were laid off. This resolution is in line with the requirements of the Charter that the Mayor present the Council with requests for emergency appropriations and that the Council approve them. In this regard, the Administration would have the opportunity to evaluate the feasibility of such a plan and to present it to Council for a final approval. If positions are to be restored, the funding has to come from somewhere. This resolution is a pragmatic approach to a difficult problem and one that makes sense.

For the reasons stated above, I voted no to the emergency ordinance and yes to the resolution.

Mayor's Office

July 21, 2004

Honorable City Council:

Re: Capital Bond Authorization Proposals.

In order to continue the process of an orderly capital improvement program over the next several years, it will be necessary to seek approval from the electorate for additional General Obligation Bond Authorization totaling $215 million. These bonds will not be issued at one time, but will be sold over a period of four years. We normally sell between $40 to $45 million in General Obligation Bonds annually. At the same time, the city is annually paying off outstanding bonds of a similar amount. Therefore, a taxpayer should not realize a tax increase due to the issuance of these bonds. For example, for FY 2004-05, we have a decrease in the debt service tax rate of 0.4449 (per $1,000 of valuation), even when you take into consideration the $42 million planned bond sale.

The 2004-05 City budget includes a general obligation bond issue of $42,400,000 to be sold during the fiscal year. The combination of prior authorizations and the proposed bond sale in the current budget leaves the City with only $61,027,000 in voter authorized (but unissued) bonds for General City agencies. There also exists an additional $24,000,000 of authorized (but unissued) general obligation bonds for sewer construction in 1960 (prior to that agency's ability to sell revenue bonds). The last time the City went to the electorate for voter authorization was in April 2003 when $6,000,000 (out of a total of $131 million) was approved for the C. H. Wright Museum of African American History.

Having reviewed those needs, I am submitting to your Honorable Body, five (5) bond authorization proposals for inclusion on the November 2, 2004 General Election ballot. This package addresses the City's capital needs in the areas of Neighborhood Redevelopment and Economic Development; Public Lighting; Public Safety (Police, Fire, Health and EMS); Recreation, Zoo and Cultural Institutions; and Transportation Facilities. The attached summary is an outline of proposed projects.

The attached resolutions will authorize the placement of these questions on the ballot. The approved package must be submitted to the City Clerk at least seventy (70) days prior to the election, which date is August 24, 2004, in order to be placed on the November 2, 2004 General Election ballot for consideration by the voters of the City of Detroit.

Respectfully submitted,
KWAME M. KILPATRICK
Mayor

BONDS BALLOT PROPOSALS	AMOUNT (in millions)	
I. NEIGHBORHOOD REDEVELOPMENT AND ECONOMIC DEVELOPMENT (PROPOSAL N)		
Planning & Development		
1. Art Center	$ 0.35	
2. Brush Park	6.00	
3. Chalmers Heights	1.50	
4. Commercial-Industrial Development Sites	1.50	
5. Eastern Market/Wholesale Distribution	1.90	
6. Far East Development Study	0.50	
7. Jefferson-Chalmers	1.75	
8. McDougall Hunt	1.50	
9. Traffic Ways Development Fund	2.00	
10. Virginia Park	1.00	
Total Planning & Development		
TOTAL NEIGHBORHOOD REDEVELOPMENT AND ECONOMIC DEV.		**$ 19.00**
II. PUBLIC SAFETY (PROPOSAL S)		
Police Department		
1. Prisoner Detention Center (DOJ)	$30.00	
2. Crime Laboratory	20.00	
3. Precinct, Police Headquarters and other facility renovations (DOJ)	5.00	
4. Retrofit Five Precinct Firing Ranges (DOJ)	9.00	
5. Property Room	14.00	
DOJ is Department of Justice consent decree mandatory projects		
Total Police		**$78.00**
Fire and EMS		
1. Major renovations of Fire Facilities	$ 3.50	
2. New construction — Fire Stations	10.00	
3. New construction — Training Facility	4.00	
Total Fire and EMS		**$ 17.50**

Health and Wellness Promotion		
1. Primary Care Clinics (four)	$ 1.20	
2. Animal Control and Care Facility	1.80	
3. Herman Keifer Facility-Client Services and Support	2.20	
4. Herman Keifer Facility-Pavilions	2.30	
Total Health and Wellness Promotion		**$ 7.50**
Civic Center		
1. Fire Suppression Systems	$ 7.00	
2. Hart Plaza — ADA Upgrades	2.00	
Total Civic Center		**$ 9.00**
Department of Public Works		
1. Detroit Intelligent Traffic System (ITS) Pilot Project	$ 6.00	
Total Public Works		**$ 6.00**
Recreation Department		
1. Fire Safety and ADA improvements	$ 2.00	
Total Public Works		**$ 2.00**
TOTAL PUBLIC SAFETY		**$120.00**
III. PUBLIC LIGHTING SERVICE (PROPOSAL L)		
Public Lighting Department		
1. Generator #7 control system upgrade	$ 1.50	
2. Generator #6 mechanical system upgrade	1.80	
3. SCADA System upgrade	0.50	
4. Substation battery replacement	0.40	
5. Power Plant Roof replacement	1.00	
6. Distribution system infrastructure improvements	1.50	
7. New electric service extensions	1.40	
8. Substation transformer replacement	1.00	
9. Power substation 24kv braker replacement	2.00	
10. Traffic Signal Secondary service upgrades	1.20	
11. Street Lighting Infrastructure improvements	1.70	
12. Russell substation/DTE interconnect	3.00	
13. Power plant switch house replacement	5.00	
TOTAL PUBLIC LIGHTING SERVICE		**$ 22.00**
IV. RECREATION, ZOO AND CULTURAL FACILITIES (PROPOSAL R)		
Recreation Department		
1. Belle Isle renovation and improvements	$ 7.00	
2. Park renovation and improvements	5.00	
Total Recreation		**$ 12.00**
Zoological Institute		
1. Penguinarium renovation/mechanical system	$ 0.75	
2. Railroad Trains/trams	0.50	
3. Roof replacement	1.25	
4. Belle Isle Nature Zoo	5.50	
Total Zoo		**$ 8.00**
Cultural Affairs		
1. Eastern Market		**$ 2.00**
TOTAL RECREATION, ZOO AND CULTURAL FACILITIES		**$ 22.00**
V. TRANSPORTATION IMPROVEMENTS (PROPOSAL T)		
Department of Transportation		
1. Bus Replacement	$12.00	
Total Department of Transportation		**$ 12.00**
Detroit Transportation Corporation		
1. People Mover — Midlife Vehicle Overhaul	$12.00	
2. People Mover — Replacement of ATC Loop Cable	0.25	
3. People Mover — Replacement of Escalators (2 to 4 out of 14)	2.75	
Total Detroit Transportation Corporation		**$ 15.00**

Airport		
1. Land Acquisition — Minitake Phase 3 and 4	$ 2.50	
2. Security Improvements	2.50	
Total Airport		**$ 5.00**
TOTAL TRANSPORTATION IMPROVEMENTS		**$ 32.00**
TOTAL GENERAL OBLIGATION BONDS BALLOT PROPOSALS		**$215.00**

By Council Member K. Cockrel, Jr.:

Whereas, Art. 9 §6 and §§25-34 of the 1963 Michigan Constitution, requires the approval of a majority of qualified electors of the City of Detroit as a condition precedent to the issuance of General Obligation Bonds of the City secured by *ad valorem* taxes in addition to state statutory and City Charter limits;

Whereas, The Detroit City Council deems it necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit that public improvements and projects for neighborhood redevelopment, housing rehabilitation programs, and economic development projects be made and financed; and that the cost, or part of the cost thereof, be defrayed from proceeds of the sale of General Obligation Bonds of the City of Detroit currently outstanding or to be issued, which shall be secured by the full faith and credit of the City of Detroit and for which *ad valorem* taxes may be levied, in addition to state statutory and City Charter limits, by the City of Detroit;

Whereas, Funds in the amount of $19,000,000 from the proceeds of the sale of General Obligation Bonds of the City of Detroit will be used for project improvements to various City of Detroit neighborhood redevelopment and housing rehabilitation programs and economic development projects; and

Whereas, The estimated millage rate in the first year and simple average annual millage rate set forth in the bond proposition are reasonable estimates of such millage rates based on current assumptions;

Now Therefore Be It Resolved, That as the legislative body of the City of Detroit, the Detroit City Council hereby determines to submit to the qualified electors of the City of Detroit at the November 2, 2004 General Election a proposal authorizing the issuance of capital improvement bonds for project improvements to various neighborhood redevelopment and housing rehabilitation programs and economic development projects for the City of Detroit;

Be It Further Resolved, That said proposal be printed upon the ballot for the November 2, 2004 General Election as follows:

Proposal N — City of Detroit Neighborhood Redevelopment and Economic Development Programs Bonding Proposal

"Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Nineteen Million Dollars ($19,000,000) for the purpose of paying the cost of improvements to various neighborhood redevelopment and housing rehabilitation programs, and for economic development projects? The estimated millage that will be levied per $1,000 of the taxable value of property located in the City to pay for the proposed bonds will be $0.1421 in the first year, and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .1019 mills ($0.1019 per $1,000 of taxable value)."

Yes _____

No _____

Be It Further Resolved, That before submission of said proposal to the voters of the City of Detroit, such proposal shall be published in full as a part of the official proceedings of the Detroit City Council in The Detroit Legal News;

Be It Further Resolved, That said proposal shall be posted, in full, in a conspicuous place in each polling place on the day of the November 2, 2004 General Election; and

Be It Further Resolved, That a copy of this Resolution be transmitted to the Detroit Election Commission to certify the wording of the above ballot proposal, within the time prescribed by law, for placement on the ballot for the November 2, 2004 General Election.

Approved as to form only:

BRENDA E. BRACEFUL

Deputy Corporation Counsel

Adopted as follows:

Yeas — Council Members Bates, K. Cockrel, Jr., S. Cockrel, Everett, Tinsley-Talabi — 5.

Nays — Council Members Collins, McPhail, Watson, and President Mahaffey — 4.

By Council Member K. Cockrel, Jr.:

Whereas, Art. 9 §6 and §§25-34 of the 1963 Michigan Constitution, requires the approval of a majority of qualified elec-

tors of the City of Detroit as a condition precedent to the issuance of General Obligation Bonds of the City secured by *ad valorem* taxes in addition to state statutory and City Charter limits;

Whereas, The Detroit City Council deems it necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit that public lighting service improvements be made and financed, and that the cost, or part of the cost thereof, be defrayed from proceeds of the sale of General Obligation Bonds of the City of Detroit currently outstanding or to be issued, which shall be secured by the full faith and credit of the City of Detroit and for which *ad valorem* taxes may be levied, in addition to state statutory and City Charter limits, by the City of Detroit;

Whereas, Funds in the amount of $22,000,000 from the proceeds of the sale of General Obligation Bonds of the City of Detroit will be used for improving City of Detroit street lighting, service extensions, and for improvements required to supply light and power to the City; and

Whereas, The estimated millage rate in the first year and simple average annual millage rate set forth in the bond proposition are reasonable estimates of such millage rates based on current assumptions;

Now Therefore Be It Resolved, That as the legislative body of the City of Detroit, the Detroit City Council hereby determines to submit to the qualified electors of the City of Detroit at the November 2, 2004 General Election a proposal authorizing the issuance of capital improvement bonds for public lighting service improvements;

Be It Further Resolved, That said proposal be printed upon the ballot for the November 2, 2004 General Election as follows:

Proposal P — City of Detroit Public Lighting Service Bonding Proposal

"Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Twenty-two Million Dollars ($22,000,000) for the purpose of paying the cost of improving street lighting, service extensions, and for improvements required to supply light and power? The estimated millage that will be levied per $1,000 of the taxable value of property located in the City to pay for the proposed bonds will be $0.1645 in the first year, and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .1180 mills ($0.1180 per $1,000 of taxable value)."

Yes _____

No _____

Be It Further Resolved, That before submission of said proposal to the voters of the City of Detroit, such proposal shall be published in full as a part of the official proceedings of the Detroit City Council in The Detroit Legal News;

Be It Further Resolved, That said proposal shall be posted, in full, in a conspicuous place in each polling place on the day of the November 2, 2004 General Election; and

Be It Further Resolved, That a copy of this Resolution be transmitted to the Detroit Election Commission to certify the wording of the above ballot proposal, within the time prescribed by law, for placement on the ballot for the November 2, 2004 General Election.

Approved as to form only:

BRENDA E. BRACEFUL

Deputy Corporation Counsel

Adopted as follows:

Yeas — Council Members Bates, K. Cockrel, Jr., S. Cockrel, Everett, Tinsley-Talabi — 5.

Nays — Council Members Collins, McPhail, Watson, and President Mahaffey — 4.

By Council Member K. Cockrel, Jr.:

Whereas, Art. 9 §6 and §§25-34 of the 1963 Michigan Constitution, requires the approval of a majority of qualified electors of the City of Detroit as a condition precedent to the issuance of General Obligation Bonds of the City secured by *ad valorem* taxes in addition to state statutory and City Charter limits;

Whereas, The Detroit City Council deems it necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit that the improvement of public safety facilities, including Police, Fire Emergency Medical Services (EMS), and Health facilities be made and financed, and that the cost, or part of the cost thereof, be defrayed from proceeds of the sale of General Obligation Bonds of the City of Detroit currently outstanding or to be issued, which shall be secured by the full faith and credit of the City of Detroit and for which *ad valorem* taxes may be levied, in addition to state statutory and City Charter limits, by the City of Detroit;

Whereas, Funds in the amount of $120,000,000 from the proceeds of the sale of General Obligation Bonds of the City of Detroit will be used to acquire, construct, renovate, or rehabilitate City of Detroit public safety projects relating to Police (as mandated under the Department of Justice Consent Decree), Fire EMS and Health facilities; and

Whereas, The estimated millage rate in the first year and simple average annual millage rate set forth in the bond proposition are reasonable estimates of such millage rates based on current assumptions;

Now Therefore Be It Resolved, That as the legislative body of the City of Detroit, the Detroit City Council hereby determines to submit to the qualified electors of the City of Detroit at the November 2, 2004 General Election a proposal authorizing the issuance of capital improvement bonds for public improvements relating to City of Detroit public safety facilities, including Police, Fire, EMS, and Health facilities;

Be It Further Resolved, That said proposal be printed upon the ballot for the November 2, 2004 General Election as follows:

Proposal S — City of Detroit Public Safety Improvements Bonding Proposal

"Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed One-Hundred-Twenty-Million Dollars ($120,000,000) for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of public safety projects relating to Police (including projects required by the Department of Justice Consent Decree), Fire, Emergency Medical Services (EMS), and Health facilities? The estimated millage that will be levied per $1,000 of the taxable value of property located in the City to pay for the proposed bonds will be $0.8973 in the first year, and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .6437 mills ($0.6437 per $1,000 of taxable value)."

Yes _____

No _____

Be It Further Resolved, That before submission of said proposal to the voters of the City of Detroit, such proposal shall be published in full as a part of the official proceedings of the Detroit City Council in The Detroit Legal News;

Be It Further Resolved, That said proposal shall be posted, in full, in a conspicuous place in each polling place on the day of the November 2, 2004 General Election; and

Be It Further Resolved, That a copy of this Resolution be transmitted to the Detroit Election Commission to certify the wording of the above ballot proposal, within the time prescribed by law, for placement on the ballot for the November 2, 2004 General Election.

Approved as to form only:

BRENDA E. BRACEFUL

Deputy Corporation Counsel

Adopted as follows:

Yeas — Council Members Bates, K. Cockrel, Jr., S. Cockrel, Everett, Tinsley-Talabi — 5.

Nays — Council Members Collins, McPhail, Watson, and President Mahaffey — 4.

By Council Member K. Cockrel, Jr.:

Whereas, Art. 9 §6 and §§25-34 of the 1963 Michigan Constitution, requires the approval of a majority of qualified electors of the City of Detroit as a condition precedent to the issuance of General Obligation Bonds of the City secured by *ad valorem* taxes in addition to state statutory and City Charter limits;

Whereas, The Detroit City Council deems it necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit that public improvements to recreation, zoo, and cultural facilities be made and financed, and that the cost, or part of the cost thereof, be defrayed from proceeds of the sale of General Obligation Bonds of the City of Detroit currently outstanding or to be issued, which shall be secured by the full faith and credit of the City of Detroit and for which *ad valorem* taxes may be levied, in addition to state statutory and City Charter limits, by the City of Detroit;

Whereas, Funds in the amount of $22,000,000 from the proceeds of the sale of General Obligation Bonds of the City of Detroit will be used to acquire, construct, renovate, or rehabilitate various recreation, zoo, and cultural facilities; and

Whereas, The estimated millage rate in the first year and simple average annual millage rate set forth in the bond proposition are reasonable estimates of such millage rates based on current assumptions;

Now Therefore Be It Resolved, That as the legislative body of the City of Detroit, the Detroit City Council hereby determines to submit to the qualified electors of the City of Detroit at the November 2, 2004 General Election a proposal authorizing the issuance of capital improvement bonds for public improvements of recreation, zoo, and cultural facilities;

Be It Further Resolved, That said proposal be printed upon the ballot for the November 2, 2004 General Election as follows:

Proposal R — City of Detroit Recreation, Zoo, and Cultural Facilities Bonding Proposal

"Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is

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allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Twenty-two Million Dollars ($22,000,000) for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of Recreation, Zoo, and Cultural Facilities? The estimated millage that will be levied per $1,000 of the taxable value of property located in the City to pay for the proposed bonds will be $0.1645 in the first year, and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .1180 mills ($0.1180 per $1,000 of taxable value)."

Yes ____

No ____

Be It Further Resolved, That before submission of said proposal to the voters of the City of Detroit, such proposal shall be published in full as a part of the official proceedings of the Detroit City Council in The Detroit Legal News;

Be It Further Resolved, That said proposal shall be posted, in full, in a conspicuous place in each polling place on the day of the November 2, 2004 General Election; and

Be It Further Resolved, That a copy of this Resolution be transmitted to the Detroit Election Commission to certify the wording of the above ballot proposal, within the time prescribed by law, for placement on the ballot for the November 2, 2004 General Election.

Approved as to form only:

BRENDA E. BRACEFUL

Deputy Corporation Counsel

Adopted as follows:

Yeas — Council Members Bates, K. Cockrel, Jr., S. Cockrel, Everett, Tinsley-Talabi — 5.

Nays — Council Members Collins, McPhail, Watson, and President Mahaffey — 4.

By Council Member K. Cockrel, Jr.:

Whereas, Art. 9 §6 and §§25-34 of the 1963 Michigan Constitution, requires the approval of a majority of qualified electors of the City of Detroit as a condition precedent to the issuance of General Obligation Bonds of the City secured by *ad valorem* taxes in addition to state statutory and City Charter limits;

Whereas, The Detroit City Council deems it necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit that the procurement of vehicles, and the acquisition, construction, renovation and rehabilitation of various transportation facilities be financed, and that the cost, or part of the cost thereof, be defrayed from proceeds of the sale of General Obligation Bonds of the City of Detroit currently outstanding or to be issued, which shall be secured by the full faith and credit of the City of Detroit and for which *ad valorem* taxes may be levied, in addition to state statutory and City Charter limits, by the City of Detroit;

Whereas, Funds in the amount of $32,000,000 from the proceeds of the sale of General Obligation Bonds of the City of Detroit will be used to acquire, construct, renovate, or rehabilitate various City of Detroit transportation facilities and the procurement of vehicles; and

Whereas, The estimated millage rate in the first year and simple average annual millage rate set forth in the bond proposition are reasonable estimates of such millage rates based on current assumptions;

Now Therefore Be It Resolved, That as the legislative body of the City of Detroit, the Detroit City Council hereby determines to submit to the qualified electors of the City of Detroit at the November 2, 2004 General Election a proposal authorizing the issuance of capital improvement bonds for public improvements of various transportation facilities and the procurement of vehicles;

Be It Further Resolved, That said proposal be printed upon the ballot for the November 2, 2004 General Election as follows:

Proposal T — City of Detroit Transportation Facilities Bonding Proposal

"Do you favor the authorization and issuance of General Obligation Unlimited Tax Bonds, payable from taxes the City is allowed to levy in addition to state statutory and City Charter limits, in an amount necessary to pay the principal and interest thereon in the principal sum of an amount not to exceed Thirty-two Million Dollars ($32,000,000) for the purpose of paying the cost of acquisition, construction, renovation, or rehabilitation of Detroit transportation facilities, and the procurement of vehicles? The estimated millage that will be levied per $1,000 of the taxable value of property located in the City to pay for the proposed bonds will be $0.2393 in the first year, and the estimated simple average annual millage rate over the life of the bonds, which will not exceed 30 years from the date of issuance, is .1717 mills ($0.1717 per $1,000 of taxable value)."

Yes ____

No ____

Be It Further Resolved, That before submission of said proposal to the voters of the City of Detroit, such proposal shall be published in full as a part of the official proceedings of the Detroit City Council in The Detroit Legal News;

Be It Further Resolved, That said proposal shall be posted, in full, in a conspicuous place in each polling place on the day of the November 2, 2004 General Election; and

Be It Further Resolved, That a copy of this Resolution be transmitted to the Detroit Election Commission to certify the wording of the above ballot proposal, within the time prescribed by law, for placement on the ballot for the November 2, 2004 General Election.

Approved as to form only:

BRENDA E. BRACEFUL

Deputy Corporation Counsel

Adopted as follows:

Yeas — Council Members Bates, K. Cockrel, Jr., S. Cockrel, Everett, Tinsley-Talabi — 5.

Nays — Council Members Collins, McPhail, Watson, and President Mahaffey — 4.

STATEMENT BY COUNCIL MEMBER SHEILA M. COCKREL IN SUPPORT OF RESOLUTIONS AUTHORIZING PROPOSALS FOR PLACEMENT ON THE NOVEMBER 2, 2004 GENERAL ELECTION AUTHORIZING THE ISSUANCE OF CAPITAL IMPROVEMENT BONDS

On Friday, July 30, 2004, I voted in favor of five (5) resolutions authorizing the placement of proposals to authorize the issuance of capital improvement bonds in a total amount of $215 million over the next four (4) years. These resolutions merely allow the question to be placed on the ballot for voters to decide whether or not to approve the issuance of bonds.

At the outset, it is important to emphasize that the approval of the electorate is required before the City can sell bonds. After Council approves the placement of these bonds on the ballot, the voters of the City have the full power to either authorize or not to authorize the Administration and City Council to sell the bonds. As one member of this Council, it is my considered opinion that the threshold questions have been answered to allow the placement of these questions on the ballot. There have been efforts by some members of Council to thwart the democratic process to disallow this question from being placed on the ballot. I will not stand in the way of allowing the people to vote on this matter.

The major areas of concern are potential increases on the debt service levy and oversight by the City Council. As it relates to the potential for increased taxes, I am satisfied that absent extraordinary circumstances, there would be no increase on the debt service levy. It would not make financial sense for the City to increase this levy. It has remained mostly stable during the last ten (10) years and the Administration has committed to keep the issuance of debt under $50 million per year. Additionally, in order to maintain the City's bond ratings, it would be imperative to maintain the current level of debt service. Unless the City is forced into a position to increase such service, the market factors in addition to the Administration's commitment should be enough to maintain current levels.

As it relates to Council oversight, as a body, we have the power to approve on three (3) separate levels. First, Council must approve this step of placing the bond proposals on the ballot. Second, Council must approve Budget-Capital Projects. Third, Council must approve the actual sale of bonds. There is an abundance of opportunity to examine such bonds methodically step by step before the City can actually take on debt.

For all of the reasons stated above, I voted yes.

Finance Department
Assessment Division

July 22, 2004

Honorable City Council:

Re: Pingree Park Homes — Payment in Lieu of Taxes (PILOT).

Eastside Emergency Center, Inc., the sponsor, has formed Pingree Park Homes Limited Dividend Housing Association Limited Partnership. Pingree Park Homes development will consist of twenty-two (22) newly constructed three bedroom one bath, 1200 Sq. Ft. single family units and twenty-eight (28) four bedroom two bath, 1400 Sq. Ft. single family units. Financing for the development will be made possible by a loans totaling $1,659,000 at 6% interest for 20 years from the City of Detroit — Home Investor Loan Program; $880,000 at 8% interest for 30 years from Charter One Bank and Low Income Tax Housing Tax Credits with a total development cost of nine million four hundred sixty-five thousand and ninety-nine dollars ($9,465,099).

The Project area is bounded by: Warren to the north, Mack to the south, Fisher to the west and Holcomb to the east.

MSHDA has indicated that such development receiving low income tax credits, but no financing from the authority, are eligible to receive tax abatements pursuant to Section 15a of Act 346 of the Public Acts of 1996 as amended.

In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1996, (P.A. 346, as amended, MCLA 125.1415A).

At least twenty percent (20%) or 10 of the units must be occupied by households having incomes no greater than 50% of the median income, adjusted for family

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