



CITY COUNCIL AGENDA ITEM

April 28, 2015

To: The Honorable Mayor and City Council Members

From: Brian Kischnick, City Manager
Mark F. Miller, Director of Economic and Community Development
Tom Darling, Director of Financial Services
Glenn Lapin, Economic Development Specialist

Subject: Approval of the Joint Local Development Finance Authority Troy Subcommittee
Proposed Fiscal Year 2015/16 Budget

The Joint Local Development Finance Authority Troy Subcommittee (LDFA) recommended approval of its proposed 2015/16 budget at the April 27, 2015 LDFA meeting. City management recommends that City Council approve the LDFA's proposed 2015/16 budget.

2015/2016

CITY OF TROY

Joint Local Development Finance Authority

BUDGET

grow through community | lead through action

Members

Chairperson

Robin Beltramini

Paul Hoef
Michael Kidder
John Sharp
David Shields
Nickolas Vitale

Alternates

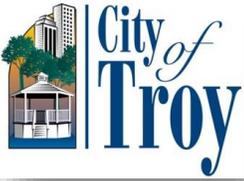
Ellen Hodorek
Dane Slater

Secretary/Treasurer

Mark F. Miller

County Representative (non-voting)

Irene Spanos



Local Development Financing Authority

County of Oakland, State of Michigan

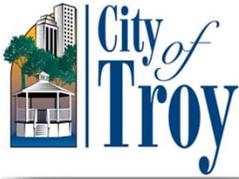
2015/16 through 2017/18 Budget

Introduction

The Local Development Finance Authority, as established by The Local Development Financing Act, Act 281 of 1986, Section 125.2151, is composed of seven members and appointed for four-year terms by the Mayor subject to the approval of City Council.

The Authority's primary objective is to encourage local development to prevent conditions of unemployment and to promote economic growth; to provide for the establishment of local development finance authorities and to prescribe their powers and duties; to provide for the creation of a board to govern an authority and to prescribe its powers and duties; to provide for the creation and implementation of development plans; to authorize the acquisition and disposal of interests in real and personal property; to permit the issuance of bonds and other evidences of indebtedness by an authority; to prescribe powers and duties of certain public entities and state officers and agencies; to reimburse authorities for certain losses of tax increment revenues; and to authorize and permit the use of tax increment financing.

In 1993, the City of Troy established the Automation Alley SmartZone. Central to the SmartZone was the designation of an area as a certified technology park. This zone of approximately 75-acres was created as a Local Development Finance Authority (LDFA). The tax increment will be used to fund infrastructure for the Automation Alley Technology Park and establishment of a technology accelerator program to assist in technology based companies in bringing new products to the market. Council appointed a seven member Automation Alley SmartZone LDFA.



Local Development Financing Authority

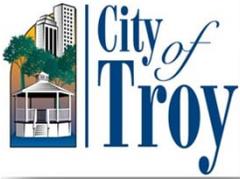
County of Oakland, State of Michigan

2015/16 through 2017/18 Budget

	2014 Actual	2015 Estimated	2015 Budget	2016 Budget	2017 Budget	2018 Budget
REVENUE						
Property Taxes	\$ 184,442	\$ 138,300	\$ 138,300	\$ 180,900	\$ 157,100	\$ 151,500
Interest Income	724	1,280	500	1,100	1,100	1,100
Total Revenues	185,166	139,580	138,800	182,000	158,200	152,600
EXPENDITURES						
Automation Alley - Operations	60,000	57,000	57,000	61,200	62,500	63,700
Infrastructure	-	106,000	122,500	72,360	62,840	60,600
Tax Tribunals/Tax Refunds	-	50,000	-	-	-	-
Administrative Services	5,000	5,000	5,000	5,000	5,000	5,000
Marketing Costs (Membership)	15,000	17,500	15,000	17,500	17,500	17,500
Audit Fees	1,950	1,950	1,950	1,950	1,950	1,950
Other	1,503	18,000	472	5,000	5,000	5,000
TOTAL - EXPENDITURES	83,453	255,450	201,922	163,010	154,790	153,750
Change Before Other Financing	101,713	(115,870)	(63,122)	18,990	3,410	(1,150)
SURPLUS (USE) OF FUND BALANCE	101,713	(115,870)	(63,122)	18,990	3,410	(1,150)
BEGINNING FUND BALANCE	14,782	116,495	116,495	625	19,615	23,025
ENDING FUND BALANCE	\$ 116,495	\$ 625	\$ 53,373	\$ 19,615	\$ 23,025	\$ 21,875

Captured Taxable Value

	2015/16 Taxable	2016/17 Taxable	2017/18 Taxable
Industrial Real Property			
Real Base Taxable Value	\$ 13,016,380	\$ 13,016,380	\$ 13,016,380
Real Taxable Value	13,261,600	13,473,786	13,689,366
Industrial Real Captured Value	245,220	457,406	672,986
Commercial Personal Property			
Personal Base Taxable Value	1,431,000	1,431,000	1,431,000
Personal Taxable Value	2,407,250	2,431,323	2,455,636
Commercial Personal Property Captured Value	976,250	1,000,323	1,024,636
Industrial Personal Property			
Personal Base Taxable Value	-	-	-
Personal Taxable Value	7,181,660	5,745,328	5,170,795
Commercial Personal Property Captured Value	7,181,660	5,745,328	5,170,795
Total Captured Value	\$ 8,403,130	\$ 7,203,057	\$ 6,868,417
Tax Revenues			
Industrial Real Revenues	\$ 6,695	\$ 12,488	\$ 18,374
Commercial Personal Revenues	23,420	23,997	24,580
Industrial Personal Revenues	150,739	120,591	108,532
Total Revenues	\$ 180,854	\$ 157,076	\$ 151,486



Local Development Financing Authority

County of Oakland, State of Michigan

2015/16 through 2017/18 Budget

Millage Rates	Oakland County	City Debt	OCPTA	School OP	*1/2 School	1/2 ISD	Community College	Hold Harmless	Total
					OP-12				
Industrial Real	4.64610	9.79740	0.59000	-	9.00000	1.68450	1.58440	-	27.30240
Commercial Personal	4.64610	9.79740	0.59000	3.00000	-	1.68450	1.58440	2.68705	23.98945
Industrial Personal	4.64610	9.79740	0.59000	-	-	1.68450	1.58440	2.68705	20.98945