



**JOINT TROY CITY COUNCIL  
AND  
TROY DOWNTOWN DEVELOPMENT AUTHORITY**

**JOINT SPECIAL MEETING  
AGENDA**

**TUESDAY, OCTOBER 25, 2016  
CONVENING AT 5:00 PM**

**CITY COUNCIL BOARDROOM  
TROY CITY HALL  
500 W. BIG BEAVER RD.  
TROY, MI 48084**

**PERMITTED BY CITY COUNCIL RESOLUTION #2016-10-173-J-6**

**Submitted By  
The City Manager**

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***NOTICE: Persons with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk at (248) 524-3316 or via e-mail at [clerk@troymi.gov](mailto:clerk@troymi.gov) at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.***

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500 W. Big Beaver  
Troy, MI 48084  
248.524.3300  
troymi.gov

The Honorable Mayor and City Council Members

City of Troy  
500 West Big Beaver  
Troy, MI 48084

Dear Mayor and City Council Members:

In this packet, you will find the agenda for the City Council meeting. To help facilitate an informed discussion, the packet provides you with agenda items and additional details. The packet also contains recommended courses of action for your consideration and seeks to aid you in adopting sound policy decisions for the City of Troy.

This comprehensive agenda has been put together through the collaborative efforts of management and staff members. We have made all attempts to obtain accurate supporting information. It is the result of many meetings and much deliberation, and I would like to thank the staff for their efforts.

If you need any further information, staff is always available to provide more information and answer questions that may arise. You can contact me at [bkischnick@troymi.gov](mailto:bkischnick@troymi.gov) or 989.233.7335 with questions.

Respectfully,

A handwritten signature in black ink that reads "B. K. L. K.", representing Brian Kischnick.

Brian Kischnick,  
City Manager

# 2016 Strategies

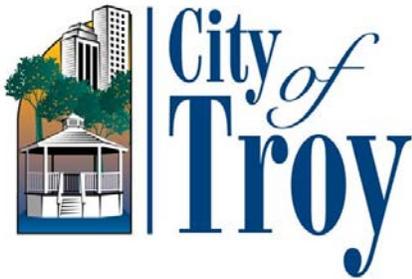
We believe a strong community embraces diversity, promotes innovation, and encourages collaboration.

We strive to lead by example within the region.

We do this because we want everyone to choose Troy as their community for life.

We believe in doing government the best.

- 1** Create space for a customer service welcome center at the east entrance of City Hall.
- 2** Redesign the City of Troy website.
- 3** Review city ordinances to address outdated policies and explore the need for new ordinances.
- 4** Install recycling elements in city facilities.
- 5** Link civic center campus with a trail and pathway system.
- 6** Establish site development design standards to ensure quality.
- 7** Explore the development of civic center property by conducting a market study and developing a concept plan.
- 8** Launch the Global Troy Advisory Committee.
- 9** Enhance the pedestrian crosswalk and transportation shelters at Automation Alley.
- 10** Partner to establish a Big Beaver transportation service.



**JOINT TROY CITY COUNCIL  
AND  
TROY DOWNTOWN DEVELOPMENT AUTHORITY  
SPECIAL MEETING AGENDA**

**October 25, 2016 – 5:00 PM**

**City Council Boardroom  
500 W. Big Beaver Rd.  
Troy, Michigan 48084**

For information, please call: (248) 524-3317

<b>A.</b>	<b><u>CALL TO ORDER:</u></b>	<b>1</b>
<b>B.</b>	<b><u>ROLL CALL:</u></b>	<b>1</b>
<b>C.</b>	<b><u>DISCUSSION ITEMS:</u></b>	<b>1</b>
C-1	Presentation by Unicorp National Developments Inc. Vision for Redevelopment of 888 W. Big Beaver Road <i>(Presented by: Chuck Whittall, President)</i>	1
C-2	Quality Development Initiative (QDI), a Potential Incentive to Encourage Quality Redevelopment of the DDA District <i>(Presented by: Brian Kischnick, City Manager, and Mark F. Miller, Director of Economic and Community Development)</i>	1
C-3	City Council and Downtown Development Authority Discussion of the Proposed QDI and 888 W. Big Beaver Redevelopment	1
<b>D.</b>	<b><u>PUBLIC COMMENT:</u></b>	<b>1</b>
<b>E.</b>	<b><u>ADJOURNMENT:</u></b>	<b>1</b>
	<b><u>PUBLIC COMMENT:</u></b>	<b>2</b>
	<b><u>2016 SCHEDULED SPECIAL CITY COUNCIL MEETINGS</u></b>	<b>4</b>
	November 14, 2016 Joint Study City Council/Troy Family Daze Committee .....	4
	<b><u>2016 SCHEDULED REGULAR CITY COUNCIL MEETINGS:</u></b>	<b>4</b>
	November 14, 2016 Regular Meeting .....	4
	November 21, 2016 Regular Meeting .....	4
	December 5, 2016 Regular Meeting .....	4
	December 19, 2016 Regular Meeting .....	4



**A. CALL TO ORDER:**

**B. ROLL CALL:**

a)

City Council Members

Mayor Dane Slater  
Edna Abraham  
Ethan Baker  
Dave Henderson  
Ellen Hodorek  
Paul McCown  
Mayor Pro Tem Ed Pennington

Troy Downtown Development Authority

Timothy Blair  
Dennis Bostick  
Rebecca Chamberlain-Creanga  
David Hay  
Laurence Keisling  
Alan Kiriluk  
Barbara Knight  
Daniel MacLeish  
Ward Randol  
Ernest Reschke  
Douglas Schroeder  
Mayor Dane Slater

**C. DISCUSSION ITEMS:**

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**C-1** Presentation by Unicorp National Developments Inc. Vision for Redevelopment of 888 W. Big Beaver Road *(Presented by: Chuck Whittall, President)*

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**C-2** Quality Development Initiative (QDI), a Potential Incentive to Encourage Quality Redevelopment of the DDA District *(Presented by: Brian Kischnick, City Manager, and Mark F. Miller, Director of Economic and Community Development)*

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**C-3** City Council and Downtown Development Authority Discussion of the Proposed QDI and 888 W. Big Beaver Redevelopment

**D. PUBLIC COMMENT:**

**E. ADJOURNMENT:**

Respectfully submitted,



Brian Kischnick, City Manager

**PUBLIC COMMENT:****In accordance with the Rules of Procedure for the City Council, Article 17 – Members of the Public and Visitors:**

Any person not a member of the City Council may address the Council with recognition of the Chair, after clearly stating the nature of his/her inquiry or comment. *City Council requests that if you do have a question or concern, to bring it to the attention of the appropriate department(s) whenever possible. If you feel that the matter has not been resolved satisfactorily, you are encouraged to bring it to the attention of the City Manager, and if still not resolved satisfactorily, to the Mayor and Council.*

- Petitioners shall be given a fifteen (15) minute presentation time that may be extended with the majority consent of City Council.
- Any member of the public, not a petitioner of an item, shall be allowed to speak for up to three (3) minutes to address any Public Hearing item.
- Any Troy resident or Troy business representative, not a petitioner of an item, shall be allowed to speak for up to three (3) minutes total to address Postponed, Regular Business, Consent Agenda or Study items or any other item on the Agenda as permitted under the Open Meetings Act during the *Public Comment for Items On the Agenda from Troy Residents and Businesses* portion of the Agenda.
- Any Troy resident or Troy business representative, not a petitioner of an item, shall be allowed to speak for up to three (3) minutes to address any topic not on the Agenda as permitted under the Open Meetings Act during the *Public Comment for Items Not on the Agenda from Troy Residents and Businesses* portion of the Agenda.
- Any member of the public who is not a Troy resident or Troy business representative shall be allowed to speak for up to three (3) minutes to address any topic on or not on the Agenda as permitted under the Open Meetings Act during the *Comments for Items On or Not On the Agenda from Members of the Public Outside of Troy (Not Residents of Troy and Not From Troy Businesses)* portion of the Agenda.
- All members of the public who wish to address the Council at a meeting shall be allowed to speak only if they have signed up to speak within thirty minutes before or within fifteen minutes after the meeting's start time. Signing up to speak requires each speaker provide his or her name and residency status (Troy resident, non-resident, or Troy business owner). If the speaker is addressing an Item (or Items) that appear on the pre-printed agenda, then the speaker shall also identify each such agenda item number(s) to be addressed.
- City Council may waive the requirements of this section by a majority vote of the City Council members.
- Agenda items that are related to topics where there is significant public input anticipated should initiate the scheduling of a Special meeting for that specific purpose.

The following has been approved by Troy City Council as a statement of the rules of decorum for City Council meetings. The Mayor will also provide a verbal notification of these rules prior to Public Comment:

*The audience should be aware that all comments are to be directed to the Council rather than to City Administration or the audience. Anyone who wishes to address the Council is required to sign up to speak within thirty minutes before or within fifteen minutes of the start of the meeting. There are three Public Comment portions of the Agenda. For Items On the Agenda, Troy Residents and Business Owners can sign up to address Postponed, Regular Business, Consent Agenda, or Study items or any other item on the Agenda. Troy Residents and*

*Business Owners can sign up to address all other topics under Items Not on the Agenda. All Speakers who do not live in Troy or own a Troy business may sign up to speak during the Comments on Items On and Not On the Agenda from Members of the Public Outside of Troy. Also, there is a timer on the City Council table in front of the Mayor that turns yellow when there is one minute of speaker time remaining, and turns red when the speaker's time is up. In order to make the meeting more orderly and out of respect, please do not clap during the meeting, and please do not use expletives or make derogatory or disparaging comments about any one person or group. If you do so, then there may be immediate consequences, including having the microphone turned off, being asked to leave the meeting, and/or the deletion of speaker comments for any re-broadcast of the meeting. Speakers should also be careful to avoid saying anything that would subject them to civil liability, such as slander and defamation.*

*Please avoid these consequences and voluntarily assist us in maintaining the decorum befitting this great City.*

**2016 SCHEDULED SPECIAL CITY COUNCIL MEETINGS**

November 14, 2016..... Joint Study City Council/Troy Family Daze Committee

**2016 SCHEDULED REGULAR CITY COUNCIL MEETINGS:**

November 14, 2016..... Regular Meeting  
November 21, 2016..... Regular Meeting  
December 5, 2016..... Regular Meeting  
December 19, 2016..... Regular Meeting

## **CITY OF TROY DOWNTOWN DEVELOPMENT AUTHORITY**

### **TROY DDA QUALITY DEVELOPMENT INITIATIVE (QDI)**

#### **Background**

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 pursuant to Act 197 of 1975 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, June 4, 2007 and October 7, 2013.

DDAs provide local governments with unique and flexible tools for encouraging downtown district revitalization including funding long range planning, constructing and improving buildings, acquiring and improving land, and improving public facilities. Projects pursued by DDAs may be financed in a variety of ways including tax increment financing and revenue bonds.

The DDA Act defines public facility to include parking facilities, a street, plaza, pedestrian mall, and any improvements to a street, plaza, or pedestrian mall including street furniture and beautification, park, recreational facility, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, building, and access routes to any of the foregoing, designed and dedicated to use by the public generally, or used by a public agency. A public facility also includes the acquisition, construction, improvement, and operation of a building owned or leased by the authority to be used as a retail business incubator.

Troy's DDA district is generally centered on a 3.25 mile stretch of Big Beaver Road from just east of Rochester Road to just west of Coolidge. The Troy DDA seeks to preserve and encourage economic development and redevelopment of the DDA district to ensure that Troy's DDA continues to be a vibrant and prosperous area.

The most recent Troy DDA Plan limits the DDA's authority to use captured revenues to pay principle and interest on the City Bonds, maintenance of public facilities in the Downtown District and administrative costs of the DDA.

#### **Troy DDA Quality Development Initiative (QDI) Rationale**

To further the Troy DDA's mission, the QDI is being proposed. Today's successful downtown districts include a mix of land uses, density, open space, multi-modal transportation options (including non-motorized transportation means), vibrant streetscapes with pedestrian activity, high quality development and amenities, natural features, art and culture. Troy's Big Beaver Corridor Study of 2006, Master Plan of 2008 with subsequent update and Zoning Ordinance of 2011 have all had a positive impact on today's DDA district by encouraging key elements that go into a successful downtown. The QDI would provide an additional DDA tool used to further

encourage the development of the key components that make up successful downtown environments.

Parking structures and storm water detention/retention facilities for mixed use developments are often difficult to finance or may not necessarily achieve the quality, scale and scope desired by the local community. The QDI could therefore be a valuable tool to help finance a portion of a project's public improvements and help encourage high quality.

### QDI Structure

In the Troy DDA situation we want to encourage mixed use development. These mixed use developments will require parking structures and other public improvements such as storm water detention facilities. Cost of public facilities is one of the financial hurdles for developers. The QDI will provide some gap funding to developers. The developers can finance their developments on the private market and utilize the QDI as an annual cash incentive. The time limit of the QDI is limited by the sunset of the DDA in 2033.

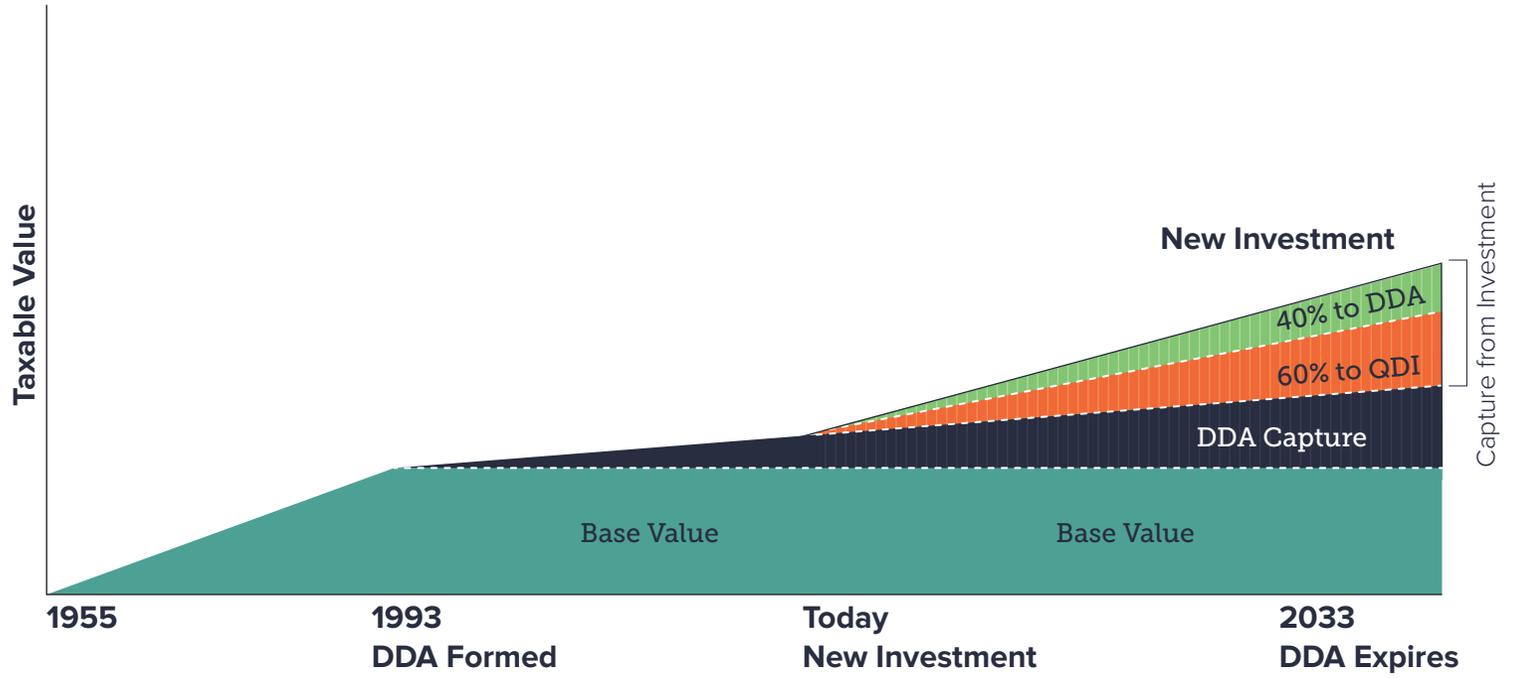
For development and redevelopment projects that significantly improve a mixed use site compared to the previous use, the taxable value of the site will increase upon project completion. Through the DDA district, increases in the taxable value of the property are captured by the DDA to be directed back into the DDA for permitted uses to meet the goals of the DDA. The QDI proposes utilizing 60% of the annual tax increment increase of the target property to be used for public facilities and enhancement. The funds can be used to financially supplement the developer on an annual basis for a portion of the cost of these parking structures. The DDA should have the flexibility to adjust the amount of the annual payment, not to exceed 60% of new investment and its additional tax capture. There should also be flexibility in the length or term of the QDI, but in no case could the annual financial assistance go beyond the life of the DDA, 2033. By providing project financing assistance for parking structures, the DDA can encourage the development of high quality mixed use developments in the DDA district and further contribute to the economic development of Troy's DDA district.

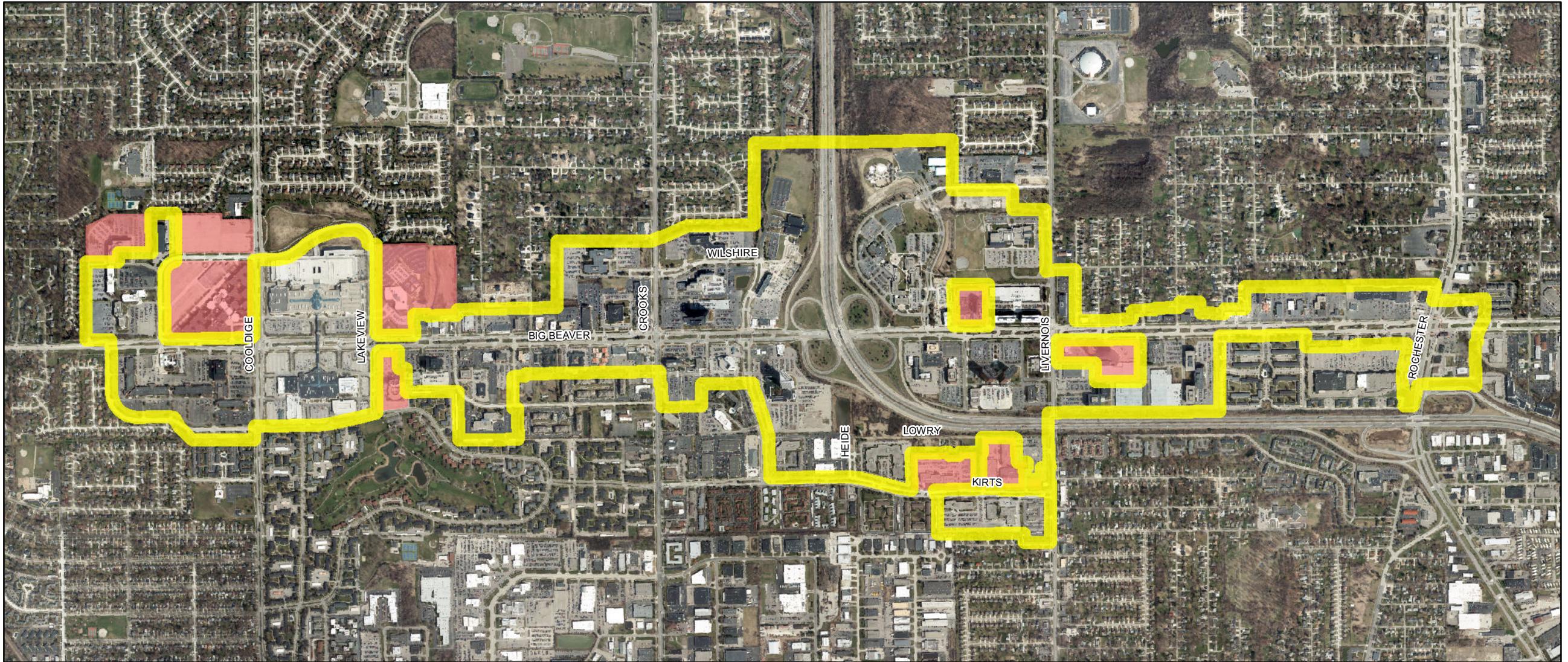
### Conclusion

The QDI proposes the use of new investment and additional tax increment funds to encourage the development of high quality mixed use developments. QDI provides annual financial assistance to assist in financing public facilities in the Troy DDA district. The program offers a valuable economic development tool that can help act as a catalyst for the development of mixed use developments that meet the demands of today's market.

# Troy Downtown Development Authority

## Quality Development Initiative- QDI





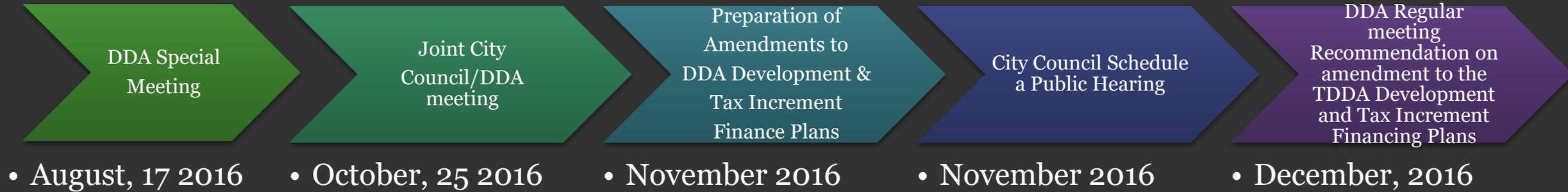
**Legend**

-  DDA Boundary
-  Development Parcels Excluded From Development & TIF Plans
-  Parcel Boundary

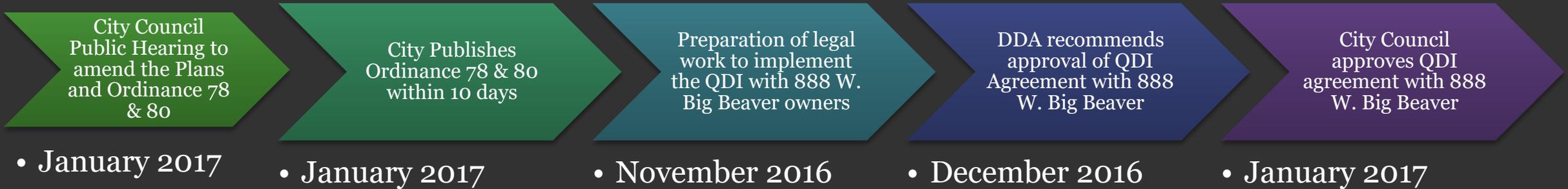
# Troy Downtown Development Authority



# Troy DDA Quality Development Initiative (QDI)



# Troy DDA Quality Development Initiative (QDI)





August 1, 2016

Mr. Brian Kischnick  
City Manager  
City of Troy  
500 W. Big Beaver Road  
Troy, MI 48084

RE: 888 West Big Beaver Road

Dear Mr. Kischnick:

As a new property owner in the City of Troy, we have enjoyed working with your team over the last several months and are very excited about the re-development of the City Center property located at 888 West Big Beaver Road.

Upon completion, this upscale mixed use development will center around a brick paved, main street adorned by several restaurant and retail tenants. We will create a vibrant, urban, pedestrian friendly destination featuring art work, custom light fixtures, beautiful landscape and several areas for people to gather. We also plan on constructing approximately 300 luxury apartments. Additionally, we will also renovate the existing 3000,00 sf office building. This project will be unlike anything developed in Troy-a true live, work, play destination!

In order to accomplish the above, we will need to demolish the current, dilapidated parking structure on site and replace it with a new, modern garage which will be for the benefit of the public. We will also need to relocate the current retention pond underground. The current retention serves several other properties including the City road adjacent to the property. The newly constructed underground structure will continue to meet these needs. The parking garage and the underground retention add considerable expense to the project, making it unfeasible without some considerable assistance from the City of Troy.

Understanding that the City does not have the wherewithal to provide capital, we would like to request the use of the DDA's Quality Development Initiative (QDI) in order to bring this exciting project to life.

The garage and retention improvements we will be constructing will cost approximately \$20-\$25 million. We are proposing to capture 80% of the increased taxes from all of the new improvements on the property, which will create a much higher tax base for the City. Such development will also allow the City to recapture the \$3.6 million tax deficit they have incurred at the property, realizing we will not benefit from capture until the \$3.6 million current tax base deficit is realized by the City. This is one reason we have proposed 80%, because effectively we are getting much less than 80% due to the repayment of this past deficit.

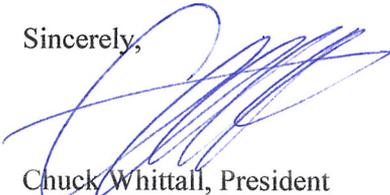
This tax capture is a very small fragment of the capital we will be investing. Therefore, in addition to the tax capture, we would like to request to receive a lump sum payment of \$4.2 million when the City receives the final payment from Somerset in approximately four years. Lastly, we would like to request \$200,000 as a brownfield payment to assist with the demolition with the dilapidated parking structure on site.

We hope you will strongly consider our proposal as well as consider continuing the tax capture proposed for the life of the DDA, and including any extensions following 2033.

This will be a great project for the City and certainly is in harmony with our mutual objectives to create high quality, mixed use development in Troy. It is our goal to start construction on the project in the Spring, so therefore we hope we can come to an agreement and move forward expeditiously.

Thank you for your consideration of our request to participate with the DDA's Quality Development Initiative. We look forward to working with your team, and creating a beautiful destination for the Troy community to live, work, and play!

Sincerely,



Chuck Whittall, President  
Unicorp National Developments

**888 Big Beaver**

**Scenario: 60% refund of DDA new capture, incentive for public improvement (Expires w/ DDA Plan) and 40% new capture, revenue for DDA (Expires w/ DDA Plan)**

Value on 1/1	Taxable Value Capture	Tax Capture 16.63 mills	Tax Capture 60%	Tax Capture 40%
2017	4,384,668	72,917	43,750	29,167
2018	22,529,378	374,664	224,798	149,865
2019	36,852,985	612,865	367,719	245,146
2020	37,221,515	618,994	371,396	247,598
2021	37,593,730	625,184	375,110	250,073
2022	37,969,667	631,436	378,861	252,574
2023	38,349,364	637,750	382,650	255,100
2024	38,732,858	644,127	386,476	257,651
2025	39,120,186	650,569	390,341	260,227
2026	39,511,388	657,074	394,245	262,830
2027	39,906,502	663,645	398,187	265,458
2028	40,305,567	670,282	402,169	268,113
2029	40,708,623	676,984	406,191	270,794
2030	41,115,709	683,754	410,253	273,502
2031	41,526,866	690,592	414,355	276,237
2032	41,942,135	697,498	418,499	278,999
2033	42,361,556	704,473	422,684	281,789
DDA Expired	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>Total</b>		<b>10,312,807</b>	<b>6,187,684</b>	<b>4,125,123</b>

**Major Assumptions:**

- 1.) Assumes full investment of \$80,051,000 by year 3
- 2.) Assumes 1% increase in Taxable Value Capture starting year 4

**888 Big Beaver**

**Scenario: 70% refund of DDA new capture, incentive for public improvement (Expires w/ DDA Plan) and 30% new capture, revenue for DDA (Expires w/ DDA Plan)**

Value on 1/1	Taxable Value Capture	Tax Capture 16.63 mills	Tax Capture 70%	Tax Capture 30%
2017	4,384,668	72,917	51,042	21,875
2018	22,529,378	374,664	262,264	112,399
2019	36,852,985	612,865	429,006	183,860
2020	37,221,515	618,994	433,296	185,698
2021	37,593,730	625,184	437,629	187,555
2022	37,969,667	631,436	442,005	189,431
2023	38,349,364	637,750	446,425	191,325
2024	38,732,858	644,127	450,889	193,238
2025	39,120,186	650,569	455,398	195,171
2026	39,511,388	657,074	459,952	197,122
2027	39,906,502	663,645	464,552	199,094
2028	40,305,567	670,282	469,197	201,084
2029	40,708,623	676,984	473,889	203,095
2030	41,115,709	683,754	478,628	205,126
2031	41,526,866	690,592	483,414	207,178
2032	41,942,135	697,498	488,248	209,249
2033	42,361,556	704,473	493,131	211,342
DDA Expired	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>Total</b>		<b>10,312,807</b>	<b>7,218,965</b>	<b>3,093,842</b>

**Major Assumptions:**

- 1.) Assumes full investment of \$80,051,000 by year 3
- 2.) Assumes 1% increase in Taxable Value Capture starting year 4

**888 Big Beaver**

**Scenario: 80% refund of DDA new capture, incentive for public improvement (Expires w/ DDA Plan) and 20% new capture, revenue for DDA (Expires w/ DDA Plan)**

<b>Value on 1/1</b>	<b>Taxable Value Capture</b>	<b>Tax Capture 16.63 mills</b>	<b>Tax Capture 80%</b>	<b>Tax Capture 20%</b>
2017	4,384,668	72,917	58,334	14,583
2018	22,529,378	374,664	299,731	74,933
2019	36,852,985	612,865	490,292	122,573
2020	37,221,515	618,994	495,195	123,799
2021	37,593,730	625,184	500,147	125,037
2022	37,969,667	631,436	505,148	126,287
2023	38,349,364	637,750	510,200	127,550
2024	38,732,858	644,127	515,302	128,825
2025	39,120,186	650,569	520,455	130,114
2026	39,511,388	657,074	525,660	131,415
2027	39,906,502	663,645	530,916	132,729
2028	40,305,567	670,282	536,225	134,056
2029	40,708,623	676,984	541,588	135,397
2030	41,115,709	683,754	547,003	136,751
2031	41,526,866	690,592	552,473	138,118
2032	41,942,135	697,498	557,998	139,500
2033	42,361,556	704,473	563,578	140,895
DDA Expired	-	-	-	-
	-	-	-	-
	-	-	-	-
<b>Total</b>		<b>10,312,807</b>	<b>8,250,245</b>	<b>2,062,561</b>

**Major Assumptions:**

- 1.) Assumes full investment of \$80,051,000 by year 3
- 2.) Assumes 1% increase in Taxable Value Capture starting year 4