



## CITY COUNCIL AGENDA ITEM

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May 2, 2016

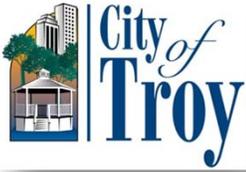
To: The Honorable Mayor and City Council Members

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 2016/17 and 3-Year Budget

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The Joint Local Development Finance Authority Troy Subcommittee (LDFA) recommended approval of its proposed 2016/17 budget at the April 25, 2016 LDFA meeting. City management recommends that City Council approve the LDFA's proposed 2016/17 and 3-year budget.



## *Local Development Financing Authority*

County of Oakland, State of Michigan

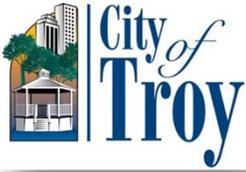
2016/17 through 2018/19 Budget

### 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 2003, 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.



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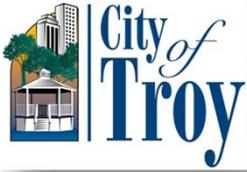
### 2016/17 through 2018/19 Budget

	2015 Actual	2016 Estimated	2016 Budget	2017 Budget	2018 Budget	2019 Budget
<b>REVENUE</b>						
Property Taxes (*)	\$ 140,456	\$ 183,650	\$ 180,900	\$ 160,050	\$ 135,370	\$ 139,550
Interest Income	871	1,100	1,100	1,100	1,100	1,100
<b>Total Revenues</b>	<b>141,327</b>	<b>184,750</b>	<b>182,000</b>	<b>161,150</b>	<b>136,470</b>	<b>140,650</b>
<b>EXPENDITURES</b>						
Automation Alley - Operations	57,000	61,200	61,200	78,530	63,720	66,230
Infrastructure	106,000	53,000	72,360	53,000	53,000	53,000
Tax Tribunals/Tax Refunds (*)	36,774	-	-	-	-	-
Administrative Services	5,000	5,000	5,000	5,000	5,000	5,000
Marketing Costs (Membership)	17,500	17,500	17,500	17,500	17,500	17,500
Audit Fees	1,950	1,950	1,950	1,950	1,950	1,950
Other	20,765	5,000	5,000	5,000	5,000	5,000
<b>TOTAL - EXPENDITURES</b>	<b>244,989</b>	<b>143,650</b>	<b>163,010</b>	<b>160,980</b>	<b>146,170</b>	<b>148,680</b>
Change Before Other Financing	(103,662)	41,100	18,990	170	(9,700)	(8,030)
<b>BEGINNING FUND BALANCE</b>	<b>116,495</b>	<b>12,833</b>	<b>12,833</b>	<b>53,933</b>	<b>54,103</b>	<b>44,403</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 12,833</b>	<b>\$ 53,933</b>	<b>\$ 31,823</b>	<b>\$ 54,103</b>	<b>\$ 44,403</b>	<b>\$ 36,373</b>

(\*) Note: 2014 property tax revenues captured approximately \$36,800 in excess of the related taxable values from local units. This amount will be refunded back to the local units in the 2015 fiscal year.

### Captured Taxable Value

	2016/17 Taxable	2017/18 Taxable	2018/19 Taxable
<b>Industrial Real Property</b>			
Real Base Taxable Value	\$ 13,016,380	\$ 13,016,380	\$ 13,016,380
Real Taxable Value	13,301,350	13,301,350	13,434,364
<b>Industrial Real Captured Value</b>	<b>284,970</b>	<b>284,970</b>	<b>417,984</b>
<b>Commercial Personal Property</b>			
Personal Base Taxable Value	545,070	545,070	545,070
Personal Taxable Value	2,051,210	2,071,722	2,092,439
<b>Commercial Personal Property Captured Value</b>	<b>1,506,140</b>	<b>1,526,652</b>	<b>1,547,369</b>
<b>Industrial Personal Property</b>			
Personal Base Taxable Value	885,930	885,930	885,930
Personal Taxable Value	6,313,855	5,131,140	5,131,140
<b>Commercial Personal Property Captured Value</b>	<b>5,427,925</b>	<b>4,245,210</b>	<b>4,245,210</b>
<b>Total Captured Value</b>	<b>\$ 7,219,035</b>	<b>\$ 6,056,832</b>	<b>\$ 6,210,563</b>
<b>Tax Revenues</b>			
Industrial Real Revenues	\$ 7,870	\$ 7,870	\$ 11,540
Commercial Personal Revenues	36,590	37,090	37,600
Industrial Personal Revenues	115,590	90,410	90,410
<b>Total Revenues</b>	<b>\$ 160,050</b>	<b>\$ 135,370</b>	<b>\$ 139,550</b>



## *Local Development Financing Authority*

County of Oakland, State of Michigan

2016/17 through 2018/19 Budget

Millage Rates	Oakland County	City (Less Debt)	OCPTA	School OP	*1/2 School OP-12	1/2 ISD	Community College	Hold Harmless	Total
Industrial Real	4.54560	9.80000	1.00000	-	9.00000	1.68165	1.58190	-	27.60915
Commercial Personal	4.54560	9.80000	1.00000	3.00000	-	1.68165	1.58190	2.68705	24.29620
Industrial Personal	4.54560	9.80000	1.00000	-	-	1.68165	1.58190	2.68705	21.29620