



## CITY COUNCIL AGENDA ITEM

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Date: May 2, 2012

To: The Honorable Mayor and City Council Members

From: John Szerlag, City Manager  
Mark F. Miller, Director of Economic and Community Development  
Thomas Darling, Acting Director of Finance & Administration

Subject: Approval of the Troy Downtown Development Authority's Proposed Fiscal Year 2012/13 Budget

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The Downtown Development Authority (DDA) approved their proposed 2012/13 budget at the May 02, 2012 DDA meeting.

The City-captured tax rate of 10.48 mills, Oakland County 4.65 mills and Oakland County Community College. 1.58 mills was used in determining the DDA property tax revenue, based on a captured taxable value of \$30,126,409.

The DDA's proposed fiscal year 2012/13 budget is hereby submitted to City Council for their approval.



# City of Troy



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# 2012/13 Budget

**Troy Downtown Development Authority**



## Introduction

In order to prevent further deterioration and to encourage economic development of the Downtown District, the City of Troy established the Downtown Development Authority of the City of Troy (the DDA) pursuant to Act 197 of 1975 (Act 197) and an Ordinance adopted by the City Council of the City of Troy on July 12, 1993, and amended on September 28, 1998, February 7, 2000, August 5, 2002, December 16, 2002 and June 4, 2007.

The DDA has identified specific sources of funding to finance the implementation of a plan for physical improvements to the Downtown District identified in this plan as the Development Area.

The purpose of the Tax Increment Financing and Development Plan is to provide for the construction and financing of the necessary streets, sidewalks, street lighting, landscaping, parking garage and other facilities; Kmart and Civic Center projects; widening of Rochester Road and Big Beaver to improve traffic flow; provide and expand existing public facilities on the civic center site to serve the needs of the DDA businesses and the citizens of the City of Troy; to fund improvements contained in the Big Beaver Corridor Study and to carry out the objectives of the DDA so as to prevent the further deterioration of the Development Area while preserving and promoting economic growth for the benefit of all taxing units located within and benefited by the Development Area.



**2012-13 Budget**

**Revenue**

Property Taxes	\$ 503,400
Investment Income	15,000
Re-appropriation of Fund Balance	3,511,216
<b>Total Revenue</b>	<b>\$ 4,029,616</b>

**Expenditures**

Administrative Expenses	\$ 80,000
Operating Expenses	10,000
Tax Tribunals	300,000
Street Island Maint.	135,000
Debt Service - Big Beaver Phase 2 & 3	1,196,075
Debt Service - MTF Bonds (Roch. Rd.)	251,014
Debt Service - Refund 1995 Dev. Bonds Series A	828,801
Debt Service - Community Center Series 2002	823,338
Debt Service - Community Center Jr. Lien 2003	405,388
<b>Total Expenditures</b>	<b>\$ 4,029,616</b>

**Captured Taxable Value  
2011-12**

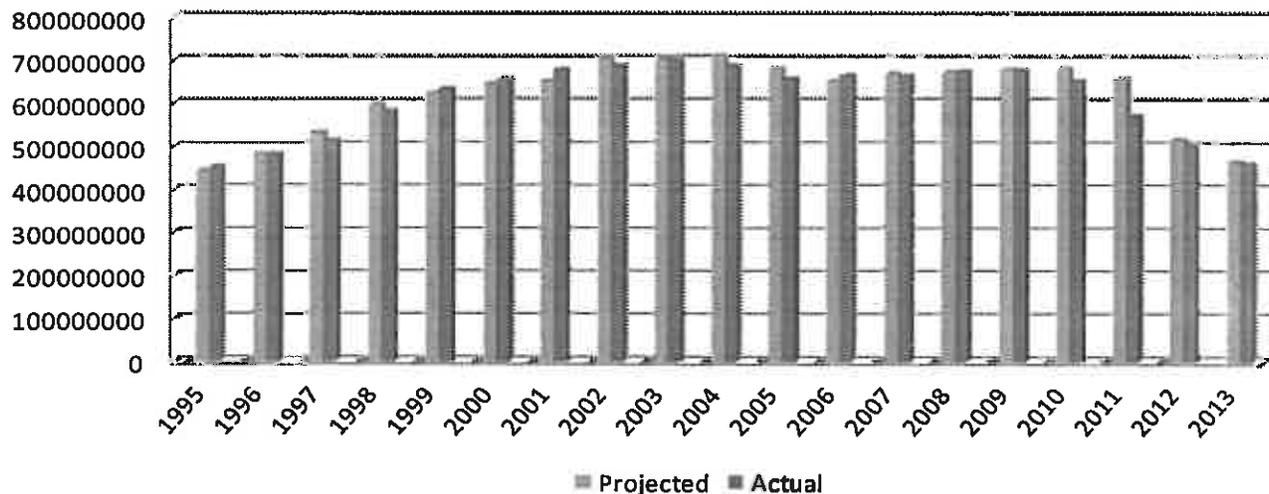
	<u>Real Taxable</u>	<u>Personal Taxable</u>	<u>Total Taxable</u>
1993 - Initial Value	342,302,000	86,976,530	429,278,530
2012 - Taxable Value	354,241,405	105,163,534	459,404,939
Captured Taxable Value	<u>11,939,405</u>	<u>18,187,004</u>	<u>30,126,409</u>

	<u>Oakland County</u>	<u>Oakland Comm. College</u>	<u>City of Troy</u>	<u>Total</u>
Millage Rates	\$ 4.65	\$ 1.58	\$ 10.48	\$ 16.71
Captured Yield	\$ 140,000	\$ 47,700	\$ 315,700	\$ 503,400

**Projected and Actual Captured Valuation  
April, 2011**

**Total DDA Base**

<b>Fiscal Year</b>	<b>Initial Valuation</b>	<b>Projected Valuation</b>	<b>Projected Captured</b>	<b>Actual Valuation</b>	<b>Actual Captured</b>
1995	429,278,530	443,579,055	14,300,525	450,682,090	21,403,560
1996	429,278,530	482,321,290	53,042,760	482,321,290	53,042,760
1997	429,278,530	531,054,797	101,776,267	513,251,790	83,973,260
1998	429,278,530	595,752,807	166,474,277	582,784,390	153,505,860
1999	429,278,530	622,051,685	192,773,155	634,117,140	204,838,610
2000	429,278,530	644,521,355	215,242,825	653,782,621	224,504,091
2001	429,278,530	650,903,679	221,625,149	677,550,840	248,272,310
2002	429,278,530	705,343,067	276,064,537	687,261,110	257,982,580
2003	429,278,530	702,063,909	272,785,379	700,292,970	271,014,440
2004	429,278,530	710,501,087	281,222,557	687,610,440	258,331,910
2005	429,278,530	682,725,921	253,447,391	656,443,260	227,164,730
2006	429,278,530	652,413,515	223,134,985	664,930,800	235,652,270
2007	429,278,530	668,894,972	239,616,442	664,121,560	234,843,030
2008	429,278,530	672,433,613	243,155,083	673,838,080	244,559,550
2009	429,278,530	679,300,371	250,021,841	675,603,180	246,324,650
2010	429,278,530	681,089,262	251,810,732	650,996,995	221,718,465
2011	429,278,530	653,644,255	224,365,725	570,194,110	140,915,580
2012	429,278,530	515,367,735	86,089,205	500,735,100	71,456,570
2013	429,278,530	463,933,819	34,655,289	459,404,939	30,126,409



This chart displays the projected and actual taxable value of the entire Downtown Development District.

**Bond Debt Service  
Development Bonds, Series 2001**

**Big Beaver Phase 2 & 3  
Final Pricing**

Dated Date           07/19/2001  
Delivery Date       07/19/2001

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt</b>
7/19/2001					
11/1/2001	\$ 605,000	4.00%	\$ 193,848.17	\$ 798,848.17	\$
5/1/2002			329,985.00	329,985.00	1,128,833.17
11/1/2002	545,000	4.00%	329,985.00	874,985.00	
5/1/2003			319,085.00	319,085.00	1,194,070.00
11/1/2003	565,000	4.00%	319,085.00	884,085.00	
5/1/2004			307,785.00	307,785.00	1,191,870.00
11/1/2004	590,000	4.00%	307,785.00	897,785.00	
5/1/2005			295,985.00	295,985.00	1,193,770.00
11/1/2005	615,000	4.00%	295,985.00	910,985.00	
5/1/2006			283,685.00	283,685.00	1,194,670.00
11/1/2006	640,000	5.00%	283,685.00	923,685.00	
5/1/2007			267,685.00	267,685.00	1,191,370.00
11/1/2007	670,000	4.00%	267,685.00	937,685.00	
5/1/2008			254,285.00	254,285.00	1,191,970.00
11/1/2008	700,000	4.10%	254,285.00	954,285.00	
5/1/2009			239,935.00	239,935.00	1,194,220.00
11/1/2009	730,000	5.00%	239,935.00	969,935.00	
5/1/2010			221,685.00	221,685.00	1,191,620.00
11/1/2010	770,000	5.00%	221,685.00	991,685.00	
5/1/2011			202,435.00	202,435.00	1,194,120.00
11/1/2011	805,000	4.40%	202,435.00	1,007,435.00	
5/1/2012			184,725.00	184,725.00	1,192,160.00
11/1/2012	850,000	5.50%	184,725.00	1,034,725.00	
5/1/2013			161,350.00	161,350.00	1,196,075.00
11/1/2013	895,000	5.50%	161,350.00	1,056,350.00	
5/1/2014			136,737.50	136,737.50	1,193,087.50
11/1/2014	945,000	5.50%	136,737.50	1,081,737.50	
5/1/2015			110,750.00	110,750.00	1,192,487.50
11/1/2015	1,000,000	5.50%	110,750.00	1,110,750.00	
5/1/2016			83,250.00	83,250.00	1,194,000.00
11/1/2016	1,055,000	5.00%	83,250.00	1,138,250.00	
5/1/2017			56,875.00	56,875.00	1,195,125.00
11/1/2017	1,110,000	5.00%	56,875.00	1,166,875.00	
5/1/2018			29,125.00	29,125.00	1,196,000.00
11/1/2018	1,165,000	5.00%	29,125.00	1,194,125.00	1,194,125.00
	<b>\$ 14,255,000</b>		<b>\$ 7,164,573.17</b>	<b>\$21,419,573.17</b>	<b>\$ 21,419,573.17</b>

**Bond Debt Service  
Refunding Bonds, Series 2001  
Refunding of Callable 1995 DDA Bonds, Series A (Tax-Exempt)**

**Refunding Portion  
Final Pricing**

Dated Date           07/19/2001  
Delivery Date       07/19/2001

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
7/19/2001					
11/1/2001	\$ 465,000	4.00%	\$ 132,448.42	\$ 597,448.42	\$
5/1/2002			224,432.50	224,432.50	821,880.92
11/1/2002	380,000	4.00%	224,432.50	604,432.50	
5/1/2003			216,832.50	216,832.50	821,265.00
11/1/2003	395,000	4.00%	216,832.50	611,832.50	
5/1/2004			208,932.50	208,932.50	820,765.00
11/1/2004	415,000	4.00%	208,932.50	623,932.50	
5/1/2005			200,632.50	200,632.50	824,565.00
11/1/2005	430,000	4.00%	200,632.50	630,632.50	
5/1/2006			192,032.50	192,032.50	822,665.00
11/1/2006	410,000	5.00%	192,032.50	602,032.50	
5/1/2007			181,782.50	181,782.50	783,815.00
11/1/2007	430,000	4.00%	181,782.50	611,782.50	
5/1/2008			173,182.50	173,182.50	784,965.00
11/1/2008	450,000	4.10%	173,182.50	623,182.50	
5/1/2009			163,957.50	163,957.50	787,140.00
11/1/2009	470,000	5.00%	163,957.50	633,957.50	
5/1/2010			152,207.50	152,207.50	786,165.00
11/1/2010	495,000	5.00%	152,207.50	647,207.50	
5/1/2011			139,832.50	139,832.50	787,040.00
11/1/2011	560,000	4.40%	139,832.50	699,832.50	
5/1/2012			127,512.50	127,512.50	827,345.00
11/1/2012	590,000	5.50%	127,512.50	717,512.50	
5/1/2013			111,287.50	111,287.50	828,800.00
11/1/2013	620,000	5.50%	111,287.50	731,287.50	
5/1/2014			94,237.50	94,237.50	825,525.00
11/1/2014	655,000	5.50%	94,237.50	749,237.50	
5/1/2015			76,225.00	76,225.00	825,462.50
11/1/2015	690,000	5.50%	76,225.00	766,225.00	
5/1/2016			57,250.00	57,250.00	823,475.00
11/1/2016	725,000	5.00%	57,250.00	782,250.00	
5/1/2017			39,125.00	39,125.00	821,375.00
11/1/2017	765,000	5.00%	39,125.00	804,125.00	
5/1/2018			20,000.00	20,000.00	824,125.00
11/1/2018	800,000	5.00%	20,000.00	820,000.00	820,000.00
	<u>\$9,745,000</u>		<u>\$4,891,373.42</u>	<u>\$14,636,373.42</u>	<u>\$14,636,373.42</u>

\$5,600,000  
**Michigan Transportation Fund Bonds  
 (Rochester Road)**

Schedule of Principal and Interest Requirements  
 On a Fiscal Year Basis

Fiscal Year Beginning July 1	Interest Due November 1	Interest Rate	Principal Due May1, Next	Interest Due May 1, Next	Total
2000	\$ 205,343.70	- %	\$ 1,100,000	\$ 136,893.75	\$ 1,442,237.45
2001	110,768.75	4.75%	1,200,000	110,768.75	1,421,537.50
2002	82,268.75	4.75%	1,300,000	82,268.75	1,464,537.50
2003	51,718.75	4.70%	125,000	51,718.75	228,437.50
2004	48,718.75	4.80%	150,000	48,718.75	247,437.50
2005	45,043.75	4.90%	175,000	45,043.75	265,087.50
2006	40,668.75	5.00%	175,000	40,668.75	256,337.50
2007	36,293.75	5.00%	175,000	36,293.75	247,587.50
2008	31,918.75	5.00%	175,000	31,918.75	238,837.50
2009	27,456.25	5.10%	175,000	27,456.25	229,912.50
2010	22,950.00	5.15%	175,000	22,950.00	220,900.00
2011	18,356.25	5.25%	200,000	18,356.25	236,712.50
2012	13,006.25	5.35%	225,000	13,006.25	251,012.50
2013	6,875.00	5.45%	250,000	6,875.00	263,750.00
	<u>\$ 741,387.45</u>		<u>\$ 5,600,000</u>	<u>\$ 672,937.50</u>	<u>\$ 7,014,324.95</u>

Registrar/Transfer Agent – Old Kent Bank, Grand Rapids, Michigan

\*Dated date, February 1, 2000, first interest payment due November 1, 2000 – 9 months.



\$9,700,000

**Community Center Facilities Bonds, Series 2002**

Schedule of Principal and Interest Requirements  
On a Fiscal Year Basis

<b>Fiscal Year Beginning July 1</b>	<b>Principal Due November 1</b>	<b>Interest Rate</b>	<b>Interest Due November 1</b>	<b>Interest Due May 1, Next</b>	<b>Total Principal &amp; Interest Requirements</b>
2002	\$ -	- %	\$ -	\$ 236,433.33	\$ 236,433.33
2003	400,000.00	5.00%	177,325.00	167,325.00	744,650.00
2004	425,000.00	3.00%	167,325.00	160,950.00	753,275.00
2005	425,000.00	2.05%	160,950.00	156,593.75	742,543.75
2006	500,000.00	2.40%	156,593.75	150,593.75	807,187.50
2007	500,000.00	2.70%	150,593.75	143,843.75	794,437.50
2008	550,000.00	3.00%	143,843.75	135,593.75	829,437.50
2009	575,000.00	3.25%	135,593.75	126,250.00	836,843.75
2010	600,000.00	3.50%	126,250.00	115,750.00	842,000.00
2011	600,000.00	3.60%	115,750.00	104,950.00	820,700.00
2012	625,000.00	3.70%	104,950.00	93,387.50	823,337.50
2013	650,000.00	3.80%	93,387.50	81,037.50	824,425.00
2014	700,000.00	4.00%	81,037.50	67,037.50	848,075.00
2015	725,000.00	4.10%	67,037.50	52,175.00	844,212.50
2016	775,000.00	4.20%	52,175.00	35,900.00	863,075.00
2017	800,000.00	4.30%	35,900.00	18,700.00	854,600.00
2018	850,000.00	4.40%	18,700.00	0.00	868,700.00
	<b><u>\$9,700,000.00</u></b>		<b><u>\$1,787,412.50</u></b>	<b><u>\$1,846,520.83</u></b>	<b><u>\$ 13,333,933.33</u></b>

Registrar/Transfer Agent – Fifth Third Bank, Michigan, Grand Rapids, Michigan



\$4,025,000

**Community Center Facilities Junior Lien Bonds, Series 2003**

**Schedule of Principal and Interest Requirements  
On a Fiscal Year Basis**

<b>Fiscal Year Beginning July 1</b>	<b>Principal Due November 1</b>	<b>Interest Rate</b>	<b>Interest Due November 1</b>	<b>Interest Due May 1, Next</b>	<b>Total Principal &amp; Interest Requirements</b>
2003	\$ -	0.00%	* \$ 59,984.38	\$ 71,981.25	\$ 131,965.63
2004	75,000.00	2.50%	71,981.25	71,043.75	218,025.00
2005	100,000.00	2.50%	71,043.75	69,793.75	240,837.50
2006	100,000.00	2.50%	69,793.75	68,543.75	238,337.50
2007	125,000.00	2.50%	68,543.75	66,981.25	260,525.00
2008	150,000.00	2.50%	66,981.25	65,106.25	282,087.50
2009	200,000.00	3.00%	65,106.25	62,106.25	327,212.50
2010	200,000.00	3.00%	62,106.25	59,106.25	321,212.50
2011	250,000.00	3.15%	59,106.25	55,168.75	364,275.00
2012	300,000.00	3.30%	55,168.75	50,218.75	405,387.50
2013	325,000.00	3.45%	50,218.75	44,612.50	419,831.25
2014	350,000.00	3.60%	44,612.50	38,312.50	432,925.00
2015	400,000.00	3.75%	38,312.50	30,812.50	469,125.00
2016	450,000.00	4.25%	30,812.50	21,250.00	502,062.50
2017	500,000.00	4.25%	21,250.00	10,625.00	531,875.00
2018	500,000.00	4.25%	10,625.00	0.00	510,625.00
	<b>\$ 4,025,000.00</b>		<b>\$ 845,646.88</b>	<b>\$ 785,662.50</b>	<b>\$ 5,656,309.38</b>

Registrar/Transfer Agent – Fifth Third Bank, Michigan, Grand Rapids, Michigan

\*Dated date, June 1, 2003, first interest payment due  
November 1, 2003 – 5 months.



**Table 1  
Downtown Development Authority Bonds**

**Schedule of Projected Taxable Values  
(Actual through 2012)**

<b>Year</b>	<b>Total Real</b>	<b>Total Personal</b>	<b>Total Real &amp; Personal</b>	<b>Initial Assessed Value</b>	<b>Captured Taxable Value</b>
1993	342,342,400	86,936,130	429,278,530	429,278,530	-
1994	338,797,800	111,884,290	450,682,090	429,278,530	21,403,560
1995	334,906,240	147,415,050	482,321,290	429,278,530	53,042,760
1996	366,197,830	147,053,960	513,251,790	429,278,530	83,973,260
1997	391,782,920	191,001,470	582,784,390	429,278,530	153,505,860
1998	430,125,100	203,992,040	634,117,140	429,278,530	204,838,610
1999	432,998,790	220,783,831	653,782,621	429,278,530	224,504,091
2000	469,734,570	207,816,270	677,550,840	429,278,530	248,272,310
2001	493,426,640	193,834,470	687,261,110	429,278,530	257,982,580
2002	520,281,770	180,011,200	700,292,970	429,278,530	271,014,440
2003	524,793,130	162,817,310	687,610,440	429,278,530	258,331,910
2004	522,118,430	134,324,830	656,443,260	429,278,530	227,164,730
2005	531,379,920	133,550,880	664,930,800	429,278,530	235,652,270
2006	538,571,100	125,550,460	664,121,560	429,278,530	234,843,030
2007	546,229,050	127,609,030	673,838,080	429,278,530	244,559,550
2008	548,608,230	126,994,950	675,603,180	429,278,530	246,324,650
2009	529,452,075	121,544,920	650,996,995	429,278,530	221,718,465
2010	458,825,750	111,368,360	570,194,110	429,278,530	140,915,580
2011	395,679,810	105,055,290	500,735,100	429,278,530	71,456,570
2012	354,241,405	105,163,534	459,404,939	429,278,530	30,126,409
2013	340,140,448	101,003,981	441,144,429	429,278,530	11,865,899
2014	329,934,675	97,963,767	427,898,442	429,278,530	(1,380,088)
2015	323,337,225	96,016,034	419,353,259	429,278,530	(9,925,271)
2016	320,101,814	95,054,074	415,155,888	429,278,530	(14,122,642)
2017	316,893,486	94,087,758	410,981,244	429,278,530	(18,297,286)
2018	316,888,265	93,161,777	410,050,042	429,278,530	(19,228,488)

2013 (4%) Real, (4%) Personal; 2014 (3%) Real, (3%) Personal; 2015 (2%) Real, (2%) Personal; 2016 (1%) Real, (1%) Personal; 2017 (1%) Real, (1%) Personal; 2018 (0%) Real, (1%) Personal.

Assumes no new development in the district.



**Annual Debt Requirements**

<b>Year Ending June 30,</b>	<b>Refunding Bonds 2001</b>	<b>Big Beaver Phase 2 &amp; 3</b>	<b>MTF Bonds Roch. Rd.</b>	<b>Comm. Center 2002</b>	<b>Comm. Center Jr. Lien 2003</b>	<b>Amount of Annual Interest</b>	<b>Total</b>
2013	\$ 590,000	\$ 850,000	\$ 225,000	\$ 625,000	\$ 300,000	\$ 914,614	\$ 3,504,614
2014	620,000	895,000	250,000	650,000	325,000	786,621	3,526,621
2015	655,000	945,000	-	700,000	350,000	648,953	3,298,953
2016	690,000	1,000,000	-	725,000	400,000	515,814	3,330,814
2017	725,000	1,055,000	-	775,000	450,000	376,638	3,381,638
2018	765,000	1,110,000	-	800,000	500,000	231,600	3,406,600
2019	800,000	1,165,000	-	850,000	500,000	78,450	3,393,450
	<b>\$ 4,845,000</b>	<b>\$ 7,020,000</b>	<b>\$ 475,000</b>	<b>\$ 5,125,000</b>	<b>\$ 2,825,000</b>	<b>\$ 3,552,690</b>	<b>\$23,842,690</b>



**Five -Year Budget Projection  
April 27, 2012**

	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>
<b>Revenue</b>					
Property Taxes	\$ 197,000	\$ -	\$ -	\$ -	\$ -
Re-appropriation Fund Balance	3,138,391	-	-	-	-
Investment Income	10,000	-	-	-	-
<b>Total Revenues</b>	<b>3,345,391</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>					
<b>Operating Expenditures</b>					
Operating Expenses	10,000	-	-	-	-
Administrative Expense	80,000	-	-	-	-
Street Island Maintenance	139,000	-	-	-	-
Tax Tribunals	200,000	-	-	-	-
<b>Total Operating</b>	<b>429,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debt Service Expenditures</b>					
Big Beaver Phase 2 & 3	1,193,100	1,192,500	1,194,000	1,195,125	1,196,000
MTF Rochester Road	263,750	-	-	-	-
Refund Series 'A'	825,525	825,465	823,475	821,375	824,125
Community Center-2002	824,425	848,075	844,215	863,075	854,600
Community Center Jr.-2003	419,835	432,925	469,125	502,065	531,875
<b>Total Debt Service</b>	<b>3,526,635</b>	<b>3,298,965</b>	<b>3,330,815</b>	<b>3,381,640</b>	<b>3,406,600</b>
<b>Total Expenditures</b>	<b>3,955,635</b>	<b>3,298,965</b>	<b>3,330,815</b>	<b>3,381,640</b>	<b>3,406,600</b>
<b>Revenues (Under) Expenditures</b>	<b>\$ (610,244)</b>	<b>\$ (3,298,965)</b>	<b>\$ (3,330,815)</b>	<b>\$ (3,381,640)</b>	<b>\$ (3,406,600)</b>
<b>Estimated Fund Balance</b>	<b>\$ (610,244)</b>	<b>\$ (3,909,209)</b>	<b>\$ (7,240,024)</b>	<b>\$ (10,621,664)</b>	<b>\$ (14,028,264)</b>

### **Tax Increment Procedure**

Tax increment revenue to be transmitted to the DDA is generated when the current taxable value of all properties within a development area exceeds the initial assessed value of the properties. The initial assessed value is defined in Act 197 as the assessed value of all taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the ordinance is adopted. The current assessed value refers to the assessed value of all properties, real and personal, within the development area as established each year subsequent to the adoption of the tax increment financing plan. The amount in any one year by which the current taxable value exceeds the initial assessed value, including real and personal property, is defined as the "captured taxable value." The tax increment revenue transmitted to the DDA results from applying the total tax levy of taxing units within the development area to the captured taxable value.

Increases in assessed values within a development area which result in the generation of tax increment revenues, can result from any of the following:

- a. Construction of new development occurring after the date establishing the "initial assessed value."
- b. Construction of new rehabilitation, remodeling alterations, or additions accruing after the date establishing the "initial assessed value."
- c. Increases in property values which occur for any other reason.

Tax increment revenues transmitted to the DDA can be pledged for debt service on general obligation tax increment bonds issued by the municipality or tax increment revenues bonds issued by the DDA.

If bonds are to be sold, the municipality may not pledge for annual debt service requirements in excess of 80% of the estimated tax increment revenue to be received from a development area for that year. In addition, the estimated annual debt service owed on bonds issued by the municipality may not exceed 80% of the estimated annual tax increment revenues. Should actual tax increment revenues fall below projections, any previously accumulated revenue would be devoted to retirement of the bonds. Any tax increment revenues collected in excess of the 80% measure described in Table 2 of the Development Plan will be used to pay current debt service on any bonds issued under the Plan. The bonds are subject to the Michigan Municipal Finance Act and may not mature in more than thirty years.

The DDA may expend tax increment revenues only in accordance with the tax increment financing plan; surplus revenues revert proportionally to the prospective taxing jurisdictions. The tax increment financing plan may be modified upon approval of the governing body after notification and hearings as required by Act 197. When the governing body finds that the purposes for which the plan was established have been accomplished, they may abolish the plan.