

TROY DOWNTOWN DEVELOPMENT AUTHORITY

Meeting Agenda

June 19, 2013
7:30 AM in the Lower Level Conference Room
Troy City Hall
500 West Big Beaver Road, Troy, MI 48084
(248) 524-3330

- I. Call to Order
- II. Roll Call
- III. Approval of Minutes from May 15, 2013
- IV. Old Business
- V. New Business
 - A. Troy Downtown Development Authority Bond Repayment Proposal and Resolution Approving 2013 Amendments to Development Plan and Tax increment Financing Plan
 - B. Planning Department Development Report
- VI. Public Comment
- VII. Adjourn

The next regular meeting of the Troy Downtown Development Authority is scheduled for July 17, 2013.

Mark F. Miller

Executive Director

A meeting of the Downtown Development Authority was held on Wednesday, April 17, 2013 in the Lower Level Conference room, City Hall, 500 W. Big Beaver, Troy, Michigan. Kiriluk called the meeting to order at 7:30 AM.

Present:	Dennis Bostick	
	Arkan Jonna	
	Larry Keisling	
	Allan Kiriluk	
	Dan MacLeish	
	Ward Randol	
	Ernest Reschke	
	Douglas Schroeder	
	Mayor Dane Slater	
Absent:	David Hay	
	P. Terry Knight	
	Albert Papa	
	Earle VanDyke	
Also Present:	Lori Bluhm	
	Tom Darling	
	Brian Kischnick	
	Glenn Lapin	
	Nino Licari	
	Mark Miller	
	R. Brent Savidant	

Minutes

Resolution: DDA-2013-05-03

Moved by: MacLeish
Seconded by: Bostick

RESOLVED, That the Minutes of the April 17, 2013 regular meeting be approved.

Yeas: All
Absent: David Hay, P. Terry Knight, Albert Papa, Earle VanDyke

New Business – Troy Downtown Development Authority Improvement Plan

Resolution: DDA-2013-05-04

Moved by: Reschke

Seconded by: MacLeish

Yeas: All

Absent: David Hay, P. Terry Knight, Albert Papa, Earle VanDyke

City Manager Brian Kischnick presented a bond concept plan. The presentation showed that the tax capture does not meet debt requirements. The plan created a tax capture by restructuring the district and issues a new debt under the city.

The presentation reviewed the DDA History of the Ordinance and included a summary of the borrowing of insurance.

This new plan would eliminate more parcels and would not need a short term cash infusion (parking structure).

Included in the presentation was a safety net of the parking structure and the ability to levy two mills. It is necessary to amend the plan by eliminating parcels. This amendment would lower the base value in order to achieve greater capture. The plan would issue a new debt within 20 years.

Under review were the cash flow projections including capture and bond parts. Additionally, the process to amend the plan was under review, including a discussion with the County, OCCC, and the Council.

The process to amend the plan will take an estimated 100 days. It will concurrently take 90-100 days to issue debt.

There was a discussion on the consequences of new construction such as the possibility of losing capture. It can come back if accepted by the County: OCCC.

There was also a discussion on the possibility of lower interest rates.

Kiriluk reviewed the process. Suggestions:

- a) Review plan
- b) DDA approve plan
- c) Go through amending plan
- d) Re-issue debt

Jonna questioned the on viability of a 1% increase in property values.

Recommend Plan to City Council as recommended by Brian Kischnick.

New Business – Approval of the 2013-14 Budget

Moved by: Randol

Seconded by: Bostick

Yeas: All

Absent: David Hay, P. Terry Knight, Albert Papa, Earle VanDyke

Public Comment

None

Member Comment

None

Closed Session

None

This meeting was adjourned at 8:19 AM.

Alan Kiriluk, Chairman

Thomas Darling, Secretary



Date: June 18, 2013

To: Members of the Troy Downtown Development Authority

From: Brian M. Kischnick, City Manager
Lori Grigg Bluhm, City Attorney
Mark F. Miller, Director of Economic and Community Development

Subject: Troy Downtown Development Authority Bond Repayment Proposal and Resolution Approving 2013 Amendments to the Development Plan and Tax Increment Financing Plan

One of City Council's top priority assignments was to explore options to avoid a default of the Troy Downtown Development Authority bonds, since a default would likely negatively impact the City's bond rating and would be a deterrent to development in the City.

A team consisting of our bond attorney, municipal financial advisor and city administrative staff has been meeting to identify a solution. At the May 15, 2013 Troy Downtown Development Authority (TDDA) meeting, the TDDA Board recommended pursuit of a conceptual plan designed to avoid the otherwise unavoidable TDDA bond repayment default, and also avoid use of the General Fund as payment.

The concept includes the following components:

1. Amendment of the TDDA Ordinance (78) to extend the TDDA until December 31, 2033.
2. The Development Area of the Development Plan and Tax Increment Financing Plan is amended to exclude specific properties that are valued at less than their value in 1993 (base year) (e.g. Kmart Headquarters and Bank of America building).
3. The City of Troy issues \$14,485,000 in bonds backed by the full faith and credit of the City with amounts from the TDDA tax capture dedicated to bond payments.

In order to implement the Plan, the following timeline is contemplated:

June 17, 2013	City Council issued notice of intent to issue bonds
June 19, 2013	TDDA approves development plan amendments and recommends to City Council
July 8, 2013	City Council schedules a public hearing for plan amendments
August 12, 2013	Public Hearing, after which City Council approves bond authorizing resolution and plan amendments



Our bond counsel, Terry Donnelly of Dickinson Wright, with input from City Administration, has prepared the attached amendments to the Development Plan and Tax Increment Financing Plan and the proposed resolution.

CAPTURED TAXES AND REPAYMENT SCHEDULE

Year	Total Taxable Value	Captured Taxable Value	Captured Taxes (16.7105 Mills)	Estimated Bond Payment *	Over / (Under) Debt Payment
2014/2015	374,272,284.10	61,024,224	1,023,834	800,650	223,184
2015/2016	371,577,194.93	58,329,135	978,617	766,450	212,167
2016/2017	368,909,426.29	55,661,366	894,896	732,675	162,221
2017/2018	368,919,609.41	55,671,549	895,059	728,875	166,184
2018/2019	368,930,018.73	55,681,959	895,227	729,475	165,752
*2019/2020	372,619,318.91	59,371,259	954,541	782,975	171,566
2020/2021	376,345,512.10	63,097,452	1,014,449	823,725	190,724
2021/2022	380,108,967.22	66,860,907	1,074,956	876,600	198,356
2022/2023	383,910,056.90	70,661,997	1,136,068	931,100	204,968
2023/2024	387,749,157.46	74,501,097	1,197,791	977,225	220,566
**2024/2025	395,504,140.61	82,256,081	1,322,472	1,083,475	238,997
2025/2026	403,414,223.43	90,166,163	1,449,646	1,183,225	266,421
2026/2027	411,482,507.90	98,234,448	1,579,364	1,286,225	293,139
2027/2028	419,712,158.05	106,464,098	1,711,677	1,401,725	309,952
2028/2029	428,106,401.21	114,858,341	1,846,635	1,504,350	342,285
2029/2030	436,668,529.24	123,420,469	1,984,293	1,618,725	365,568
2030/2031	445,401,899.82	132,153,840	2,124,703	1,734,100	390,603
2031/2032	454,309,937.82	141,061,878	2,267,922	1,854,850	413,072
2032/2033	463,396,136.58	150,148,077	2,414,006	1,972,256	441,750
2033/2034	472,664,059.31	159,415,999	2,563,011	2,088,394	474,617

* Preliminary, Subject to Change- Based on Market Conditions

CC:

- Robert Bendzinski, Municipal Financial Advisor
- Terry Donnelly, Bond Counsel
- Glenn Lapin, Economic Development Specialist
- Nino Licari, City Assessor
- Sehrish Salah-Ud-Din, Assistant to the City Manager

At a regular meeting of the Downtown Development Authority of the City of Troy, Oakland County, Michigan, held on June 19, 2013.

PRESENT: _____

ABSENT: _____

The following resolution was moved by _____ and seconded by _____:

**RESOLUTION APPROVING 2013 AMENDMENTS TO DEVELOPMENT PLAN
AND TAX INCREMENT FINANCING PLAN**

WHEREAS, the Downtown Development Authority of the City of Troy (the “DDA”) has been requested to consider additional amendments to the DDA’s Development Plan and Tax Increment Financing Plan (collectively, the “Plan”); and

WHEREAS, the proposed amendments, if adopted, are expected to enable the DDA to avoid a default on bonds issued by the DDA in 2001, 2002 and 2003 (the “DDA Bonds”) to finance a portion of the cost of the improvements identified in the Development Plan, which DDA Bonds are secured solely by tax increment revenues to be received by the DDA pursuant to the Plan; and

WHEREAS, the proposed amendments provide for (i) the issuance of general obligation bonds by the City (the “City Bonds”) to finance a portion of the cost of the Plan and in connection therewith refunding the outstanding DDA Bonds, (ii) extending the existence of the Plan to December, 2033, and (iii) revising the Development Area for the Plan by removing

therefrom certain specified properties, with the result that the DDA will be projected to be able to capture sufficient tax increments to pay the principal of and interest on the City Bonds; and

WHEREAS, the tax increment revenues received by the DDA pursuant to the proposed amended Plan will be the first source of payment of the City Bonds and the limited tax full faith and credit pledge of the City will be the secondary security for the City Bonds; and

WHEREAS, the DDA finds that the proposed amendments to the Plan are necessary and appropriate for approval by the DDA.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The 2013 Amendments to Development Plan and Tax Increment Financing Plan (the “2013 Amendments”), in the form presented to this meeting, are hereby approved.

2. The DDA recommends approval of the 2013 Amendments by the Troy City Council, and the Secretary is directed to submit the 2013 Amendments to the Troy City Council for approval as provided in Section 14 of Act 197, Public Acts of Michigan, 1975, as amended (“Act 197”).

3. In the event that that projected tax increment revenues to be received by the DDA pursuant to the Plan, as amended by the 2013 Amendments, are not sufficient to pay the principal of and interest on the City Bonds when due, it is the intent of the DDA to request the City, at the time any such shortfall arises, to use additional sources of revenue available to the DDA (i.e. levy of the 2 mill tax on all property in the Downtown District of the DDA pursuant to Section 12 of Act 197 and the payment to be received in connection with the parking garage for Somerset North) to pay such principal and interest.

4. All resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.

RESOLUTION DECLARED ADOPTED.

Yes: _____

Absent:

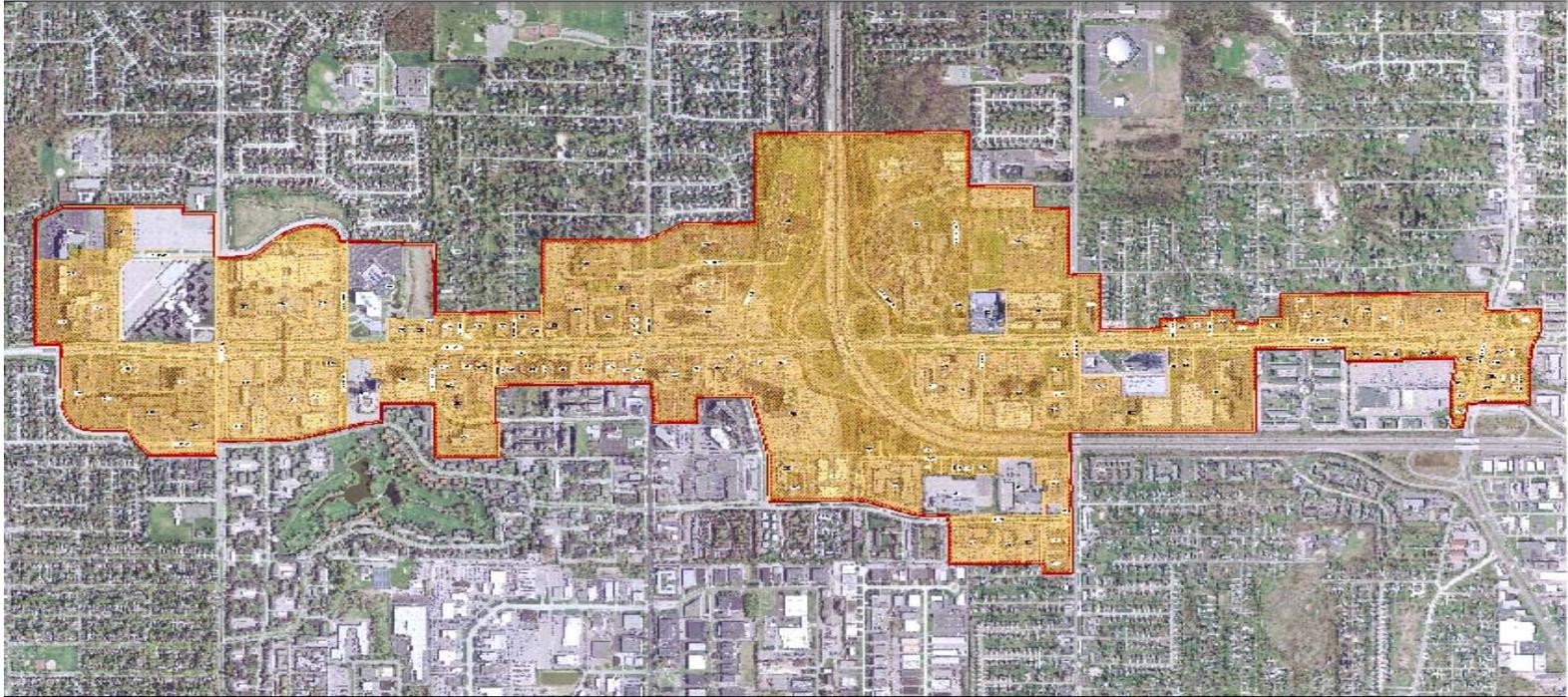
Abstain:

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted at a regular meeting of the Downtown Development Authority of the City of Troy, Oakland County, Michigan, held on June 19, 2013, the original of which resolution is on file in my office. I further certify that notice of said meeting was given in accordance with the provisions of the Open Meetings Act, Act 267 of the Public Acts of Michigan of 1976, as amended (MCL 15.261 et. seq.).

Secretary, Downtown Development Authority
of the City of Troy

Troy Downtown Development Authority Bond Repayment Proposal June 2013



**Troy Downtown Development Authority
Bond Repayment Proposal
June 2013**

History of DDA Formation

1. *City of Troy Ordinance 78*: An ordinance creating a downtown development authority for the City of Troy, designating boundaries of the Downtown District and providing for other matters related thereto. The downtown development authority is known as the Troy Downtown Development Authority (TDDA)

Termination Per Ordinance 78 (Section 5): **On December 31, 2024** or upon the retirement of all bonded debt, whichever shall later occur, the TDDA shall be dissolved by the Council. The property and assets of the TDDA, after dissolution and satisfaction of its obligations shall revert to the City.

2. *City of Troy Ordinance 80* - TDDA Development Plan and Tax Increment Financing Plan: The ordinance creating the TDDA also requires the governing body to adopt a Development Plan identifying the projects to be undertaken and a Tax Increment Financing Plan identifying the funding mechanisms for all projects.

Termination Per the Development Plan and Tax Increment Financing Plan: The Development Plan expires in 2018 and the Tax Increment Financing Plan expires in 2018. The Plan states; “the maximum duration of the plan is 25 years.”

Termination Per Ordinance 80: This ordinance shall take effect 10 days after adoption or publication, whichever comes later, and shall **expire** upon the **implementation** of the TDDA Development Plan.

P.A. 1975, No. 197 (MCL 125.1653):

AN ACT to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials.

Borrowing

The TDDA issued three separate bond issues in 2001, 2002 and 2003. The bonds were “naked tax increment bonds” secured solely by the tax increment revenues to be derived from the properties in the Downtown District. This is rare in Michigan and was based on the then perceived strength of the Downtown District’s taxable values and the ability of properties in the Downtown District to generate sufficient tax increment revenues to pay the debt service on the bonds. While the City has a AAA rating, its full faith and credit was not utilized or pledged for these three bond issues. The following is a summary of the outstanding bonds of the TDDA:

Purpose	Series	Amount Owed as of 6/30/13	Status
Development and Refund	2001	\$10,425,000	Insured
Community Center Facility	2002	\$4,500,000	Insured
Community Center (Jr. Lien)	2003	\$2,525,000	Not Insured
Total		\$17,450,000	

Bond Insurance: The TDDA purchased insurance policies from MBIA Insurance Corporation (MBIA) for the bonds issued in 2001 and 2002. MBIA’s successor is the National Public Finance Guarantee Corporation (NPFGB). The TDDA paid \$352,000 total in premiums for these policies. The effect of bond insurance is to provide credit enhancement for the bonds, thus making the bonds more attractive to investors because at the time that the 2001 and 2002 bonds were issued, MBIA had a AAA credit rating. In the event of the TDDA’s inability to pay, the bond insurer will step in and make the bond holders whole. However, the bond insurer is then subrogated to the rights of the bond holders who received payment under its policy. Following the payment to the bond holders, the bond insurer has a claim against the TDDA to collect the advanced amounts plus interest on the monies advanced, but only from the same sources to which the bond holders were entitled to payment in the first instance. For reasons stated later in this document, it is incumbent on the borrower (TDDA) and the City of Troy to make the necessary structural changes to facilitate the payment of the debt.

As the TDDA’s Bond Attorney, Terence M. Donnelly wrote on September 24, 2012; “Each resolution adopted by the TDDA authorizing the issuance of the Bonds, and especially Section 9 of each resolution, makes it clear that the Bonds are to be payable solely from the collection of the Tax Increment Revenues.....” “The Security for each series of the Bonds is limited to the Tax Increment Revenues to be received by the Authority pursuant to the Plan and the moneys on deposit.....”

This certainly absolves the City of Troy from any legal responsibility of raising funds to pay the debt. For the reasons stated below (Why default is not an option), bond insurance definitely does not relieve the City and the TDDA from considering and developing a strategy for paying the debt.

City’s Pledge of Full Faith and Credit: The City never pledged its full faith and credit on these bonds, so therefore there is no present legal obligation for the City to issue bonds. However, the TDDA has an investment rating of “CCC” which is junk bond status so the concept of

refinancing by the TDDA is not an option. Unfortunately a default by the TDDA will not put the City in a favorable light on many fronts. Some financial professionals contend that it could even adversely affect the City's AAA status and access to capital markets.

The Problem

Property Values: The initial value of the district in 1993 was \$429,278,530 and is therefore established as the base with all values above the base being captured by the TDDA. At the height of the aggregate value for the TDDA, the value peaked at \$700,929,970 and the captured value was \$271,014,440. In comparison, the projected value for 2013/2014 is \$442,177,648 and the captured value is \$12,899,118 (*see exhibit A*).

A major factor leading to the loss of the incremental value differential is the value of properties dropped significantly, in some instances below the base year value, causing the capture to be reduced, bordering on a "negative" capture. A prominent example is the Kmart headquarters building that was valued at \$27,646,000 in the base year and is valued at \$6,181,000 in 2012. The Bank of America building is another significant example with a base year value of \$27,749,000 and a 2012 value of \$17,534,800.

The reduction in the separation between the base year value and current taxable value has created a revenue stream reduction trending toward elimination. The result of Proposal A is these properties will not reach the old levels before the Development Plan and Tax Increment Financing Plan expire in 2018 since constitutionally they cannot increase more than 5% or the rate of inflation, whichever is less.

Inability to Pay: The 2014 (\$442,177,648) Captured Taxable Value for the TDDA is \$12,899,118. The revenues generated by this Capture are not enough to cover the debt service. Even after exhausting its reserves, the TDDA cannot meet its debt obligation without some other assistance.

In 2015 the projection is for the TDDA to be in a negative capture situation. In other words, the total Taxable Value of the TDDA will be less than the 1993 Base Value. Negative capture means no revenue for the TDDA. No revenue for the TDDA, along with the depletion of the reserves from the previous year will place the TDDA in default on its debt obligation.

Why Default Is Not An Option

Defaulting on the bonds, even though they (2001, 2002 series) are insured by NPMG, would negatively impact several aspects of Troy government. The City's rating could be impacted and access to capital could be significantly impaired. In addition, NPMG has made it clear to the City administration that it will pursue whatever measures are necessary to be repaid for whatever amounts it has paid to bond holders under its policies, plus interest, which is likely to result in lengthy, costly and highly visible litigation. This will result in a firestorm of negative publicity, confrontation with NPMG and possible involvement by the State of Michigan. NPMG has threatened to seek appointment of an Emergency Finance Manager, as well as the joinder of city on the TDDA debt restructuring.

Safety Net/Revenue Enhancement Possibilities

1. ***Parking Structure (Somerset):*** The TDDA financed the construction of the Somerset North parking structure and retains ownership. However, there is an agreement with the Somerset owners to use the structure and repay the cost of the structure based on an amortized schedule.

At the end of the schedule or end date of the TDDA, which is when the deck payment is required by agreement, the payment is \$4,035,171 (January 1, 2020).

2. The Somerset owners have offered an early buy back at a discounted rate to provide an infusion of cash. This amount could be used if necessary to reduce the amount of the City bond issue described below. This proposal does not recommend transfer of the parking structure prior to 2020 because the earlier sale would result in a significant loss of revenue.
3. ***Millage Rate Implementation:*** MCL 125.1662 allows a downtown development authority, with the approval of the municipal governing body, to levy an ad valorem tax on the real and tangible personal property in the district that is not exempt by law. The tax shall not be more than 2 mills.

The Proposal

- a. ***Development Plan/Tax Increment Financing Plan Change and New Debt Issued:*** The proposed solution aims to increase the captured value to a level that is capable of contributing toward a bond issue by the City of Troy by eliminating underperforming properties from the Development Area, extending the debt schedule, the TDDA, the Development Plan and the Tax Increment Financing Plan **20 years**. There are several steps to successful implementation of this proposal and they include:
 1. Existence of the TDDA must extend to 2033 (Ordinance 78).
 2. The TDDA Development Plan and Tax Increment Financing Plan must extend to 2033.
 3. The Development Area in the Development Plan/Tax Increment Finance Plan must be amended to exclude specific properties that are valued at less than their value in 1993 (base year) (e.g. Kmart Headquarters and Bank of America. (*see exhibit B*))
 4. The City should/must obtain County concurrence of the Development Plan/Tax Increment Financing Plan change.
 5. City of Troy must issue approximately \$14,485,000 in bonds backed by the full faith and credit of the City.
 6. TDDA cannot issue, re-issue or refinance these bonds. They would not be marketable due to the “CCC” junk bond status of the TDDA.

Year	Total Taxable Value	Captured Taxable Value	Captured Taxes (16.7105 Mills)	Estimated Bond Payment *	Over / (Under) Debt Payment
New Base	313,248,060.00				
2014/2015	374,272,284.10	61,024,224	1,023,834	800,650	223,184
2015/2016	371,577,194.93	58,329,135	978,617	766,450	212,167
2016/2017	368,909,426.29	55,661,366	894,896	732,675	162,221
2017/2018	368,919,609.41	55,671,549	895,059	728,875	166,184
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2031/2032	454,309,937.82	141,061,878	2,267,922	1,854,850	413,072
2032/2033	463,396,136.58	150,148,077	2,414,006	1,972,256	441,750
2033/2034	472,664,059.31	159,415,999	2,563,011	2,088,394	474,617

*** Preliminary. Subject to Change- Based on Market Conditions**

2019/2020 thru 2023/2024 presupposes a 1% increase in value

2024/2025 thru 2033/2034 presupposes a 2% increase in value

The table above demonstrates a positive cash flow between the capture on the revised Development Area and the new debt. In fact, the revised plan is projected to generate a surplus cash flow over the life of the debt schedule.

- b. **Up to 2 mill levy:** The City of Troy has a safety net in the event the tax capture is insufficient to fund the new bonds. This safety net comes in the form of a possible TDDA levy, with City Council approval, of up to 2 mills to cover the debt payment. Two mills will be levied only in the event there becomes a structural deficit and would continue until all bonds are retired. The TDDA Board must agree to the levy, and the City must approve the levy of up to 2 mills which would then be imposed across the TDDA district and applied to payment of the City bonds.
- c. **Parking Structure:** The proposal does **NOT** seek to transfer the parking structure to Somerset North earlier than planned to obtain a short term infusion of cash. The projected payment at the end of the agreement is \$4,035,131.

It is recommended that the funds from sale/transfer be considered as a safety net as well, for the City Council's backing of the bond issue. The funds from the parking structure transfer represent approximately 1/3 of the total issue. These funds are realized in 2020.

- d. ***Oakland County:*** This plan/proposal was presented to Oakland County representatives including Treasurer Andy Meisner, Chief Deputy Treasurer James VanLeuven Jr., Deputy County Executive Robert Daddow, and Chief Deputy County Executive Gerald Poisson. The Oakland County representatives are in agreement with the plan and will support concurrence at the County level when presented.

Plan Summary

The concept includes the following components:

1. Amendment of the TDDA Ordinance (78) to extend the TDDA until December 31, 2033.
2. The TDDA Development Plan/Tax Increment Financing Plan must be extended to December 31, 2033 and the Development Area of amended to exclude specific properties that are valued at less than their value in 1993 (base year) (e.g. Kmart Headquarters and Bank of America building).
3. The City of Troy must issue approximately \$14,485,000 in bonds backed by the full faith and credit of the City which would be paid with the amounts generated in tax increment in the amended and extended TDDA.

Time Frame

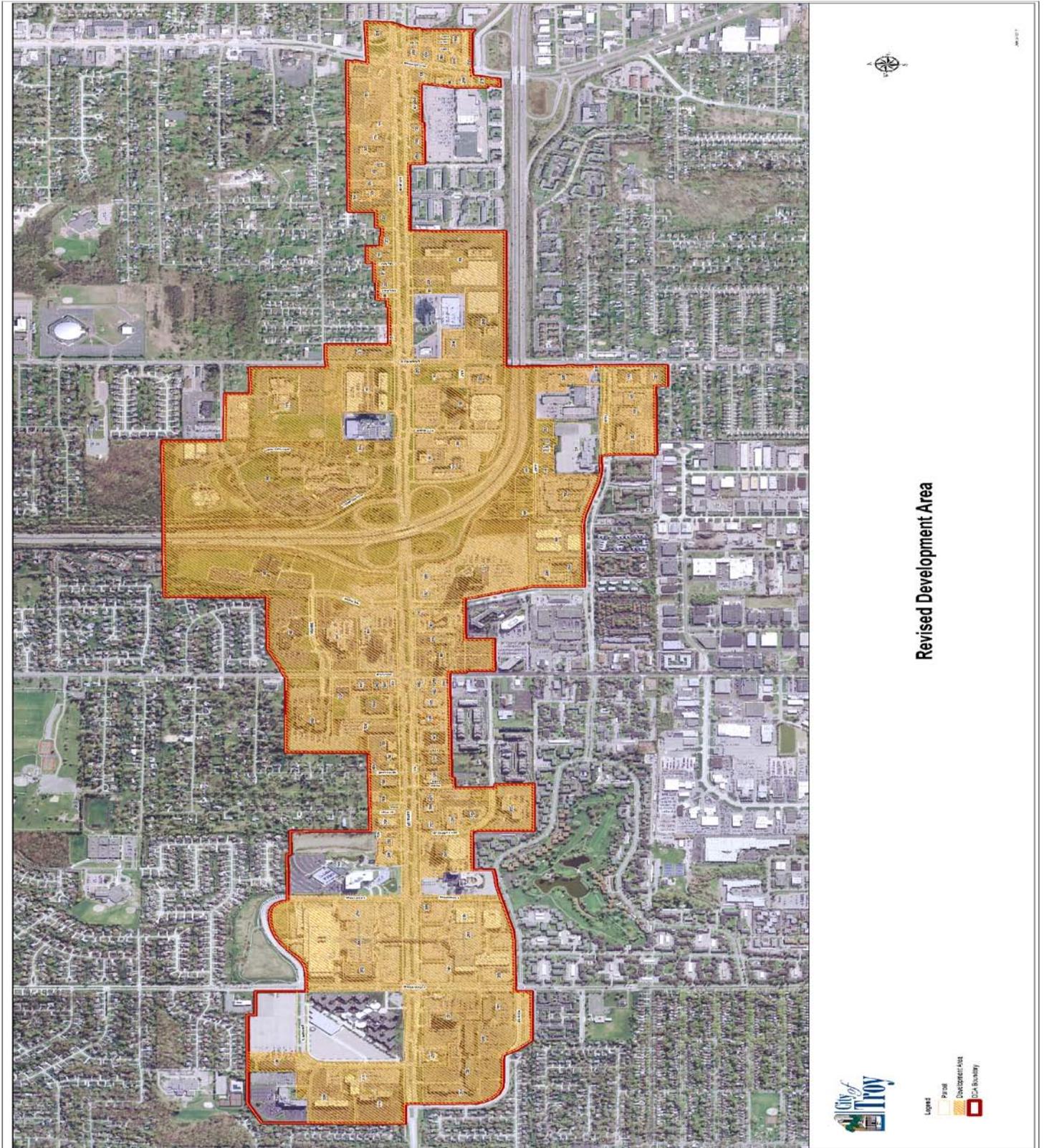
- June 17, 2013- City Council issue notice of intent to issue bonds
- June 19, 2013- TDDA Board adopts Plan amendments and recommends approval to City Council
- July 8, 2013- City Council schedules a public hearing for Plan amendments
- August 12, 2013- Public Hearing after which City Council approves bond authorizing resolution and Development and TIF Plan amendments

Exhibit A

Type	Base Taxable Value - Deletes	2011/12 Actual Taxable Value	2011/12 Captured Taxable Value	2012/13 Actual I/V	% Change	2012/13 Captured Taxable Value	2013/14 Actual TV - Deletes	% Change	2013/14 Captured Taxable Value	*2014/15 Estimated Taxable Value	% Change	2014/15 Captured Taxable Value
Comm Real	243,993,340	394,696,540	150,703,200	353,332,580	(10.48)	109,339,240	278,510,690	(21.18)	34,517,350	270,155,369	(3.00)	26,162,029
Ind Real	690,100	630,980	(59,120)	647,730	2.65	(42,370)	660,740	2.01	(29,360)	640,918	(3.00)	(49,182)
Res Real	241,000	352,290	111,290	345,260	(2.00)	104,260	340,790	(1.29)	99,790	340,790	0.00	99,790
Total Real	244,924,440	395,679,810	150,755,370	354,325,570	(10.45)	109,401,130	279,512,220	(21.11)	34,587,780	271,137,077	(3.00)	26,212,637
Comm Pers	68,323,620	98,493,950	30,170,330	100,168,730	1.70	31,845,110	97,347,580	(2.82)	29,023,960	97,347,580	0.00	29,023,960
Ind Pers	0	5,271,280	5,271,280	3,691,560	(29.97)	3,691,560	4,309,070	16.73	4,309,070	4,179,798	(3.00)	4,179,798
Utility Pers	0	1,290,060	1,290,060	1,431,450	10.96	1,431,450	1,591,910	11.21	1,591,910	1,607,829	1.00	1,607,829
Total Pers	68,323,620	105,055,290	36,731,670	105,291,740	0.23	36,968,120	103,248,560	(1.94)	34,924,940	103,135,207	(0.11)	34,811,587
Grand Total	313,248,060	500,735,100	187,487,040	459,617,310	(8.21)	146,369,250	382,760,780	(16.72)	69,512,720	374,272,284	(2.22)	61,024,224

Type	*2015/16 Estimated Taxable Value	% Change	2015/16 Captured Taxable Value	2016/17 Estimated Taxable Value	% Change	2016/17 Captured Taxable Value	2017/18 Estimated Taxable Value	% Change	2017/18 Captured Taxable Value	2018/19 Estimated Taxable Value	% Change	2018/19 Captured Taxable Value
Comm Real	267,453,816	(1.00)	23,460,476	264,779,277	(1.00)	20,785,937	264,779,277	0.00	20,785,937	264,779,277	0.00	20,785,937
Ind Real	631,304	(1.50)	(58,796)	621,834	(1.50)	(68,266)	615,616	(1.00)	(74,484)	609,460	(1.00)	(80,640)
Res Real	340,790	0.00	99,790	340,790	0.00	99,790	340,790	0.00	99,790	340,790	0.00	99,790
Total Real	268,425,910	(1.00)	23,501,470	265,741,902	(1.00)	20,817,462	265,735,684	(0.00)	20,811,244	265,729,527	(0.00)	20,805,087
Comm Pers	97,347,580	0.00	29,023,960	97,347,580	0.00	29,023,960	97,347,580	0.00	29,023,960	97,347,580	0.00	29,023,960
Ind Pers	4,179,798	0.00	4,179,798	4,179,798	0.00	4,179,798	4,179,798	0.00	4,179,798	4,179,798	0.00	4,179,798
Utility Pers	1,623,907	1.00	1,623,907	1,640,146	1.00	1,640,146	1,656,548	1.00	1,656,548	1,673,113	1.00	1,673,113
Total Pers	103,151,285	0.02	34,827,665	103,167,524	0.02	34,843,904	103,183,926	0.02	34,860,306	103,200,491	0.02	34,876,871
Grand Total	371,577,195	(0.72)	58,329,135	368,909,426	(0.72)	55,661,366	368,919,609	0.00	55,671,549	368,930,019	0.00	55,681,959

Exhibit B



An aerial photograph of a city street, likely in Troy, Michigan. The street is wide and has several lanes with cars driving. There are trees and green spaces along the sides of the road. In the background, there are several tall buildings, including a prominent skyscraper on the right side. The overall scene is a busy urban environment.

Troy Downtown Development Authority Bond Repayment Proposal

June 17, 2013

Expenditures

Original Bonds

What did the original bonds pay for?

2001: Financed the Roadway and Streetscape improvements to Big Beaver and refinanced a portion of the cost of the parking garage adjacent to Somerset North
(\$24,000,000)

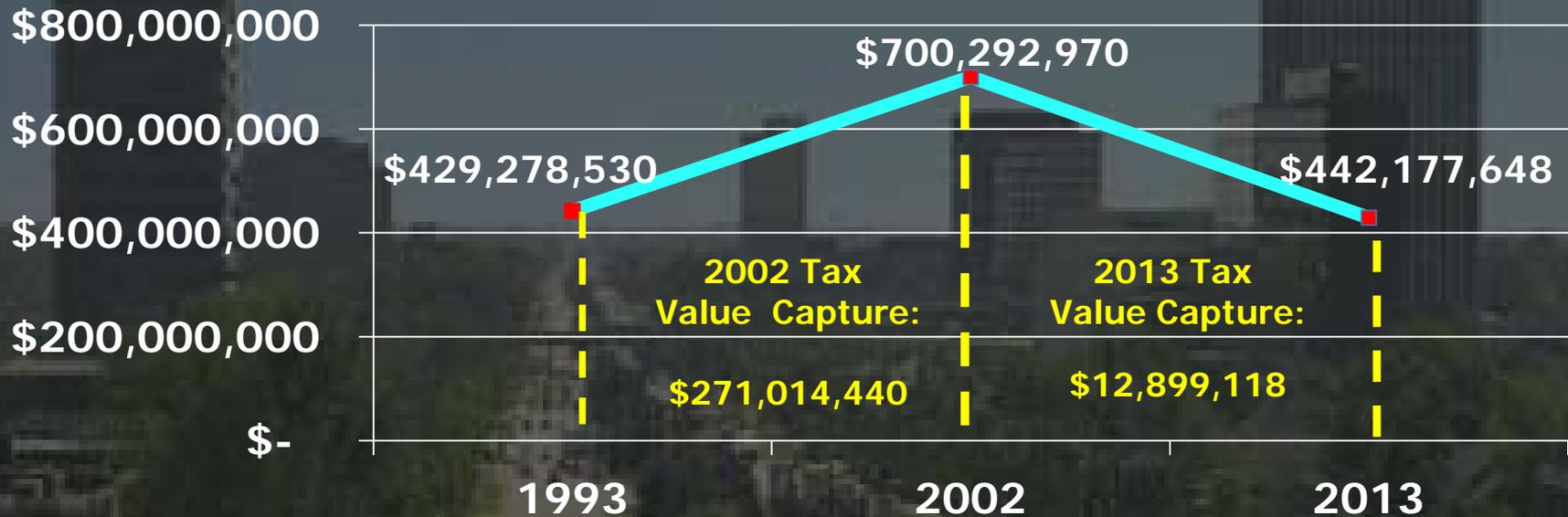
2002: Financed a portion of the cost of constructing the Troy Community Center
(\$9,700,000)

2003: Financed a portion of the cost of constructing the Troy Community Center
(\$4,025,000)

Note: Final Bond Maturity Date: November 1, 2018

Annual Debt Payment		
	2012	2013
Principal	\$ 2,215,000	\$2,365,000
Interest	\$989,480	\$ 888,601
Rate	3.15-5.5%	3.3-5.5%

Structural Problem



Revenue	
2002	\$4,528,787
2013	\$215,550

Two Properties that contributed to the major loss

1. Kmart headquarters was valued at \$27,646,000 in the base year and is valued at \$6,181,000 in 2012
2. The Bank of America building was valued at \$27,749,000 in the base year and was valued at \$17,534,800 in 2012

Problem Summary

- Statement of Problem:

- The initial value of the district in 1993 was \$429,278,530 and is therefore established as the base with all values above the base being captured by the TDDA. The value of properties in the district has dropped significantly, in some instances below the base year value causing the capture to be reduced bordering on no capture.
- Annual debt payment for the TDDA for 2014 is \$3,298,965 with the payments ending in 2018.
- 2013 Captured Taxable Value for the TDDA= \$12,899,118 and results in \$215,550 in revenue to TDDA.

- Conclusion:

- There is not enough Tax Capture in the TDDA to make the debt service payments.

Why default is not an option?

- City's bond rating could be impacted
- Access to capital could be significantly impaired
- NPMG(National Public Finance Guarantee)- Bond Insurance possible litigation
- Adverse Impact on other Taxing Jurisdictions
- Negative publicity
- Possible involvement by State of Michigan - Emergency Financial Manager

Proposed Plan

Development Plan/Tax Increment Financing

Plan Change and New Debt Issued:

- Increase the captured value by eliminating underperforming properties from the Development Area
- Extend the debt schedule, the TDDA, the Development Plan and the Tax Increment Financing Plan 20 years
- City of Troy issues bonds (\$14,485,000) backed by City for 20 years with amounts from TDDA tax capture dedicated to bond payments

Proposed Plan

Safety Net:

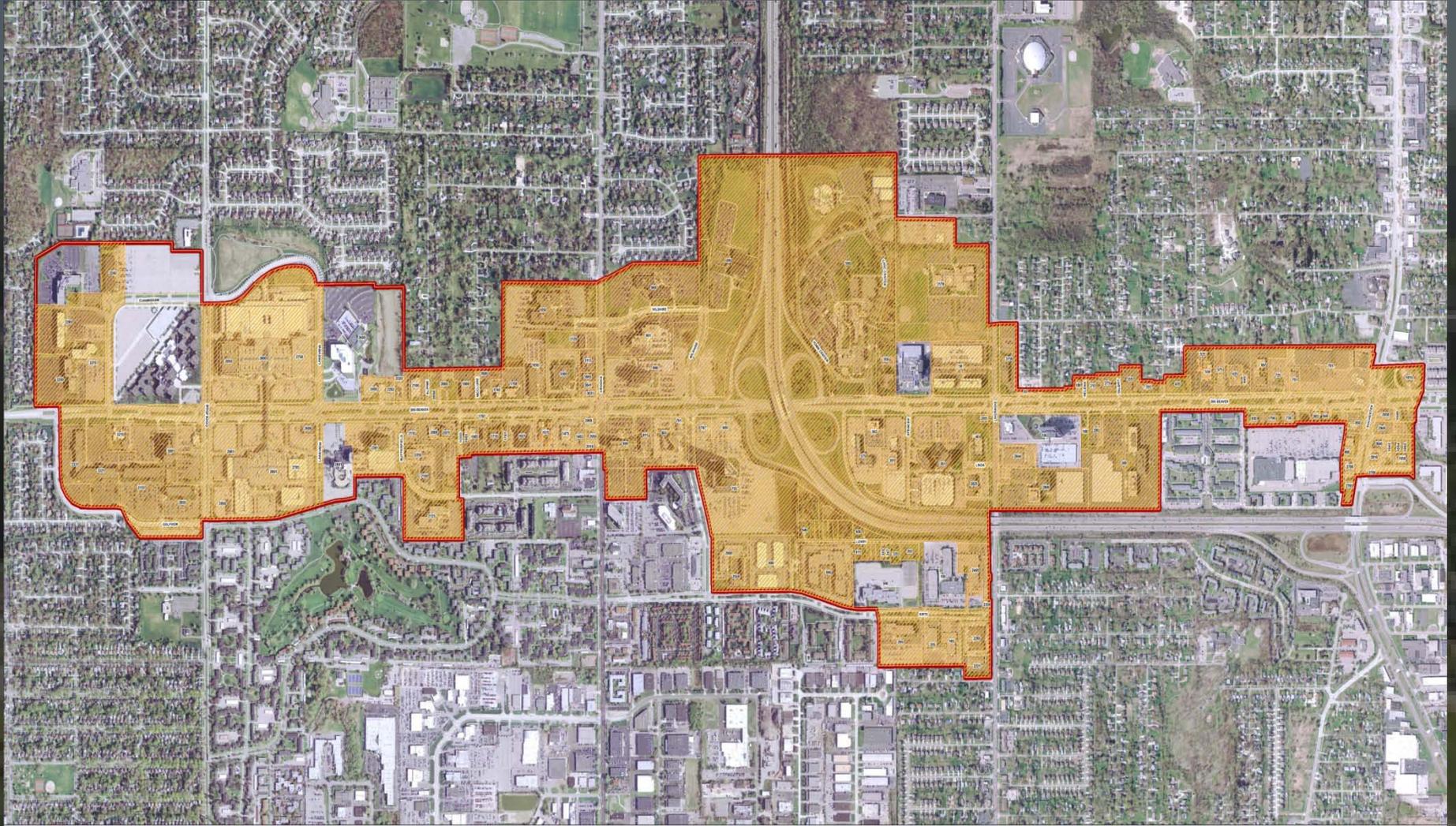
1) Parking Structure:

- The projected payment at the end of the agreement (2020) is \$4,035,131 and is viewed as a safety net to the City
- The proposal does not recommend transfer of the parking structure prior to 2020 because the earlier sale would result in a significant loss of revenue

2) Up to 2 mill levy

- MCL 125.1662 allows a downtown development authority, with the approval of the municipal governing body, to levy an ad valorem tax

Proposed TDDA Amended Development Area/TIF Plan



Values, Yield and Debt Schedule

Year	Total Taxable Value	Captured Taxable Value	Captured Taxes (16.7105 Mills)	Estimated Bond Payment *	Over / (Under) Debt Payment
New Base	313,248,060.00				
2014/2015	374,272,284.10	61,024,224	1,023,834	800,650	223,184
2015/2016	371,577,194.93	58,329,135	978,617	766,450	212,167
2016/2017	368,909,426.29	55,661,366	894,896	732,675	162,221
2017/2018	368,919,609.41	55,671,549	895,059	728,875	166,184
2018/2019	368,930,018.73	55,681,959	895,227	729,475	165,752
*2019/2020	372,619,318.91	59,371,259	954,541	782,975	171,566
2020/2021	376,345,512.10	63,097,452	1,014,449	823,725	190,724
2021/2022	380,108,967.22	66,860,907	1,074,956	876,600	198,356
2022/2023	383,910,056.90	70,661,997	1,136,068	931,100	204,968
2023/2024	387,749,157.46	74,501,097	1,197,791	977,225	220,566
**2024/2025	395,504,140.61	82,256,081	1,322,472	1,083,475	238,997
2025/2026	403,414,223.43	90,166,163	1,449,646	1,183,225	266,421
2026/2027	411,482,507.90	98,234,448	1,579,364	1,286,225	293,139
2027/2028	419,712,158.05	106,464,098	1,711,677	1,401,725	309,952
2028/2029	428,106,401.21	114,858,341	1,846,635	1,504,350	342,285
2029/2030	436,668,529.24	123,420,469	1,984,293	1,618,725	365,568
2030/2031	445,401,899.82	132,153,840	2,124,703	1,734,100	390,603
2031/2032	454,309,937.82	141,061,878	2,267,922	1,854,850	413,072
2032/2033	463,396,136.58	150,148,077	2,414,006	1,972,256	441,750
2033/2034	472,664,059.31	159,415,999	2,563,011	2,088,394	474,617

* Preliminary, Subject to Change- Based on Market Conditions

Timeline to Implement the Plan

Date	Action
June 17, 2013	City Council issues notice of intent to issue bonds
June 19, 2013	TDDA Board adopts Plan amendments and recommends approval of Plan amendments to City Council
July 8, 2013	City Council schedules a public hearing for Plan amendments
August 12, 2013	Public hearing for Plan amendments; City Council approves bond authorizing resolution and Plan amendments

**Draft
6/7/13**

**2013 Amendments
To Development Plan and
Tax Increment Financing Plan**

**Downtown Development Authority
of the City of Troy**

BACKGROUND AND PURPOSE

A. Purpose of the Downtown Development Authority Act

Act 197 of Public Acts of 1975, as amended (MCL 125.1651 et. seq.), of the State of Michigan, commonly referred to as the Downtown Development Authority Act (“Act 197”) authorizes the establishment of a downtown development authority and was created in part to correct and prevent deterioration of business districts; to promote economic growth and revitalization; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the levy and collection of taxes; the issuance of bonds and the use of tax increment financing to finance downtown development contained in locally adopted development plans.

Act 197 seeks to attack problems of urban decline, strengthen existing areas and encourage new private developments in Michigan’s downtown communities. It seeks to accomplish this goal by providing these communities with the necessary legal, monetary and organizational tools to revitalize downtown districts either through publicly initiated projects or in concert with private developments. The method chosen by downtown development authorities to make use of these tools depends on the problems and opportunities facing the district and the development priorities established by the community for the revitalization of the business area.

B. Creation of the Downtown Development Authority of the City of Troy

In July of 1993, the Troy City Council adopted Ordinance 78, which created the Downtown Development Authority of the City of Troy (the “DDA”). The DDA was given all of the powers and duties prescribed for a downtown development authority pursuant to Act 197.

C. Basis for the Tax Increment Financing Plan and Development Plan

Act 197 provides the legal mechanism for local officials to address the need for economic development in the business district. In Troy, the Downtown District of the DDA can be generally described as the commercial area along Big Beaver Road from Rochester Road on the east to Newport on the west (the “Downtown District”). The Development Area was subsequently established as coterminous with the boundaries of the Downtown District. A development plan and a tax increment-financing plan were adopted for the purpose of implementing specific development programs and/or projects in the Development Area.

For purposes of financing activities of a downtown development authority within a downtown district, Act 197 provides for establishment of a tax increment financing plan. By definition, a tax increment financing plan seeks to capitalize on and make use of the increased tax base created by economic development within the boundaries of a downtown district. The tax increment financing plan is required to include a development plan that sets forth the improvements and projects to be financed by the tax increment financing plan.

D. The Current DDA Development Plan and the DDA Tax Increment Financing Plan

The Development Plan (the “Development Plan”) and the Tax Increment Financing Plan (the “Tax Increment Financing Plan” and together with the Development Plan, the “Plan”) of the DDA were initially approved and adopted by the Troy City Council on December 13, 1993. The Development Plan included Development Plan #1, which provided for reconstruction and improvements to Big Beaver Road and a public parking deck. The Tax Increment Financing Plan provided for capture and use by the DDA of all tax increment revenues generated from the captured assessed value of all taxable real and personal property within the Development Area for purposes of the Development Plan.

The Plan was subsequently amended on five different occasions.

An amendment to the Development Plan was approved and adopted by the City on September 28, 1998 (referred to for purposes hereof as “Development Plan #2”). Development Plan #2 incorporated the area north of Cunningham Road for purposes of the construction of a data center for K-Mart and the proposed civic center site at Big Beaver and I-75.

Development Plan #2 expressly incorporated and restated the Tax Increment Financing Plan previously adopted by the DDA to finance development programs and projects within the Downtown District.

This second amendment to the Development Plan (referred to for purposes hereof as “Development Plan #3”), expressly incorporated and restated the development programs and projects described in Development Plan #1 and Development Plan #2 and described two additional major road projects including the widening of Big Beaver Road between I-75 and Rochester Road and from I-75 to the northern DDA boundary deemed necessary by the DDA for the future economic vitality of the District, and with respect thereto, set forth the plans for development and financing of said projects as required under Act 197.

Development Plan #3 was structured to provide the DDA with the continued ability to utilize tax increment financing to address the needs of the Development Area.

Development Plan #4 was the third amendment to the Development Plan and incorporated the project known as “Troy Place Improvement Project.” This project provided the local match required for a local company to receive financial incentives from the State of Michigan in order to retain its headquarters in the City of Troy and the State of Michigan.

Development Plan #5 was the fourth amendment to the Development Plan and incorporated the project known as “Sheffield Plaza Building #2 Improvement Project.” This project provided the local match required for a local company to receive financial incentives from the State of Michigan in order to retain its headquarters in the State of Michigan.

Development Plan #6 was the fifth amendment to the Development Plan and incorporated the projects known as the “Big Beaver Corridor Study Implementation Plan,” which include a local match for a local company to receive financial incentives from the State of Michigan, I-75 interchange improvements, improvements to the Big Beaver Corridor, park improvements and property acquisition. Further, the existing Tax Increment Financing Plan adopted and approved at the time of adoption of Development Plan #1, Development Plan #2, Development Plan #3, Development Plan #4, and Development Plan #5 was retained and modified to include the new development consistent with state law.

E. Reasons for Proposed Plan Amendments

In order to finance part of the cost of the Development Plan, the DDA issued three separate bond issues in 2001, 2002 and 2003 (the "DDA Bonds"). The proceeds of the DDA Bonds were used as follows: in 2001, to finance the cost of roadway and streetscape improvements to Big Beaver Road and to refinance a portion of the cost of the parking garage adjacent to Somerset North; in 2002, to finance a portion of the cost of constructing the Troy Community Center; and in 2003, to finance a portion of the cost of constructing the Troy Community Center. Each of the DDA Bond issues was secured solely from the tax increment revenues to be derived from the properties in the Development Area. There was no pledge of the full faith and credit of the City of Troy as additional security for the bonds. The bonds were able to be issued by the DDA without a pledge of the full faith and credit of the City because of the then perceived strength of the taxable values of the Development Area and the projected ability of the properties in the Development Area to generate sufficient tax increment revenues pay the debt service on the DDA Bonds.

Due to an unanticipated and dramatic decline in the taxable values in portions of the Development Area, the amount of tax increment revenues captured in the Plan has declined significantly. As a result, the DDA will need to use bond reserves and an advance from the City to avoid a default on the DDA Bonds during the fiscal year beginning July 1, 2013. Furthermore, it is projected that there will be no capture of tax increment revenues during the fiscal year beginning July 1, 2014, thus creating the likelihood that the DDA will default on the DDA Bonds.

The proposed amendments to the Plan will enable the DDA to avoid a default on the DDA Bonds and will provide for (i) the issuance of general obligation bonds by the City (the "City Bonds") to finance a portion of the cost of the Plan and in connection therewith refunding the outstanding DDA Bonds, (ii) extending the existence of the Plan to December, 2033, and (iii) revising the Development Area for the Plan by removing therefrom certain specified properties, with the result that the DDA will be projected to be able to capture sufficient tax increments to pay the principal of and interest on the City Bonds. The tax increment revenues received by the DDA pursuant to the proposed amended Plan will be the first source of payment of the City Bonds and the limited tax full faith and credit pledge of the City will be the secondary security for the City Bonds.

2013 PLAN AMENDMENTS

I. AMENDMENTS TO THE DEVELOPMENT PLAN

The following sections of the Development Plan are amended to read as follows:

1. **DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA**

The Development Area is located within the jurisdictional limits of the City of Troy and the Downtown District but will no longer be coterminous with the Downtown District in that some properties will be removed from the Development Area. The legal description of the Development Area is amended as provided in Section 4. The revised Development Area is shown on Exhibit #1.

4. **LEGAL DESCRIPTION OF THE DEVELOPMENT AREA**

Development Area

Property lying on either side of Big Beaver Road between Golfview on the west and Fire Station #1 on the east and south to I-75 and Rochester Road and including the following Sidwells:

All beginning: 88-20-, then:

19-430-002; 19-453-005; 19-453-008; 19-453-009; 19-453-010; 19-476-001; 20-351-001; 20-351-004; 20-351-005; 20-351-008; 20-351-009; 20-351-010; 20-376-001; 20-376-004; 20-376-005; 20-376-006; 20-401-024; 20-402-041; 20-402-052; 20-402-053; 20-402-054; 20-402-055; 20-476-012; 20-476-030; 20-476-031; 20-476-036; 20-476-039; 20-476-043; 20-476-047; 20-476-049; 20-476-054; 20-476-055; 21-304-024; 21-326-007; 21-326-008; 20-326-009; 21-351-012; 21-351-013; 21-401-001; 21-401-002; 21-476-015; 21-476-018; 21-476-019; 22-355-025; 22-356-031; 22-357-031; 22-358-019; 22-358-028; 22-379-021; 22-379-023; 22-380-033; 22-380-038; 22-383-001; 22-383-002; 22-383-003; 22-383-006; 22-477-040; 22-477-048; 22-477-052; 22-477-053; 22-477-054; 22-477-059; 22-477-060; 22-477-062; 22-478-007; 23-354-047; 26-101-001; 26-101-006; 26-101-009; 26-102-001; 26-102-001; 26-102-002; 26-102-003; 26-102-004; 26-102-005; 26-102-006; 26-102-013; 27-101-020; 27-101-055; 27-101-058; 27-101-060; 27-101-061; 27-101-065; 27-102-026; 27-102-027; 27-201-008; 27-201-009; 27-201-010; 27-201-013; 27-201-014; 27-201-049; 27-201-050; 27-201-053; 27-201-055; 27-201-058; 27-201-058; 27-201-059; 27-201-060; 27-226-026; 27-226-027; 27-227-009; 27-227-010; 27-227-011; 27-228-009; 27-228-010; 27-228-011; 27-228-017; 27-228-018; 27-277-017; 28-101-032; 28-101-034; 28-101-039; 28-101-047; 28-101-050; 28-101-051; 28-101-052; 28-101-053; 28-101-054; 28-101-063; 28-101-064; 28-201-006; 28-201-007; 28-201-008; 28-201-009; 28-203-030; 28-203-034; 28-203-035; 28-203-037; 28-203-038; 28-204-001; 28-204-002; 28-204-003; 28-204-004; 28-204-007; 28-204-008; 28-226-033; 28-226-034; 28-226-035; 28-226-036; 28-227-006; 28-227-007; 28-251-007; 28-251-008; 28-251-009; 28-251-010; 28-251-011; 28-251-012; 28-251-013; 28-251-030; 28-251-037; 28-251-038; 28-251-039; 28-252-016; 28-252-017; 28-252-018; 28-276-044; 28-276-048; 28-276-049; 28-276-050; 28-277-008; 28-430-017; 29-101-004; 29-101-006; 29-101-009; 29-101-010; 29-101-011; 29-127-023; 29-127-025; 29-201-001; 29-201-022; 29-201-023; 29-201-024; 29-201-025; 29-226-002; 29-226-005; 29-226-016; 29-226-043; 29-226-046; 29-226-047; 29-226-048; 29-226-049; 29-226-050; 29-226-051; 29-226-052; 29-226-053; 29-226-054; 29-226-055; 29-226-056; 29-226-057; 29-226-058; 29-226-059; 29-226-060; 29-226-061; 29-226-062; 29-226-063; 29-226-064; 29-226-065; 29-226-066; 29-226-067; 29-226-068; 29-226-069; 29-226-070; 29-226-072; 29-226-073; 29-226-074; 29-226-075; 29-277-026; 30-202-004; 30-202-005; 30-226-001; 30-226-008; 30-226-009; 30-226-010; 30-228-001; and 30-228-002.

METES AND BOUNDS DESCRIPTION

(North of Big Beaver from West to East)

Part of the SE $\frac{1}{4}$ of Section 19, South $\frac{1}{2}$ of Section 20, South $\frac{1}{2}$ of Section 21, South $\frac{1}{2}$ of Section 22, SW $\frac{1}{4}$ of Section 23, NW $\frac{1}{4}$ of Section 26, North $\frac{1}{2}$ of Section 27, North $\frac{1}{2}$ of Section 28, SE $\frac{1}{4}$ of Section 28, North $\frac{1}{2}$ of Section 29, and NE $\frac{1}{4}$ of Section 30, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan. Commencing at the South $\frac{1}{4}$ Corner of said section 19; thence North 89 degrees 30 minutes 00 seconds East, along the south line of said section 19, also being the centerline of Big Beaver Road, 360.04 feet to the Point of Beginning of the Downtown Development Authority Area also being South 89 degrees 30 minutes 00 seconds West 2298.59 feet from the southeast corner of said section 19; thence North 00 degrees 21 minutes 23 seconds East 102.01 feet to the north line of Big Beaver Road; thence continuing North 00 degrees 21 minutes 23 seconds East 1528.00 feet; thence North 65 degrees 09 minutes 05 seconds East 366.53 feet; thence North 89 degrees 49 minutes 05 seconds East 1495.00 feet; thence South 00 degrees 01 minutes 30 seconds East 88.57 feet; thence North 89 degrees 58 minutes 30 seconds East 400.00 feet to the west line of Coolidge Road; thence North 89 degrees 58 minutes 30 seconds East 60.00 feet to the east line of said section 19, also being North 00 degrees 01 minutes 30 seconds West 1680.32 feet from the southeast corner of said section 19; thence continuing North 89 degrees 58 minutes 30 seconds East 90.00 feet to the east line of Coolidge Road; thence South 00 degrees 01 minutes 30 seconds East, along said line, 409.46 feet to the north line of Cunningham Road; thence South 45 degrees 18 minutes 22 seconds East, along said north line, 42.22 feet; thence North 89 degrees 24 minutes 45 seconds East, along said line, 124.67 feet; thence along a curve to the left having a radius of 350.00 feet, a delta angle of 37 degrees 02 minutes 15 seconds, and a chord bearing and distance of North 70 degrees 53 minutes 36 seconds East 222.33 feet; thence North 52 degrees 22 minutes 28 seconds East, along said line, 176.28 feet; thence along a curve to the right, along said line, having a radius of 1000.00 feet, a delta angle of 44 degrees 00 minutes 08 seconds, and a chord bearing and distance of North 74 degrees 22 minutes 32 seconds East 749.25 feet; thence along a curve to the right, along said line, having a radius of 285.00 feet, a delta angle of 83 degrees 41 minutes 37 seconds, and a chord bearing and distance of South 41 degrees 46 minutes 38 seconds East 380.27 feet; thence North 89 degrees 24 minutes 45 seconds East 87.59 feet to the southwest corner of "Somerset North Subdivision", as recorded in Liber 213, Pages 35-38, Oakland County, Michigan records; thence North 89 degrees 24 minutes 45 seconds East, along said south line, 603.02 feet; thence South 00 degrees 01 minutes 30 seconds East, along said south line, 37.78 feet; thence North 89 degrees 24 minutes 45 seconds East, along said line, 387.42 feet to the southeast corner of said plat and the west line of "Muer's Garden Farms", as recorded in Liber 15, Page 45, Oakland County, Michigan records, also being the north and south $\frac{1}{4}$ line of said section 20; thence South 00 degrees 19 minutes 48 seconds East, along said line, 857.17 feet to the northwest corner of Lot 3 of said plat, also being North 00 degrees 19 minutes 48 seconds West 430.00 feet from the south $\frac{1}{4}$ corner of said section 20, and a change in the bearing base to match said plat; thence East, along the north line of Lots 3, 93, 125, and 85 of said plat, 1328.64 feet to the east line of said plat; thence North 01 degrees 02 minutes East, along said east line, 886.10 feet to an angle point in said east line, thence South 89 degrees 03 minutes 00 seconds East, along said east line, 1257.16 feet to the west line of Crooks Road; thence South 89 degrees 03 minutes 00 seconds East 60.00 feet to the east line of said Section 20, being North 02 degrees 00 minutes 29 seconds West 1294.12 feet from the southeast corner of said section 20, and a change in the bearing base to match the plat of "Wilshire Estates" as recorded in Liber 190, Pages 26-28, Oakland County, Michigan records; thence North 02 degrees 00 minutes 29 seconds West, along said east line, 50.18 feet; thence North 87 degrees 59 minutes 31 seconds East, 60.00 feet to the

southwest corner of said "Wilshire Estates" and the east line of Crooks Road; thence continuing North 87 degrees 59 minutes 31 seconds East, along the south line of said plat, 30.36 feet to an angle point in said plat; thence North 64 degrees 50 minutes 49 seconds East, along said south line, 371.71 feet to an angle point in said plat; thence North 87 degrees 28 minutes 55 seconds East, along said south line, 886.52 feet to the southeast corner of said plat; thence North 02 degrees 01 minutes 28 seconds West, along the east line of said plat and the east line of "Troyknoll Subdivision No. 1", as recorded in Liber 104, Page 32, Oakland County, Michigan records, 1099.12 feet to the south line of "Washington Square Estates", as recorded in Liber 124, Page 33, Oakland County, Michigan records, also being the east and west ¼ line of said section 20; thence North 87 degrees 40 minutes 05 seconds East (R=South 89 degrees 11 minutes 30 seconds East), along said line, 838.45 feet to the west line of Interstate 75; thence North 87 degrees 42 minutes 26 seconds East, along said line, 488.93 feet to the east line of Interstate 75 and the Center Post of said Section 21 and a change in the bearing base to match an ALTA Boundary Survey of Troy Civic Center being North 01 degrees 33 minutes 19 seconds East 2581.69 feet from the South ¼ Corner of said Section 21; thence South 89 degrees 13 minutes 52 seconds East, along said east and west ¼ line, 1312.01 feet to the west line of "Westwood Park Subdivision", as recorded in Liber 249, Pages 11-15, Oakland County, Michigan records; thence South 01 degrees 01 minutes 02 seconds West, along said west line, 220.54 feet to the southwest corner of said plat; thence South 01 degrees 17 minutes 00 seconds West, along the west line of "Supervisor's Plat No. 26", as recorded in Liber 57, Page 59, Oakland County, Michigan records, 384.22 feet to the north line of Town Center Drive; thence South 88 degrees 53 minutes 06 seconds East, along said north line, 796.70 feet; thence South 01 degrees 16 minutes 54 seconds West, along the west line of Lot 17 of said plat, 399.40 feet to the southwest corner of said lot 17; thence South 88 degrees 53 minutes 06 seconds East, along the south line of said plat, 468.93 feet to the west line of Livernois Road; thence South 88 degrees 53 minutes 06 seconds East 60.00 feet to the east line of said Section 21, being North 01 degrees 20 minutes 46 seconds East 1648.14 feet from the southeast corner of said section 21; thence South 88 degrees 53 minutes 06 seconds East 53.00 feet to the east line of Livernois Road; thence South 01 degrees 20 minutes 46 seconds West, along said east line, 96.05 to the north line of "Eysters Beaver Gardens", as recorded in Liber 26, Page 14, Oakland County, Michigan records; thence North 88 degrees 37 minutes 14 seconds West (R=North 89 degrees 20 minutes West), along said north line, 20.00 feet to the east line of Livernois Road; thence South 01 degrees 20 minutes 46 seconds West (R=South 01 degrees 52 minutes West), along said east line, 664.50 feet to the southwest corner of lot 152 of said plat, also being the north line of Hartland Ave. and a change in the bearing base to match said plat; thence South 88 degrees 40 minutes 00 seconds East, along said north line, 265.00 feet to the southeast corner of lot 133 of said plat and the west line of Louis Ave.; thence South 01 degrees 52 minutes 00 seconds West, along said west line, 728.00 feet to the northeast corner of lot 13 of said plat; thence South 88 degrees 40 minutes 00 seconds East, along the north line of lots 14 through 37 of said plat, 588.00 feet to the northeast corner of lot 37 and the west line of Frankton Ave.; thence North 01 degrees 52 minutes 00 seconds East, along said west line, 18.00 feet to the southeast corner of lot 91 of said plat; thence South 88 degrees 40 minutes 00 seconds East, along the south line of lot 68 of said plat, 172.00 feet to the southeast corner of said lot 68; thence North 01 degrees 52 minutes 00 seconds East, along the east line of said lot, 110.00 feet to the northeast corner of said lot; thence South 88 degrees 40 minutes 00 seconds East, along the north line of lots 67 and 44 of said plat, 302.00 feet to the northeast corner of said lot 44 and the west line of "Big Beaver", as recorded in Liber 21, Page 19, Oakland County, Michigan records; thence North 00 degrees 51 minutes 00 seconds East, along the said west line 25.00 feet to the southwest corner of lot 17 of said plat; thence South 88 degrees 40 minutes 00 seconds East, along the south line of lot 17, 278.30 feet to the southeast corner of said lot and the west line of Talbot Ave.; thence North 01 degrees 31 minutes 36 seconds East, along the said west line, 75.00 feet to the northeast corner of said lot 17; thence

South 88 degrees 40 minutes 00 seconds East, along the north line of lot 60 of said plat, 323.00 feet to the northeast corner of said lot 60; thence South 01 degrees 31 minutes 36 seconds West, along the east line of lots 60 and 59, 150.00 feet to the southwest corner of lot 58 of said plat; thence South 88 degrees 40 minutes 00 seconds East, along the south line of said lot, 163.80 feet to the northwest corner of lot 14 of said plat; thence South 01 degrees 31 minutes 36 seconds West, along the west line of said lot 14, 13.00 feet; thence South 88 degrees 40 minutes 00 seconds East, 109.20 feet to the west line of Kilmer Ave.; thence North 01 degrees 31 minutes 36 seconds East, along the said west line, 113.00 feet; thence South 88 degrees 40 minutes 00 seconds East 50.00 feet to the east line of Kilmer Ave. and the southwest corner of Lot 19 of "Burgess Bungalow Subdivision", as recorded in Liber 46, Page 34, Oakland County, Michigan records; thence South 88 degrees 40 minutes 00 seconds East, along the south line of Lots 19-22 of said plat 273.00 feet to the east line of said plat and the west line of "Supervisors Plat No. 9", as recorded in Liber 46, Page 41, Oakland County, Michigan records being North 88 degrees 40 minutes West 165.00 feet and North 01 degrees 30 minutes East 336.00 feet from the south $\frac{1}{4}$ corner of said section 22; thence North 01 degrees 30 minutes 00 seconds East, along said line, 240.77 feet; thence South 89 degrees 00 minutes 00 seconds East 165.89 feet to the northwest corner of lot 5 of said plat; thence South 89 degrees 00 minutes 00 seconds East, along the north line of said plat, 2009.59 feet to an angle point along the north line of said plat; thence South 87 degrees 41 minutes 00 seconds East, along said north line, 251.65 feet to the southwest corner of lot 25 of said plat and a change in the bearing base to match Rochester Road ROW acquisition documents; thence North 89 degrees 18 minutes 15 seconds East, along the south line of said lot 25, 146.56 feet to the west line of Rochester Road; thence North 89 degrees 18 minutes 15 seconds East 171.16 feet to the east line of Rochester Road; thence South 17 degrees 01 minutes 45 seconds West, along the said east line, 129.38 feet; thence on a curve to the left having a radius of 1925.12 feet, a delta angle of 00 degrees 25 minutes 04 seconds, and a chord bearing and distance of South 16 degrees 49 minutes 13 seconds West 14.03 feet; thence South 38 degrees 51 minutes 10 seconds East, along said east line, 28.72 feet to the north line of Urbancrest Ave. of "Supervisor's Plat No. 13" as recorded in Liber 49, Page 1, Oakland County, Michigan records; thence North 86 degrees 38 minutes 09 seconds East, along said north line, 492.62 feet to the southeast corner of lot 9 of said plat and a change in the bearing base to match said plat; thence South 03 degrees 30 minutes West, along the east line of lot 7 of said plat, 209.00 feet to the southeast corner of lot 7 of said plat and the north line of "Supervisors Plat No. 11", as recorded in Liber 46, Page 46, Oakland County, Michigan records; thence North 88 degrees 05 minutes West, along said north line, 7.83 feet to the northeast corner of lot 17 of said plat; thence South 01 degrees 15 minutes 18 seconds West, along the east line of said lot 17, 106.49 feet to the north line of Big Beaver Road; thence South 01 degrees 15 minutes 18 seconds West 102.00 feet to the south line of said section 23, also being the centerline of Big Beaver Road and South 88 degrees 45 minutes East 376.02 feet from the southwest corner of said section 23;

(South of Big Beaver from East to West)

thence North 88 degrees 45 minutes 00 seconds West, along the said south line, 99.62 feet; thence South 01 degrees 28 minutes West, along the west line of Lot 25 of "Supervisors Plat No. 11", as recorded in Liber 46, Page 46, of Oakland County, Michigan records, 818.08 feet to the north line of Interstate 75 Right of Way and a change in bearing base to match "Ladendorf-Tobias Subdivision" as recorded in Liber 37, Page 23, Oakland County, Michigan records; thence North 53 degrees 08 minutes 01 seconds West 92.65 feet; thence North 89 degrees 16 minutes 00 seconds West 457.45 feet; thence North 13 degrees 06 minutes 00 seconds East 3.95 feet; thence North 89 degrees 16 minutes 00 seconds West 119.77 feet to the east line of Rochester Road, as per said plat; thence South 13 degrees 06 minutes 00 seconds West 308.60 feet to a change in the bearing base to match "Ford Subdivision", as recorded in Liber 58, Page

24, Oakland County, Michigan records; thence North 88 degrees 58 minutes 40 seconds West 266.88 feet; thence North 13 degrees 34 minutes 50 seconds East 140.00 feet to the southeast corner of Lot 8 of said plat; thence North 88 degrees 58 minutes 40 seconds West, along the south line of said lot, 41.80 feet; thence North 01 degrees 23 minutes 10 seconds East, along the west line of said lot, 283.07 feet; thence North 02 degrees 34 minutes 37 seconds East 60.02 feet to the southeast corner of Lot 26 of said plat; thence North 12 degrees 54 minutes 50 seconds East 260.00 feet; thence North 07 degrees 06 minutes 40 seconds East 110.95 feet to the northeast corner of said "Ford Subdivision"; thence North 88 degrees 15 minutes 20 seconds West 195.85 feet to an angle point in said plat; thence North 89 degrees West 475.88 feet to plat angle point; thence South 01 degrees 30 minutes 50 seconds West 27.00 feet to the southeast corner of Lot 51 of said plat; thence North 89 degrees 01 minutes 20 seconds West, along the south line of Lots 51-41 of said plat, 682.88 feet to the southwest corner of Lot 41; thence North 01 degrees 23 minutes 10 seconds East, along the west line of Lot 41, 136.73 feet to the south line of Big Beaver Road and a change in the bearing base to match parcel #88-20-27-201-001 tax description; thence South 89 degrees 44 minutes 48 seconds West, along said south line, 639.76 feet; thence North 89 degrees 55 minutes 50 seconds West, along said south line, 404.54 feet being North 89 degrees 55 minutes 50 seconds West 402.68 feet and South 00 degrees 57 minutes 14 seconds West 102.00 feet from the North $\frac{1}{4}$ Corner of Section 27; thence South 00 degrees 57 minutes 14 seconds West 298.00 feet; thence North 89 degrees 55 minutes 50 seconds West 95.00 feet to the east line of "Frosty Sunny Acres", as recorded in Liber 64, Page 9, Oakland County, Michigan records; thence South 00 degrees 57 minutes 14 seconds West, along said east line, 270.38 feet to the northeast corner of "Beaver Heights", as recorded in Liber 23, Page 11, Oakland County, Michigan records; thence South 00 degrees 42 minutes 09 seconds West, along the east line of said plat, 424.15 feet to the north line of Interstate 75 Right of Way and a change in bearing base to match the said plat of "Beaver Heights"; thence South 89 degrees 12 minutes 00 seconds West 2152.54 feet to the east line of Livernois Road, being South 01 degrees East 1081.90 feet and North 89 degrees 12 minutes East 60.00 feet from the Northwest Corner of Section 27; thence South 01 degrees East, along said east line, 1601+/- feet to the intersection of the said east line and the north line of "Summit Park Subdivision", as recorded in Liber 17, Page 35, Oakland County, Michigan records, extended easterly and a change in bearing base to match said "Summit Park Subdivision"; thence South 01 degrees 47 minutes 00 seconds West 200.54 feet to the intersection of said east line and the south line of Olympia Blvd. extended easterly; thence North 88 degrees 32 minutes 00 seconds West, along the said south line, 469.00 feet; thence North 01 degrees 47 minutes 00 seconds East, along the west line of lot 196 of said plat, 198.83 feet to the north line of said plat; thence North 88 degrees 44 minutes 30 seconds West, along said north line and south line of "Royal Ridge Little Farms", as recorded in Liber 21, Page 17, Oakland County, Michigan records, 1158.35 feet, being 8.12 feet west of the southeast corner of Lot 4 of said plat, and a change in the bearing base to match said "Royal Ridge Little Farms"; thence Due North, parallel to the east line of said Lot 4, 510.00 feet to the north line of Lot 4 and the south line of Kirts Blvd.; thence South 89 degrees 35 minutes 30 seconds West, along the said south line, 515.17 feet to the northeast corner of Lot 2 of said plat; thence South 00 degrees 47 minutes 00 seconds East, along the east line of said Lot 2, 0.23 feet; thence, along said south line of Kirts Blvd., on a curve to right having a radius of 1260.00 feet, a central angle of 00 degrees 02 minutes 42 seconds, and a chord bearing and distance of North 76 degrees 53 minutes 40 seconds West 0.99 feet; thence, continuing along said south line, on a curve to the right having a radius 1260.00 feet, a central angle of 02 degrees 23 minutes 35 seconds, and a chord bearing and distance of North 75 degrees 40 minutes 32 seconds West 52.62 feet; thence North 74 degrees 28 minutes 45 seconds West, along said south line, 400.00 feet; thence, along south line, on a curve to the left having a radius of 1140.00 feet, a central angle of 03 degrees 58 minutes 53 seconds, and a chord bearing and distance of North 76 degrees 28 minutes 11 seconds West 79.20 feet; thence, along said line, on a curve to the left having a radius

of 1140.00 feet, a central angle of 01 degrees 16 minutes 59 seconds, and a chord bearing and distance of North 79 degrees 06 minutes 08 seconds West 25.53 feet to the east line "F.J. Kirts Farm", as recorded in Liber 31, Page 1, Oakland County, Michigan records and a change in bearing base to match said plat; thence North 00 degrees 46 minutes West, along said east line and south line of Kirts Blvd., +/-6.73 feet to the northeast corner of Lot 23 of said plat; thence South 89 degrees 33 minutes 00 seconds West, along the south line of Kirts Blvd., 1302.00 feet to the northwest corner of Lot 14; thence North 00 degrees 23 minutes 39 seconds West 120.00 feet to the southeast corner of Unit 1 of "Troy Center Professional Building Condominium", as recorded in Condominium Plan #1437, Oakland County, Michigan records, being the west line of Troy Center Drive, and a change in bearing base to match said condo; thence North 00 degrees 04 minutes 37 seconds West, along said west line, 572.01 feet to the northeast corner of said Unit 1 and a change in bearing base to match #88-20-28-101-048 tax description; thence South 87 degrees 23 minutes 39 seconds West, along west line, 7.08 feet; thence, along west line, on a curve to the left having a radius of 1140.00 feet, a central angle of 07 degrees 31 minutes 05 seconds, and a chord bearing and distance of North 15 degrees 40 minutes 45 seconds West 149.48 feet; thence North 19 degrees 26 minutes 18 seconds West, along said west line, 397.91 feet; thence, along said west line of Town Center Drive, on a curve to the right having a radius of 1260.00 feet, a central angle of 08 degrees 21 minutes 58 seconds, and a chord bearing and distance of North 15 degrees 15 minutes 18 seconds West 183.82 feet; thence South 87 degrees 28 minutes 55 seconds West 564.02 feet; thence South 02 degrees 31 minutes 05 seconds East 306.70 feet; thence South 87 degrees 23 minutes 39 seconds West 589.37 feet to the west line of Section 28, being South 02 degrees 25 minutes 41 seconds East 934.61 feet from the Northwest Corner of Section 28, thence South 87 degrees 23 minutes 39 seconds West 33.00 feet to the east line of "Supervisor's Plat of Butterfield Farm", as recorded in Liber 48, Page 44, Oakland County, Michigan records and the west line of Crooks Road; thence North 02 degrees 25 minutes 41 seconds West, along said line, 490.49 feet to the northeast corner of Lot 18 of said plat and a change in bearing base to match said plat; thence South 88 degrees 10 minutes West, along the north line of Lots 18-33, inclusive, of said plat, 1725.40 feet to the northeast corner of Lot 34 of said plat; thence South 01 degrees 27 minutes East, along the east line of said lot, 31.00 feet; thence South 88 degrees 10 minutes West 106.00 feet to the west line of said Lot 34 and the east line of Todd Road; thence South 01 degrees 27 minutes East, along the said east line and the east line of Lot 6 of "Supervisor's Plat of Walker Farms", as recorded in Liber 65, Page 36, Oakland County, Michigan records, 854.86 feet to the southeast corner of said Lot 6; thence South 88 degrees 51 minutes 20 seconds West, along the south line of said plat, 790.70 feet to the southwest corner of said plat; thence North 01 degrees 15 minutes West, along the west line of said plat, 122.82 feet to the southeast corner of "Supervisor's Plat No. 15", as recorded in Liber 34, Page 44, Oakland County, Michigan records and a change in bearing base to match said plat; thence North 88 degrees 35 minutes 10 seconds West 33.01 feet to the southeast corner of Lot 14 of said plat; thence North 00 degrees 02 minutes 20 seconds East, along the east line of Lots 14-17, inclusive, of said plat, 536.50 feet to the northeast corner of Lot 17; thence South 89 degrees 20 minutes 20 seconds West, along the north line of Lot 17, 593.35 feet to the northwest corner of Lot 17; thence Due South, along the west line of Lots 17 and 16, 276.44 feet to the north line of Lot 14 of "Troy Apartment Sub. No. 4", as recorded in Liber 121, Pages 10-14, Oakland County, Michigan records, being the south line of Golfview Drive, and a change in bearing base to match said plat; thence, along said south line, on a curve to the left having a radius of 320.00 feet, a central angle of 11 degrees 53 minutes 58 seconds, and a chord bearing and distance of South 84 degrees 04 minutes 35 seconds West 66.34 feet to the northwest corner of said Lot 14; thence South 78 degrees 07 minutes 37 seconds West, along the south line of Golfview Drive and north line of Outlet A and Lot 10 of said plat, 1065.28 feet; thence North 89 degrees 22 minutes 00 seconds West, along said south line, 860.28 feet to the northwest corner of Lot 9 of said plat and the east line of Coolidge Road; thence South 01 degrees 12

minutes 00 seconds West, along the said east line, 75.58 feet to a change in the bearing base to match "Buckingham Woods Subdivision No. 2", as recorded in Liber 140, Pages 39-41, Oakland County, Michigan records; thence North 88 degrees 54 minutes 05 seconds West 60.00 feet to the east line of Section 30, being South 01 degrees 12 minutes 28 seconds West 1273.45 feet from the Northeast Corner of Section 30; thence North 88 degrees 54 minutes 05 seconds West 886.80 feet to the south line of Golfview Drive and the southeast corner of Lot 196 of said "Buckingham Woods Subdivision No. 2"; thence North 43 degrees 54 minutes 05 seconds West, along the said south line, 238.90 feet; thence North 58 degrees 57 minutes 30 seconds West, along said line, 43.62 feet; thence, along said line, on a curve to the left having a radius of 257.00 feet, a central angle of 29 degrees 56 minutes 35 seconds, and a chord bearing and distance of North 73 degrees 55 minutes 47 seconds West 132.79 feet; thence North 88 degrees 54 minutes 05 seconds West, along said line, 395.71 feet; thence, continuing along said line, on a curve to the right having a radius of 428.00 feet, a central angle of 89 degrees 38 minutes 02 seconds, and a chord bearing and distance of North 44 degrees 05 minutes 04 seconds West 603.35 feet; thence North 00 degrees 43 minutes 57 seconds East, along the west line of said Golfview Drive, 508.09 feet to the northeast corner of Lot 147 of said plat and the south line of Big Beaver Road; thence North 89 degrees 16 minutes 03 seconds West, along said south line, 246.99 feet; thence North 00 degrees 43 minutes 57 seconds East 102.00 feet to the north line of Section 30 and the Point of Beginning.

The following properties are specifically excluded from the Development Area:

88-20-27-101-060 100 E Big Beaver

Town 2 North, Range 11 East; Section 27, Frost Sunny Acres Lot 1; also Lot 3, except the South 250.00 Feet; also Lots 4 TO 9 Inclusive, except North 42.00 Feet of said Lots taken for Big Beaver Road

88-20-21-476-018 200 W Big Beaver

Town 2 North, Range 11 East; Section 21, Part of the Southeast 1/4, Beginning at a Point Distant North 00 degrees 09 minutes 47 degrees East 102.00 Feet & West 852.50 Feet from Southeast Section Corner; thence West 470.90 Feet; thence North 00 degrees 08 minutes 17 seconds East 553.96 Feet; thence North 89-43-42 East 325.69 Feet; thence North 89 degrees 51 minutes 24 seconds East 145.22 Feet; thence South 00 degrees 08 minutes 17 seconds West 555.87 Feet to Beginning. 6.77 Acres

88-20-20-376-001 2600 W Big Beaver

Town 2 North, Range 11 East; Section 20, Part of the Southwest 1/4, Beginning at a Point Distant North 89 degrees 24 minutes 45 seconds East 1,567.38 Feet & North 00 degrees 04 minutes 08 seconds East 132.01 Feet from Southwest Section Corner; thence North 00 degrees 04 minutes 08 seconds East 1,193.02 Feet; thence North 89 degrees 24 minutes 45 seconds East 690.61 Feet; thence South 00 degrees 01 minutes 30 seconds East 37.78 Feet; thence North 89 degrees 24 minutes 45 seconds East 387.42 Feet; thence South 00 degrees 19 minutes 48 seconds East 929.97 Feet; thence South 89 degrees 24 minutes 45 seconds West 392.37 Feet; thence North 00 degrees 01 minutes 30 seconds West 17.79 Feet; thence South 89 degrees 24 minutes 45 seconds West 184.46 Feet; thence South 00 degrees 19 minutes 48 seconds East 273 Feet; thence South 89 degrees 24 minutes 45 seconds West 479.61 Feet; thence North 45 degrees 15 minutes 25 minutes West 42.18 Feet to Beginning. 26.58 Acres

88-20-29-127-023 2601 W Big Beaver

Town 2 North, Range 11 East; Section 29, Supervisor's Plat Number 15, South 300.00 Feet of Lot 5; also all of Lots 6 & 7; also those Parts of Lots 8, 10, 11 & 12 lying East of Lakeview Drive and North of Golfview Drive; also West 1/2 of Vacated Delmere Avenue adjacent to said Parts of Lots 10 & 11, except Beginning at a Point Distant North 89 degrees 22 minutes 00 seconds West 60.00 Feet from North ¼ Corner, thence South 01 degrees 19 minutes 43 seconds West 102.00 Feet; thence North 89 degrees 22 minutes 00 seconds West 1,026.96 Feet; thence North 01 degrees 17 minutes 23 seconds East 102.00 Feet; thence South 89 degrees 22 minutes 00 seconds East 1,027.03 Feet to Beginning; also except that part in Parcel described as Beginning at a Point Distant South 01 degrees 12 minutes 00 seconds West 102.00 Feet & South 89 degrees 22 minutes 00 seconds East 1,567.05 Feet from Northwest Section Corner; thence South 89 degrees 22 minutes 00 seconds East 30.00 Feet; thence South 45 degrees 57 minutes 42 seconds West 42.67 Feet; thence North 01 degrees 17 minutes 23 seconds East 30.00 Feet to Beginning.

88-20-19-476-001 Vacant Land (Kmart S Site)

Town 2 North, Range 11 East; Section 19, Part of the Southeast ¼, Beginning at a Point Distant North 00 degrees 01 minutes 30 seconds West 120.00 Feet & South 89 degrees 30 minutes 00 seconds West 60.00 Feet from Southeast Section Corner; thence S 44 degrees 48 minutes 54 seconds West 42.60 Feet; thence S 89 degrees 30 minutes 00 seconds West 903.00 Feet; thence N 00 degrees 01 minutes 30 seconds West 12.00 Feet; thence S 89 degrees 30 minutes 00 seconds West 227.00 Feet; thence N 45 degrees 15 minutes 40 seconds West 42.22 Feet, thence N 00 degrees 01 minutes 30 seconds West 824.57 Feet; thence Along a Curve Concave to Southeast, Radius 185.00 Feet, Chord bears North 44 degrees 44 minutes 15 seconds East 260.54 Feet, distance of 289.06 Feet; thence N 89 degrees 30 minutes 00 seconds East 1,006.53 Feet; thence S 00 degrees 01 minutes 30 seconds East 1,020.04 Feet to Beginning; except Beginning at a Point Distant North 00 degrees 01 minutes 30 seconds West 120.00 Feet & South 89 degrees 30 minutes 00 seconds West 60.00 Feet & South 44 degrees 48 minutes 54 seconds West 25.53 Feet from Southeast Section Corner; thence South 44 degrees 48 minutes 54 seconds West 17.07 Feet; thence South 89 degrees 30 minutes 00 seconds West 903.00 Feet; thence North 00 degrees 01 minutes 30 seconds West 12.00 Feet; thence North 89 degrees 30 minutes 00 seconds East 915.03 Feet to Beginning. 28.18 Acres

88-20-19-430-004 Vacant Land (Kmart N Site)

Town 2 North, Range 11 East; Section 19, Part of the Southeast 1/4, Beginning at a Point Distant North 00 degrees 21 minutes 23 seconds East 102.01 Feet & North 89 degrees 30 minutes 00 seconds East 360.04 Feet & North 00 degrees 21 minutes 23 seconds East 1,008.94 Feet & South 89 degrees 38 minutes 37 seconds East 872.52 Feet & North 00 degrees 01 minutes 30 seconds West 680.20 Feet & North 89 degrees 49 minutes 05 seconds East 327.00 Feet from South ¼ Corner; thence North 89 degrees 49 minutes 05 seconds East 631.62 Feet; thence South 00 degrees 01 minutes 30 seconds East 88.57 Feet; thence North 89 degrees 58 minutes 30 seconds East 400.00 Feet, thence South 00 degrees 01 minutes 30 seconds East 440.77 Feet; thence South 89 degrees 30 minutes 00 seconds West 1,007.36 Feet; thence Along a Curve Concave Southeasterly, Radius 285.00 Feet, Chord bears South 87 degrees 03 minutes 20 seconds West 24.32 Feet, distance of 24.33 Feet; thence North 00 degrees 01 minutes 30 seconds West 537.20 Feet, to Beginning. 11.81 Acres

88-20-19-453-005 3310 W Big Beaver

Town 2 North, Range 11 East; Section 19, Part of the Southeast 1/4, Beginning at a Point Distant, North 00 degrees 21 minutes 23 seconds East 102.01 Feet & North 89 degrees 30 minutes 00 seconds East 360.04 Feet & North 00 degrees 21 minutes 23 seconds East 1,039.94 Feet from South 1/4 Corner; thence N 00-21-23 East 488.06 Feet; thence North 65 degrees 09 minutes 05 seconds East 366.53 Feet; thence North 89 degrees 49 minutes 05 seconds East 536.38 Feet; thence South 00 degrees 01 minutes 30 seconds East 524.20 Feet; thence North 89 degrees 38 minutes 37 second West 439.98 Feet; thence South 00 degrees 21 minutes 23 seconds West 125.00 Feet; thence North 89 degrees 38 minutes 37 seconds West 431.50 Feet to Beginning. 11.04 Acres

88-20-28-276-048 100 Kirts

Town 2 North, Range 11 East; Section 28, Pinehurst Farms, Lot 7 except West 50.00 Feet; also of Royal Ridge Little Farms, Lot 12 except South 40.00 Feet; also except Beginning at the Northwest Lot Corner, thence North 89 degrees 54 minutes 00 seconds East 18.49 Feet; thence South 20-15-51 West 53.29 Feet; thence North 00 degrees 02 minutes 28 seconds West 50.00 Feet to Beginning; also of Royal Ridge Subdivision, Lots 31 to 43 inclusive & Lots 54 to 61 Inclusive; also that Part of Lots 27 to 30 inclusive & that Part of Lots 44 & 53 [&] of Pinehurst Farms, and that Part of Lot 23 lying Westerly and Southerly of the following described as, Beginning at a Point Distant South 89 degrees 35 minutes 40 seconds West 109.94 Feet & South 103.96 Feet & South 89 degrees 35 minutes 40 seconds West 191.56 Feet from the Southeast Corner of Lot 6 of Royal Ridge Subdivision; thence North 385.06 Feet; thence West 148.00 Feet; thence North 329.00 Feet to the Point of Ending, except South 15.00 Feet or Lots 53 to 61 inclusive, of Royal Ridge Subdivision; also all of Vacated Elver Avenue adjacent to same; also South 30.00 Feet of Lowry Street adjacent to Lot 7 of Pinehurst Farms, except West 50.00 Feet.

88-20-28-251-039 500 Kirts

Town 2 North, Range 11 East; Section 28, Royal Ridge Little Farms, Lot 13 except South 35.00 Feet, also except Beginning at the Northeast Lot Corner, thence South 00 degrees 00 minutes 16 seconds West 495.76 Feet; thence South 89 degrees 35 minutes 30 seconds West 50.00 Feet; thence North 00 degrees 00 minutes 16 seconds East 495.88 Feet, thence North 89 degrees 43 minutes 40 seconds East 50.00 Feet to Beginning; also East 1/2 of Vacated Virgilia Avenue adjacent to same; also Lot 14 except South 350.00 Feet; also except Beginning at the Northeast Corner of Said Lot 14, thence South 40.15 Feet; thence South 89 degrees 35 minutes 00 seconds West 108.15 Feet; thence North 00 degrees 42 minutes 00 seconds West 40.15 Feet; thence North 89 degrees 36 minutes 00 seconds East 109.13 Feet to Beginning; also West 1/2 of Vacated Virgilia Avenue adjacent to said Lot 14, also Lots 15, 16 & 17 except South 35.00 Feet of all said Lots taken for Kirts Road.

A map showing the boundary of the revised Development Area is attached as Exhibit #1.

II. AMENDMENTS TO TAX INCREMENT FINANCING PLAN

The following sections of the Tax Increment Financing Plan are amended to read as follows:

6. MAXIMUM INDEBTEDNESS

The maximum amount of bonded indebtedness to be incurred after the 2013 amendments to the Tax Increment Financing Plan are adopted is \$15,500,000. The bonds will be limited tax general obligation bonds issued by the City (the "City Bonds") pursuant to Section 16 of Act 197 (MCL 125.1666) to pay the costs of the Development Plan previously paid from the proceeds of outstanding bonds issued by the DDA in 2001, 2002 and 2003 (the "DDA Bonds"). The proceeds of the City Bonds will be used to refund the DDA Bonds. The tax increment revenues received by the DDA pursuant to the amended Plan will be the first source of payment of the City Bonds and the limited tax full faith and credit pledge of the City will be the secondary security for the City Bonds. The City Bonds will not be issued unless the City determines that the tax increment revenues to be received by the DDA pursuant to the amended Plan are projected to be at least sufficient to pay the principal of and interest on the City Bonds.

7. USE OF CAPTURED REVENUES

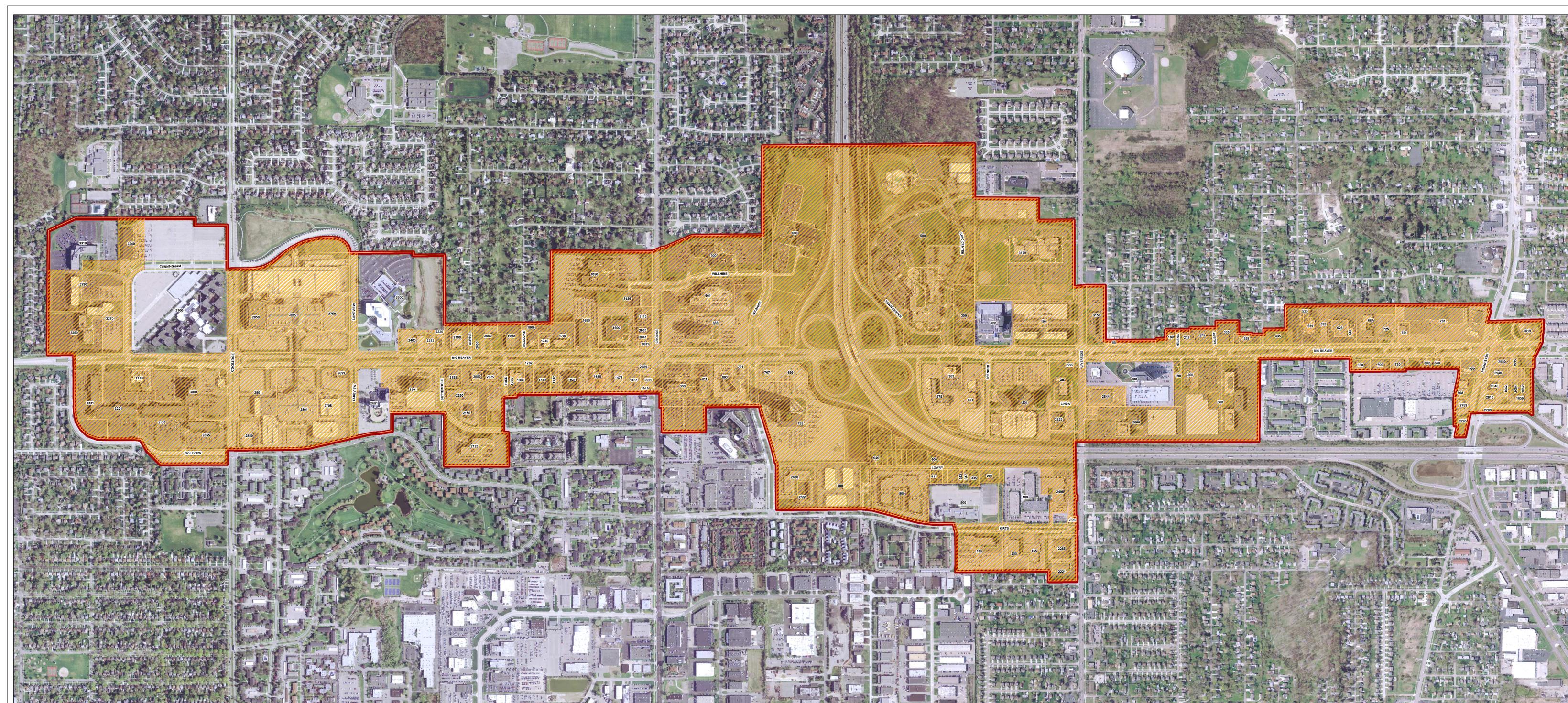
Tax increment revenues captured pursuant to the amended Tax Increment Financing Plan will be used to pay the principal of and interest on the City Bonds and to the extent that there are surplus tax increment revenues in any fiscal year after payment of the principal of and interest on the City Bonds, such surplus may be used only for maintenance of the public facilities in the Downtown District and administrative costs of the DDA, consistent with the Development Plan and Tax Increment Financing Plan.

8. DURATION OF THE PROGRAM

The duration of the Development Plan and the Tax Increment Financing Plan shall extend through the collection of taxes levied through December of 2033.

III. EFFECT OF 2013 AMENDMENTS TO DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN

The Development Plan and the Tax Increment Financing Plan, as amended by the foregoing 2013 amendments to the Development Plan and Tax Increment Financing Plan, respectively, are ratified and confirmed. To the extent of any inconsistencies between the foregoing 2013 amendments to the Development Plan and the Tax Increment Financing Plan and the Development Plan and the Tax Increment Financing Plan as they respectively exist prior to the foregoing amendments, the provisions of the foregoing 2013 amendments shall prevail.



Legend

- Parcel
- Development Area
- DDA Boundary

Revised Development Area



DATE: June 17, 2013

TO: Brian Kischnick, City Manager

FROM: Mark F. Miller, Director of Economic and Community Development
R. Brent Savidant, Planning Director

SUBJECT: PLANNING DEPARTMENT REPORT

The following is a summary of Planning Department projects located within the Troy Downtown Development District:

1. Big Beaver Kilmer Planned Unit Development – Northeast corner of Big Beaver and Kilmer
Construction recently completed on the commercial portion of this project. The retail component includes a 9,607 S.F. retail building, a 7,202 S.F. retail building, and a 1,800 S.F. Tim Horton's restaurant with a drive thru. The residential component includes fourteen (14) residential units on the north portion of the property (residential component is not located within DDA).
2. Big Beaver Center Planned Unit Development – North side of Big Beaver between Alpine and McClure
Construction is nearing completion on the commercial portion of this project. This project includes a one-story 24,000 square foot retail building and a 4,000 square foot bank branch along the Big Beaver frontage, with 16 single family residential units to the north (residential component is not located within DDA).
3. Galleria of Troy – Northeast corner of Big Beaver and Wilshire Drive
Construction started recently on Phase 1 of this project. Phase 1 includes Carrabba's Italian Grill restaurant, Bonefish Grill restaurant and 8,960 SF retail building located along Big Beaver frontage. Phase 2 includes one or two hotels. No application for the hotel(s) has been submitted at this time.
4. Shoppes of Troy – South side of Big Beaver, west of Crooks
Construction started recently on the 17,000 SF retail building
5. Fifth Third Bank – North side of Big Beaver, east of Coolidge
Bank building was demolished. Construction of the approved 3,400 SF bank with detached drive-through is to begin this summer.