



CITY COUNCIL AGENDA ITEM

Date: November 20, 2014

To: Brian Kischnick, City Manager

From: Mark F. Miller, Director of Economic and Community Development

Subject: Update and Timeline for the Extension of the Troy Local Development Finance Authority (LDFA) and Automation Alley SmartZone, Presented by Richard Carlisle, Carlisle/Wortman Associates

History

The Michigan Economic Development Corporation accepted and approved the cities of Troy and Southfield application for a 15-year extension of the Joint LDFA, Troy LDFA, Southfield LDFA and Automation Alley SmartZone. The existing LDFAs are to sunset in 2018, while the extension will move the sunset date to 2033. This partnership will extend LDFA tax capture for an additional 15 years. Therefore, providing funding for Automation Alley operations and public infrastructure improvements that serve the Automation Alley SmartZone.

To qualify for the extension Troy and Southfield have agreed to host a Satellite SmartZone in the City of Port Huron and Kimball Township. This Satellite is known as the St. Clair Innovation and Technology SmartZone (SCCiTech). MEDC has required certain conditions as part of the 15 year extension:

1. Monthly reporting for the term of the TIF capture for companies served by the SmartZone: companies created, jobs created, and investment in companies by source.
2. Regional collaboration with SCCiTech.
3. Annual reports for the term of the TIF capture reporting on the progress of the regional collaboration.
4. Summary of TIF performance against the original plan in the extension request to MEDC.

To implement the 15 year extension the Joint LDFA, Troy LDFA and Southfield LDFA must amend their Development Plans and Tax Increment Financing Plan by June 30, 2015. Richard Carlisle is coordinating with both cities and the LDFAs to amend the Plans. Attached to this memorandum is a timeline of the necessary steps that need to be accomplished to amend all of the Plans. Mr. Carlisle will provide a short presentation at the November 24, 2014 City Council meeting to present the timeline and answer any questions.

Attachment

MMAGENDA ITEMS\11.24.1 – Update and Timeline for the Extension of the Troy Local Development Finance Authority (LDFA) and automation Alley SmartZone, Presented by Richard Carlisle, Carlisle/Wortman Associates

**Procedures for Amendment of Boundaries and/or
Joint LDFA Development and Tax Increment Finance Plans
Cities of Troy and Southfield**

AMENDMENT OF PLAN

The following formal steps are required to amend the Development and Tax Increment Financing Plan. The amendment for the 15-year extension must be completed by June 30, 2015.

<u>Task</u>	
A) Prepare Draft Plan	December 15, 2014
1) Meet with MEDC staff	
2) Complete draft Amended Development and Tax Increment Financing Plan	
3) Submit for review	
B) Review of draft Amended Development and Tax Increment Financing Plan	
<u>Staff/Legal Review</u>	
1) Submit draft Amended Development and TIF Plan to respective City staffs of Southfield and Troy.	December 15, 2014
2) Submit Draft Amended Development and TIF Plan to respective City Attorneys of Southfield and Troy for review.	December 15, 2014
3) All review comments due.	January 1, 2015
<u>LDFA/Joint LDFA Review</u>	
1) Revise Amended Development and TIF Plan as necessary and submit to LDFA Boards for review and comments.	January 15, 2015
2) Meeting of respective LDFA Boards. If both LDFA Boards find that the Amended Plan achieves the purposes of the LDFA Act, Plan is submitted to the Joint LDFA for approval.	January 30, 2015
3) Meeting of Joint LDFA Board. Upon approval of the Amended Plan by the Joint LDFA, the Plan is submitted to the City of Southfield	January 30, 2015

and the City of Troy City Councils

C) Taxing Jurisdiction Input

- 1) Prior to the public hearing, affected taxing jurisdictions shall be given a reasonable opportunity for review and comment on the Draft Amended Plan.
- 2) Taxing jurisdictions may also present their recommendation of the public hearing.

January 30 - February 28,
2015

D) Notice of Public Hearing

- 1) Upon receipt of the Amended Development and TIF Plan, a public hearing before the respective City Councils of Southfield and Troy shall be scheduled.
- 2) Notice of the public hearing shall be published twice in a newspaper of general circulation; the first notice shall not be less than 20 days prior to the date of the hearing. Notice shall also be mailed by certified mail to governing body of affected taxing jurisdictions.

March 1, 2015

The notice shall contain the following information:

- (a) A description of the property to which the plan applies in relation to highways, streets, streams, or otherwise.
- (b) A statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, area available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing.
- (c) Other information that the City Councils of Southfield and Troy consider appropriate.

E) Public Hearing and Adoption

- 1) City Councils Southfield and Troy shall conduct the public hearing. Interested persons have the right to be heard and shall also receive written comments regarding the Plan.
- 2) Upon conclusion of the public hearing, the City Councils Southfield and Troy adopt the Plan by resolution.

May 1, 2015

- 3) The procedure, adequacy of notice, and findings with respect to purpose and captured assessed value shall be conclusive unless contested in a court of competent jurisdiction within 60 days after adoption of the resolution adopting the plan. An amendment, adopted by resolution, to a conclusive plan shall likewise be conclusive unless contested within 60 days after adoption of the resolution adopting the amendment. If a resolution adopting an amendment to the plan is contested, the resolution adopting the plan is not open to contest.

F) Plan Becomes Effective

G) Submit Plan to MEDC

May 1, 2015

No later than June 30,
2015

Timeline to Amend LDFA Plan

