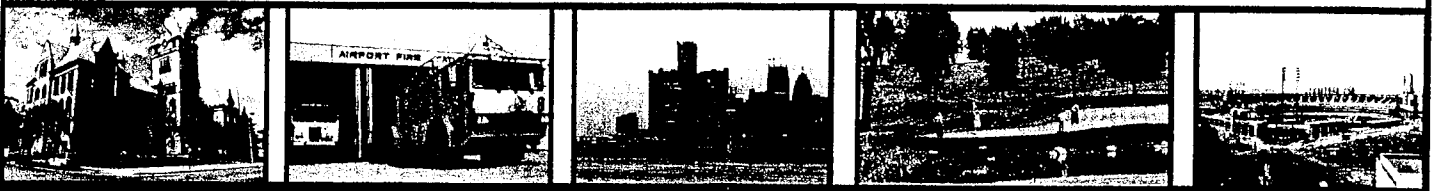
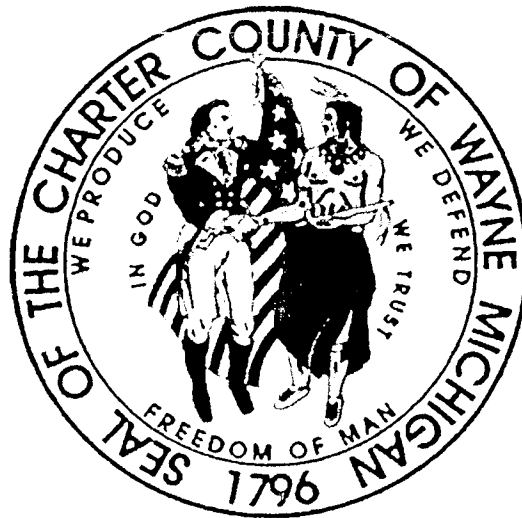


# Wayne County

## TURBO

Transforming Underdeveloped Residential and Business Opportunities



Robert A. Ficano  
County Executive

# **WAYNE COUNTY TURBO DEVELOPMENT**

## **FREQUENTLY ASKED QUESTIONS**

### **Why is Wayne County offering the TURBO Development Program?**

Wayne County Executive Robert A. Ficano is always looking for ways to provide bold, comprehensive and meaningful economic incentives that will serve as a catalyst for people to invest in Wayne County. Mr. Ficano, in partnership with the Wayne County Treasurer, Mr. Raymond Wojtowicz, and the Wayne County Commission, will be implementing this comprehensive plan through the Wayne County Land Bank.

### **What does TURBO Development mean?**

Transforming Underdeveloped Residential and Business Opportunities.

### **What is TURBO Development?**

TURBO Development is an aggressive tax incentive program that gives cash back to property owners who make significant real estate investments in Wayne County. TURBO Development is targeted to individual homeowners, business owners and investors who want to develop property they own in Wayne County.

### **How does TURBO Development work?**

Wayne County, through its Land Bank and in partnership with local communities, will identify areas (eligible TURBO districts) in need of economic stimulus. Based on the investor's anticipated development, the individual investor or developer(s) will enter into a development agreement with the Land Bank and the municipality. For eligible structural improvements, a tax rebate will typically equal 100% of the increase in annual taxes. The tax rebate will generally be provided for at least 5 years. For new construction, the tax rebate will typically equal 50% of the annual taxes. A more aggressive rebate, known as the Maximum TURBO Benefit, is also available for new construction projects. The rebate under the Maximum TURBO Benefit is based on eligible expenses that can be reimbursed under a Brownfield plan.

## **Does it matter if I develop on a residential or commercial lot?**

TURBO Development is a comprehensive tax incentive program that will provide meaningful tax rebates, regardless of whether the property is commercial or residential. All investors can take advantage of this program in developing anything from a \$3,000,000 strip mall or a \$50,000 residence.

## **Does TURBO Development only target distressed areas?**

Although distressed areas will benefit greatly from this program, TURBO Development is a comprehensive program that seeks to spur economic development through new construction or rehabilitation of commercial and residential areas. We anticipate most municipalities in Wayne County will want to participate by identifying their mature neighborhoods as TURBO districts.

## **How does Wayne County determine what percentage of property taxes will be used to refund my eligible expenses?**

If the investor elects the TURBO Rebate option, then the investor will receive the first year of taxes with a 50% tax rebate for the next 5 years, regardless of the eligible expenses incurred in developing the property. Under a Brownfield plan, the determining factor is the amount of eligible expenses you make to the property. For example, you could be reimbursed up to 70% of the property taxes each year until the property owner is reimbursed for his or her eligible expenses.

## **What are some examples of eligible expenses covered by TURBO Development?**

Eligible expenses are only relevant when proceeding with the Maximum TURBO Benefit option offered via a Brownfield plan. Eligible expenses include the following:

1. Infrastructure costs
2. Building sidewalks or sewage systems
3. Demolitions costs
4. Environmental studies and clean up
5. Title fees, survey fees, and building permits

## **How does Wayne County determine the number of years I will benefit from this property tax refund?**

It is either (a) 5 years under the TURBO Rebate option or (b) the number of years it takes the County to pay you back for your eligible expenses under the Maximum TURBO Benefit option.

## **What are some examples of eligible expenses NOT covered by TURBO Development?**

Minor improvements or additions to existing property do not qualify. For example, if a homeowner replaces the aluminum siding or adds a deck, those would not be eligible expenses. In addition, if a building owner paints, replaces windows, replaces roof, makes minor capital improvements or additions to their building, those expenses will not be covered by TURBO Development.

## **When will TURBO Development be in effect?**

Wayne County Executive, Robert A. Ficano, in partnership with Wayne County Treasurer, Raymond Wojtowicz, and the Wayne County Commission anticipate launching the program through a newly created Land Bank by August 2005. You may access the Wayne County Website for up to date information [www.waynecounty.com](http://www.waynecounty.com)

## **Who can I contact if I have questions about TURBO Development?**

Contact (313) 224-6673 or view the Wayne County website [www.waynecounty.com](http://www.waynecounty.com).

**WAYNE COUNTY'S**  
**TURBO DEVELOPMENT INITIATIVE**

**If you invest in Wayne County, Wayne County will invest in you**

**Purpose:** Wayne County will spur economic development activities throughout the County with the implementation of the TURBO Economic Development Initiative by granting substantial property tax relief for new construction and rehabilitation of residential, retail and other commercial activity.

**TURBO:** **Transforming Underdeveloped Residential and Business Opportunities**

**How does it work:** Wayne County, in partnership with local communities, will target areas and underdeveloped parcels in need of economic revitalization.

**Mechanism:** By development agreement, the investor presents its development plan and determines the amount of eligible expenses that can be reimbursed along with the time frame for reimbursement.

**Who Benefits:** This initiative can apply equally to residential and commercial development. It can be utilized by individuals or developers by improving the financial feasibility of a project.

**Advantages:**

- **One Year Free of Property Taxes**
- **Annually, up to 50% of property taxes will be used to refund your eligible expenses**
  - Eligible expenses may include:
    - infrastructure costs (sewerage, sidewalks, etc.)
    - demolition costs
    - environmental remediation
    - soft costs (title fees, survey fees, permits)
- **Tax benefit runs with the land benefiting developer and purchaser**
- **Simultaneously grows the tax base of Wayne County, local municipalities and other taxing entities such as school districts**
- **Initiative can be tailored on a case by case basis to suit local project needs**
- **Taxing Jurisdictions will recoup their investment and grow their tax base in a short time frame**

**TURBO DEVELOPMENT**  
**EXAMPLES:**

	<u>Small Business</u>		<u>Residential</u>	
	<b>Detroit</b>	<b>Livonia</b>	<b>Dearborn</b>	<b>Trenton</b>
Property Value:	\$100,000	\$300,000	\$80,000	\$ 40,000
Annual Taxes: [Non-homestead]	\$ 4,250 (0.085 mil)	\$ 7,800 (0.052 mil)	\$ 2,320 (0.058 mil)	\$ 1,180 (0.059 mil)
New Property Value:	\$300,000	\$1,300,000	\$250,000	\$120,000
New Annual Tax:	\$ 12,750	\$ 33,800	\$ 7,250	\$ 3,540
Development Cost:	\$300,000	\$1,000,000	\$250,000	\$ 80,000
Eligible expenses:	\$ 40,000	\$ 100,000	\$ 25,000	\$ 8,000
<b>BENEFITS</b>				
	<b>Commercial</b>		<b>Residential</b>	
	<u>Detroit</u>	<u>Livonia</u>	<u>Dearborn</u>	<u>Trenton</u>
<b>Yr 1 Taxes exempted:</b>	<b>\$4,250</b>	<b>\$7,800</b>	<b>\$2,320</b>	<b>\$1,180</b>
<b>Yr 2-8 Tax rebate:</b>	<b>\$5,714</b>	<b>\$14,286</b>	<b>\$3,571</b>	<b>\$1,143</b>
<b>Yr 2-8 Taxes paid to Municipalities:</b>	<b>\$7,036</b>	<b>\$19,514</b>	<b>\$3,679</b>	<b>\$2,397</b>
<b>Total Tax Savings to Tax Payer:</b>	<b><u>\$44,250</u></b>	<b><u>\$107,800</u></b>	<b><u>\$27,320</u></b>	<b><u>\$9,180</u></b>