Hills eyes EDC help for Super Kmart project

Developer still wants DDA for 14 Mile/Orchard Lake plan

BY LARRY O'CONNOR STAFF WRITER

By Larry O'Connon
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City officials and a proponent
for a major redevelopment on
O'rehard Lake and 14 Mile have
come to a major realization:
They need each other.

Malan Realty wants to build a
Super Kmart as part of commercial and residential overhaul. To
see the project through, the firm
needs extra money to buy existing residential property that is
going for much higher commercial prices.

City officials like the redevelopment plan, which fits in with
their master plan and will
spruce up what they see as a
tired area. They're just not keen
on Malan's suggestion to form a

Downtown Development Authority to muke it happen. The developer sees tax increment financing plan through a DDA as the best way to get the project done. Malan officials and council members discussed the DDA idea during a study session Monday.

DDA idea during a study session Monday, ATIF plan could capture tax revenue growth of \$400,000-\$500,000 annually for 12 years a net of \$6.8 million that the developer said in needed to cover additional costs of buying land.

'It's not a situation where Malan is looking for some typo of handout,' said Larry Lichman, Malan Realty attoracy. They are going to spend a lot of money and their tenants are going to

Under the atternative, the developer would pay the costs but would be reimbursed by the EDC for public facilities. The city's captured tax growth from the project would be turned over to the EDC to repay the developer.

pay top dollar for leases. With that, there are still some shortfalls. A DDA makes sense."
City council members are reluctant to proceed with a DDA for many reasons. Chief among them is the city can only have one designated DDA; touncil members are not sure they want to cash in that one chip on Orchard Lake and 14 Mile.
Cauncil members asked city staff to look at other options including grants and road funding – to go along with their afternative Economic Development Corporation finance plan, which

would raise \$4 million through capture of the city's portion of tax growth.

Under the alternative, the developer would pay the costs but would be reimbursed by the EDC for public facilities. The city's captured tax growth from the project would be turned over to the EDC to repay the developer.

et. et. s. s. million from where we want to be, snid Council-woman Nancy Bates, who sug-gested the city and developer work together to find a way to make up the difference. "... I'm

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just not comfortable with a TIF
there."

Added Councilman Jon
Grant: "You're not going to get
four votes on council of r this
(DDA and TIF). I can bear that
and I can count. I am hearing
support for the project."

A TIF doen't raise property
taxes, but merely captures the
growth in value from the city,
county and community college
portion. A TIF is still a tough
sell to residents, council memters said. Public schools are
exempt from TIFs because of
Proposal A. Also, county and
community college trustees can
opt out of any TIF plan, reducing
the maney a DDA could capture.
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Malan Realty.
Existing commercial property
owners in the Orchard Lake and
14 Mile area are also getting
edgy. I have to deal with those
people, Kaline said.
City Manager Daniel Hobbs
said his staff will meet with
Malan officials to look at different ways to raise the \$2.5 million needed. That was enough for
Malan officials, who want to proceed.

ceed.
"What I hear here is the collective rolling up of sleeves," Lichtman said.

CLARIFICATION

A story and headlines on the road paving project for Kimberley Subdivision in Farmington Hills were published Nov. 30 with the name of the neighborhood misspelled.



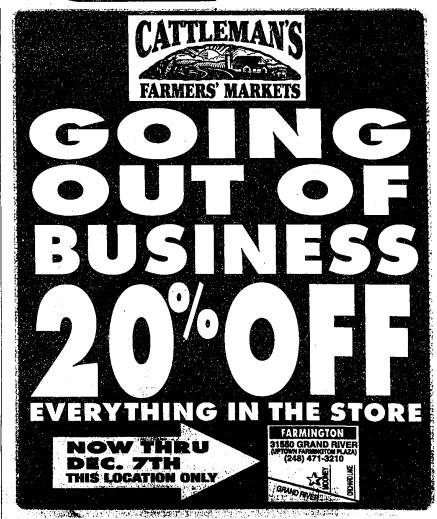


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