

CITY COUNCIL ACTION REPORT

April 23, 2008

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Assistant City Manager/Finance & Admin.

SUBJECT: Approval of the Troy Downtown Development Authority's
Proposed Fiscal Year 2008/09 Budget

Background:

- The Downtown Development Authority (DDA) approved their proposed 2008/09 budget at the April 16, 2008 DDA meeting.
- The City-captured tax rate of 9.28 mills was used in determining the DDA property tax revenue. If City Council makes any adjustments to the City's rate, a corresponding adjustment will be needed to recalculate the DDA property tax capture.

Options:

- It is recommended that City Council approve the DDA's 2008/09 budget.



DOWNTOWN DEVELOPMENT AUTHORITY

PROPOSED ANNUAL BUDGET
FISCAL YEAR JULY 1, 2008 - JUNE 30, 2009

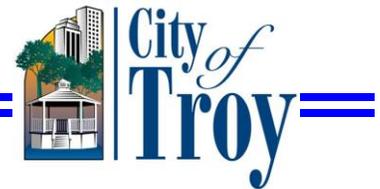
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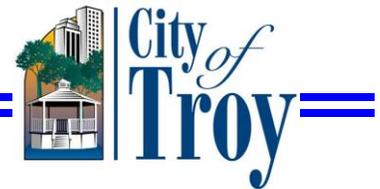


Introduction

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.



2008-2009 Budget

Revenue

Property Taxes	\$ 3,819,000
Investment Income	300,000
Re-appropriation of Fund Balance	3,031,880
Total Revenue	\$ 7,150,880

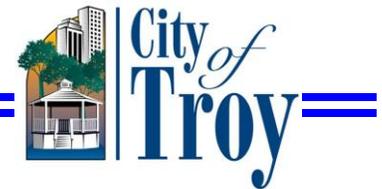
Expenditures

Administrative Expenses	\$ 76,000
Operating Expenses	250,000
Debt Service - Big Beaver Phase 2 & 3	1,195,000
Debt Service - MTF Bonds (Roch. Rd.)	239,000
Debt Service - Refund 1995 Dev. Bonds Series A	788,000
Debt Service - Community Center	1,113,000
Street Island Maint.	389,880
Corridor Study Improvements	3,000,000
Economic Development-MEGA Match	100,000
Total Expenditures	\$ 7,150,880

**Captured Taxable Value
2008-09**

	<u>Real Taxable</u>	<u>Personal Taxable</u>	<u>Total Taxable</u>
1993 - Initial Value	342,302,000	86,976,530	429,278,530
2008 - Taxable Value	548,608,230	126,994,950	675,603,180
Captured Taxable Value	<u>206,306,230</u>	<u>40,018,420</u>	<u>246,324,650</u>

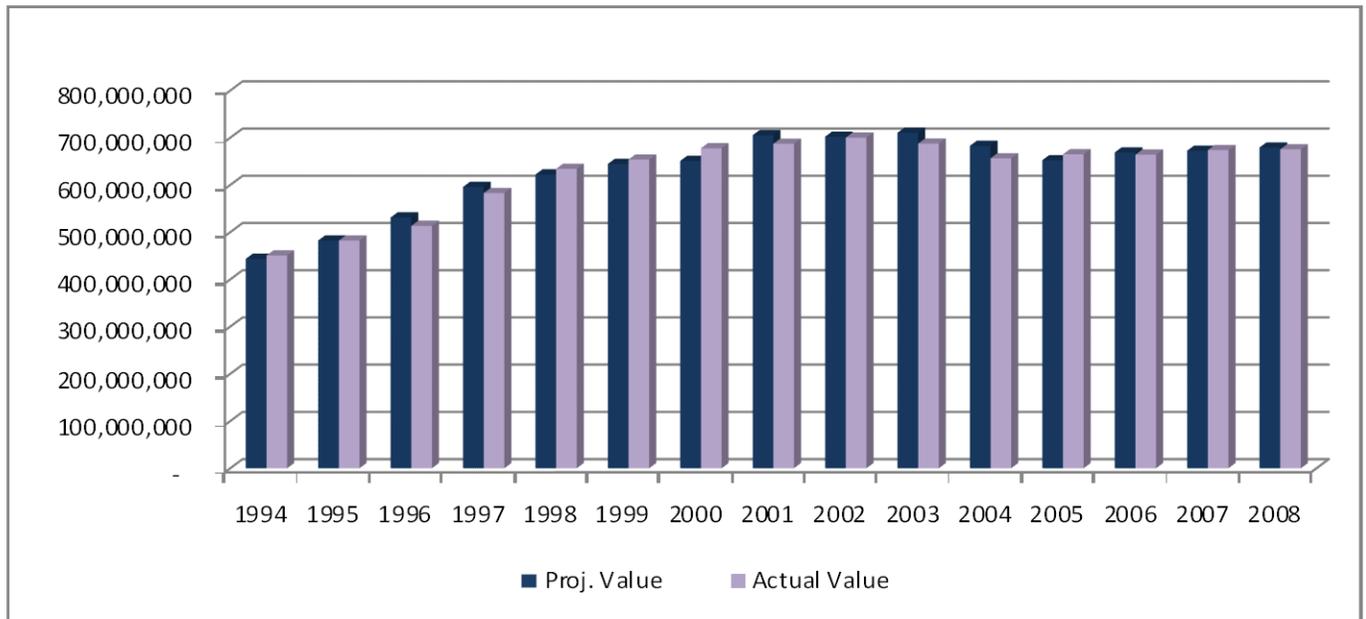
	<u>Oakland County</u>	<u>Oakland Comm. College</u>	<u>City of Troy</u>	<u>Total</u>
Millage Rates	\$ 4.65	\$ 1.58	\$ 9.28	\$ 15.51
Captured Yield	\$ 1,145,000	\$ 389,000	\$ 2,285,000	\$ 3,819,000



**Projected and Actual Captured Valuation
April 2, 2008**

Total DDA Base

Fiscal Year	Initial Valuation	Projected Valuation	Projected Captured	Actual Valuation	Actual Captured
1994	429,278,530	443,579,055	14,300,525	450,682,090	21,403,560
1995	429,278,530	482,321,290	53,042,760	482,321,290	53,042,760
1996	429,278,530	531,054,797	101,776,267	513,251,790	83,973,260
1997	429,278,530	595,752,807	166,474,277	582,784,390	153,505,860
1998	429,278,530	622,051,685	192,773,155	634,117,140	204,838,610
1999	429,278,530	644,521,355	215,242,825	653,782,621	224,504,091
2000	429,278,530	650,903,679	221,625,149	677,550,840	248,272,310
2001	429,278,530	705,343,067	276,064,537	687,261,110	257,982,580
2002	429,278,530	702,063,909	272,785,379	700,292,970	271,014,440
2003	429,278,530	710,501,087	281,222,557	687,610,440	258,331,910
2004	429,278,530	682,725,921	253,447,391	656,443,260	227,164,730
2005	429,278,530	652,413,515	223,134,985	664,930,800	235,652,270
2006	429,278,530	668,894,972	239,616,442	664,121,560	234,843,030
2007	429,278,530	672,433,613	243,155,083	673,838,080	244,559,550
2008	429,278,530	679,300,371	250,021,841	675,603,180	246,324,650



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

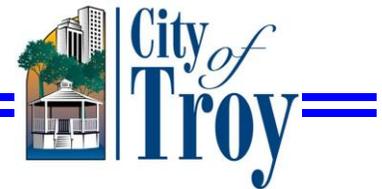


**Bond Debt Service
Development Bonds, Series 2001**

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

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

Period	Principal	Coupon	Interest	Debt Service	Annual Debt Service
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
	\$ 14,255,000		\$ 7,164,573.17	\$ 21,419,573.17	\$ 21,419,573.17

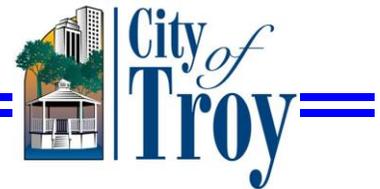


**Bond Debt Service
Refunding Bonds, Series 2001
Refunding of Callable 1995 DDA Bonds, Series A (Tax-Exempt)**

**Refunding Portion
Final Pricing**

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

Period	Principal	Coupon	Interest	Debt Service	Annual Debt Service
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
	\$9,745,000		\$4,891,373.42	\$14,636,373.42	\$14,636,373.42



\$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
	\$ 741,387.45		\$ 5,600,000	\$ 672,937.50	\$ 7,014,324.95

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

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



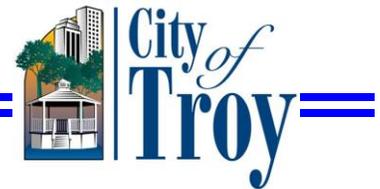
\$9,700,000

Community Center Facilities Bonds, Series 2002

Schedule of Principal and Interest Requirements
On a Fiscal Year Basis

Fiscal Year Beginning July 1	Principal Due November 1	Interest Rate	Interest Due November 1	Interest Due May 1, Next	Total Principal & Interest Requirements
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
	<u>\$9,700,000.00</u>		<u>\$1,787,412.50</u>	<u>\$1,846,520.83</u>	<u>\$ 13,333,933.33</u>

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

Fiscal Year	Principal Due	Interest	Interest Due	Interest Due	Total Principal
Beginning	November 1	Rate	November 1	May 1, Next	& Interest
July 1					Requirements
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
	\$ 4,025,000.00		\$ 845,646.88	\$ 785,662.50	\$ 5,656,309.38

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

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

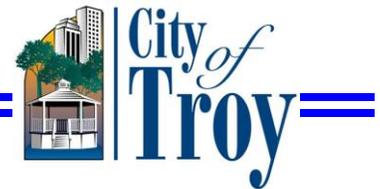


Table 1
Downtown Development Authority Bonds

Schedule of Projected Taxable Values
(Actual through 2008)

Year	Total Real	Total Personal	Total Real & Personal	Initial Assessed Value	Captured Taxable Value
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	554,094,312	126,994,950	681,089,262	429,278,530	251,810,732
2010	559,635,255	126,994,950	686,630,205	429,278,530	257,351,675
2011	565,231,608	126,994,950	692,226,558	429,278,530	262,948,028
2012	570,883,924	126,994,950	697,878,874	429,278,530	268,600,344
2013	576,592,763	126,994,950	703,587,713	429,278,530	274,309,183
2014	582,358,691	126,994,950	709,353,641	429,278,530	280,075,111
2015	588,182,278	126,994,950	715,177,228	429,278,530	285,898,698
2016	594,064,101	126,994,950	721,059,051	429,278,530	291,780,521
2017	600,004,742	126,994,950	726,999,692	429,278,530	297,721,162
2018	606,004,789	126,994,950	732,999,739	429,278,530	303,721,209

2009 and beyond has a 1.0% increase in Real, and a 0% increase in Personal Property. Assumes no new development in the district.

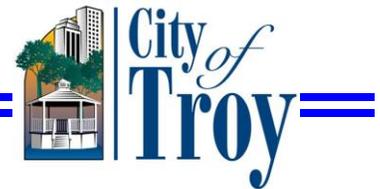
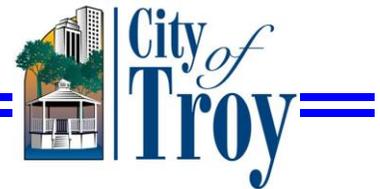


Table 2
Downtown Development Authority Bonds
***(Actual through 2008)**

Schedule of Impact on Taxing Jurisdictions

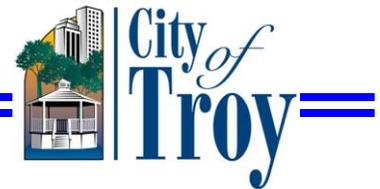
Year	Projected SEV (TV after 1994) in District	Initial Assessed Value	Captured SEV (TV after 1994) in District	Oakland Community College 1.5800	County of Oakland 4.6500	City of Troy (9.48 < 2002) 9.2800	Total Annual Capture
1993	429,278,530	* 429,278,530	* -	* \$ -	\$ -	\$ -	\$ -
1994	450,682,090	* 429,278,530	* 21,403,560	* 34,246	99,527	202,906	336,678
1995	482,321,290	* 429,278,530	* 53,042,760	* 84,868	246,649	502,845	834,362
1996	513,251,790	* 429,278,530	* 83,973,260	* 134,357	390,476	796,067	1,320,899
1997	582,784,390	* 429,278,530	* 153,505,860	* 245,609	713,802	1,455,236	2,414,647
1998	634,117,140	* 429,278,530	* 204,838,610	* 327,742	952,500	1,941,870	3,222,112
1999	653,782,621	* 429,278,530	* 224,504,091	* 359,207	1,043,944	2,128,299	3,531,450
2000	677,550,840	* 429,278,530	* 248,272,310	* 397,236	1,154,466	2,353,621	3,905,324
2001	687,261,110	* 429,278,530	* 257,982,580	* 412,772	1,199,619	2,445,675	4,058,066
2002	700,292,970	* 429,278,530	* 271,014,440	* 433,623	1,260,217	2,561,086	4,254,927
2003	687,610,440	* 429,278,530	* 258,331,910	* 413,331	1,201,243	2,441,237	4,055,811
2004	656,443,260	* 429,278,530	* 227,164,730	* 363,464	1,056,316	2,146,707	3,566,487
2005	664,930,800	* 429,278,530	* 235,652,270	* 372,331	1,095,783	2,226,914	3,695,028
2006	664,121,560	* 429,278,530	* 234,843,030	* 371,052	1,092,020	2,219,267	3,682,339
2007	673,838,080	* 429,278,530	* 244,559,550	* 386,404	1,137,202	2,269,513	3,793,119
2008	675,603,180	* 429,278,530	* 246,324,650	* 389,193	1,145,410	2,285,893	3,820,495
2009	681,089,262	429,278,530	* 251,810,732	397,861	1,170,920	2,336,804	3,905,584
2010	686,630,205	429,278,530	* 257,351,675	406,616	1,196,685	2,388,224	3,991,524
2011	692,226,558	429,278,530	* 262,948,028	415,458	1,222,708	2,440,158	4,078,324
2012	697,878,874	429,278,530	* 268,600,344	424,389	1,248,992	2,492,611	4,165,991
2013	703,587,713	429,278,530	* 274,309,183	433,409	1,275,538	2,545,589	4,254,535
2014	709,353,641	429,278,530	* 280,075,111	442,519	1,302,349	2,599,097	4,343,965
2015	715,177,228	429,278,530	* 285,898,698	451,720	1,329,429	2,653,140	4,434,289
2016	721,059,051	429,278,530	* 291,780,521	461,013	1,356,779	2,707,723	4,525,516
2017	726,999,692	429,278,530	* 297,721,162	470,399	1,384,403	2,762,852	4,617,655
2018	732,999,739	429,278,530	* 303,721,209	479,880	1,412,304	2,818,533	4,710,716
				\$ 9,108,697	\$ 26,689,281	\$ 53,721,865	\$ 89,519,842

2008 and beyond has a 1.0% increase in a real and a 0% increase in Personal Property. Assumes no new developments in the district.



Annual Debt Requirements

Year Ending June 30,	Refunding Bonds 2001	Big Beaver Phase 2 & 3	MTF Bonds Roch. Rd.	Comm. Center 2002	Comm. Center Jr. Lien 2003	Amount of Annual Interest	Total
2009	\$ 450,000	\$ 700,000	\$ 175,000	\$ 550,000	\$ 150,000	\$ 1,306,724	\$ 3,331,724
2010	470,000	730,000	175,000	575,000	200,000	1,221,754	3,371,754
2011	495,000	770,000	175,000	600,000	200,000	1,125,274	3,365,274
2012	560,000	805,000	200,000	600,000	250,000	1,026,192	3,441,192
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
	\$ 6,820,000	\$10,025,000	\$ 1,200,000	\$ 7,450,000	\$ 3,625,000	\$ 8,232,634	\$37,352,634



**Five -Year Budget Projection
April 2, 2008**

	2009-10	2010-11	2011-12	2012-13	2013-14
Revenue					
Property Taxes	\$ 3,905,500	\$ 3,991,500	\$ 4,078,300	\$ 4,166,000	\$ 4,254,500
Re-appropriation Fund Balance	1,942,600	1,294,050	1,195,960	1,197,250	1,326,600
Investment Income	200,000	200,000	200,000	200,000	100,000
Total	\$ 6,048,100	\$ 5,485,550	\$ 5,474,260	\$ 5,563,250	\$ 5,681,100
Expenditures					
Operating Expenses	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Street Island Maintenance	401,700	413,750	426,160	438,950	452,100
Debt Service					
Big Beaver Phase 2 & 3	1,192,000	1,195,000	1,193,000	1,197,000	1,194,000
MTF Rochester Road	231,000	222,000	237,000	252,000	264,000
Refund Series 'A'	787,000	788,000	828,000	830,000	826,000
Community Center	1,165,000	1,164,000	1,186,000	1,230,000	1,245,000
Total - Debt Service	\$ 3,375,000	\$ 3,369,000	\$ 3,444,000	\$ 3,509,000	\$ 3,529,000
Available for Projects	2,071,400	1,502,800	1,404,100	1,415,300	1,500,000
Total Expenditures	\$ 6,048,100	\$ 5,485,550	\$ 5,474,260	\$ 5,563,250	\$ 5,681,100
Captured TV	251,810,732	257,351,675	262,948,028	268,600,344	274,309,183
Captured Tax Rate	\$ 15.51	\$ 15.51	\$ 15.51	\$ 15.51	\$ 15.51
Estimated Fund Balance	\$ 5,532,000	\$ 4,237,950	\$ 3,041,990	\$ 1,844,740	\$ 518,140
Debt Service in Relation To Property Taxes	86.4	84.4	84.4	84.2	82.9

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.