# CITY COUNCIL AGENDA ITEM
# PUBLIC HEARING

Date: August 9, 2013

To: Honorable Mayor and City Council

From: Brian M. Kischnick, City Manager
Lori Grigg Bluhm, City Attorney
Mark F. Miller, Director of Economic & Community Development
Tom Darling, Director of Financial Services
Nino Licari, City Assessor

Subject: (1) Public Hearing – Troy Downtown Development Authority, Amendments to Development Plan and Tax Increment Financing Plan

(2) Amendments to Ordinance 78 and Ordinance 80

(3) Issuance of General Obligation Bonds

***(Introduced by: Terence M. Donnelly Bond Counsel)***

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**History**

The TDDA is experiencing a dramatic reduction in tax increment capture. Furthermore, in 2015 the projection is for the TDDA to be in a negative capture situation. Without changes, the TDDA will not have sufficient revenue to cover the existing debt service. We have determined that defaulting on the TDDA bond payments is not an option.

City Administration proposed a solution to the bond default situation by utilizing the State of Michigan Public Act 197 (Downtown Development Authority) and municipal bond funding mechanisms to adjust to the changing economic realities. It should also be noted that the current TDDA Development Plan and Tax Increment Financing Plan expire in 2018. City Council, TDDA and City Administration have collaboratively laid the foundation to resolve this problem.

On June 19, 2013 the TDDA approved amendments to the Development Plan and Tax Increment Financing Plan (Attachment A) and recommended approval of the 2013 Plan Amendments to the City Council of the City of Troy. These Plan Amendments will limit the TDDA to expend funds only for debt retirement, maintenance and administrative expenditures. City Council alone retains the ultimate authority to adopt future Plan Amendments to give the TDDA authority to expend funds on other functions such as construction improvements or economic development activities. If City Council approves the Plan Amendments, they would provide for the following:

1. Extension of the duration of the TDDA and Development and Tax Increment Financing Plans to December 2033.

2. Revision of the Development Area for the Plan by removing certain specified properties, with the result that the TDDA is projected to capture sufficient tax increments to pay the principal and interest on the proposed City Bonds.

On July 24, 2013 the TDDA approved the Resolution Approving Estimate of Anticipated Tax Increment Revenues. According to these estimates, the anticipated tax increment revenues to be received by the TDDA after the approval of the 2013 Plan Amendments will be sufficient to pay the principal and interest on the City Bonds.

As required by State Statute, City Council scheduled a Public Hearing for August 12, 2013, 7:30 P.M. at City Hall, to consider the proposed Plan Amendments. Further, during the meeting City Council will also consider amending Ordinance 78 and Ordinance 80 to reflect the revised Plans. Additionally, City Council would also need to pass a resolution authorizing issuance of general obligation limited tax bonds.

Robert Bendzinski, our Municipal Financial Advisor provided an opinion regarding what type of impact the filing of bankruptcy proceedings by the City of Detroit will have on the City of Troy's ability to refinance the outstanding TDDA bonds (Attachment C). Mr. Bendzinski indicated that various underwriters and bond purchasers have not experienced an interest rate penalty to date. However, Mr. Bendzinski stated that as the City of Detroit case moves through court, he cannot predict what type of penalty or premium could be attached to any type of Michigan municipal bonds that are sold in the future. He will continue to keep the City of Troy apprised of any changes in the municipal bond market due to the City of Detroit bankruptcy.

**Financial**

The tax increment revenues received by the TDDA provided by the Plan, as amended by the 2013 Plan Amendments, 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.

**Recommendation**

City Administration recommends that City Council approve the attached resolutions. These resolutions accomplish the following:

1. Approve proposed 2013 Amendments to the TDDA Development Plan and Tax Increment Financing Plan (Attachment A), and also the amendments to Ordinance 78 and Ordinance 80 to reflect the revisions in the revised Plan.
2. Amend Ordinance 78, which sets the TDDA expiration date of December 31, 2033, or upon the retirement of all bonded indebtedness issued by the City or the TDDA.
3. Adopt a Resolution Authorizing the Issuance of General Obligation Limited Tax Bonds. This will finance the cost of the Plan and will refund the outstanding bonds issued by the TDDA in 2001, 2002, and 2003.

Attachments

A. 2013 Amendments to Development Plan and Tax Increment Financing Plan
B. Certified TDDA Resolution Approving Estimate of Anticipated Tax Increment Revenues
C. Robert J. Bendzinski correspondence

C: Robert J. Bendzinski, Municipal Financial Advisor
Terrence M. Donnelly, Bond Counsel

# Attachment A.

**Draft**
**6/7/13**

# 2013 Amendments To Development Plan and Tax Increment Financing Plan

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

# Attachment A.

## 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.

# Attachment A.

## 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.

# Attachment A.

## 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.

# Attachment A.

## 2013 PLAN AMENDMENTS

## I. AMENDMENTS TO THE DEVELOPMENT PLAN

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

**1. <u>DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA</u>**

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. <u>LEGAL DESCRIPTION OF THE DEVELOPMENT AREA</u>**

**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.

# Attachment A.

METES AND BOUNDS DESCRIPTION

(North of Big Beaver from West to East)
Part of the SE ¼ of Section 19, South ½ of Section 20, South ½ of Section 21, South ½ of Section 22, SW ¼ of Section 23, NW ¼ of Section 26, North ½ of Section 27, North ½ of Section 28, SE ¼ of Section 28, North ½ of Section 29, and NE ¼ of Section 30, Town 2 North, Range 11 East, City of Troy, Oakland County, Michigan. Commencing at the South ¼ 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 ¼ 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 ¼ 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 ¼ 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 ¼ 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

# Attachment A.

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

# Attachment A.

**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

# Attachment A.

**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.

# Attachment A.

## 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.

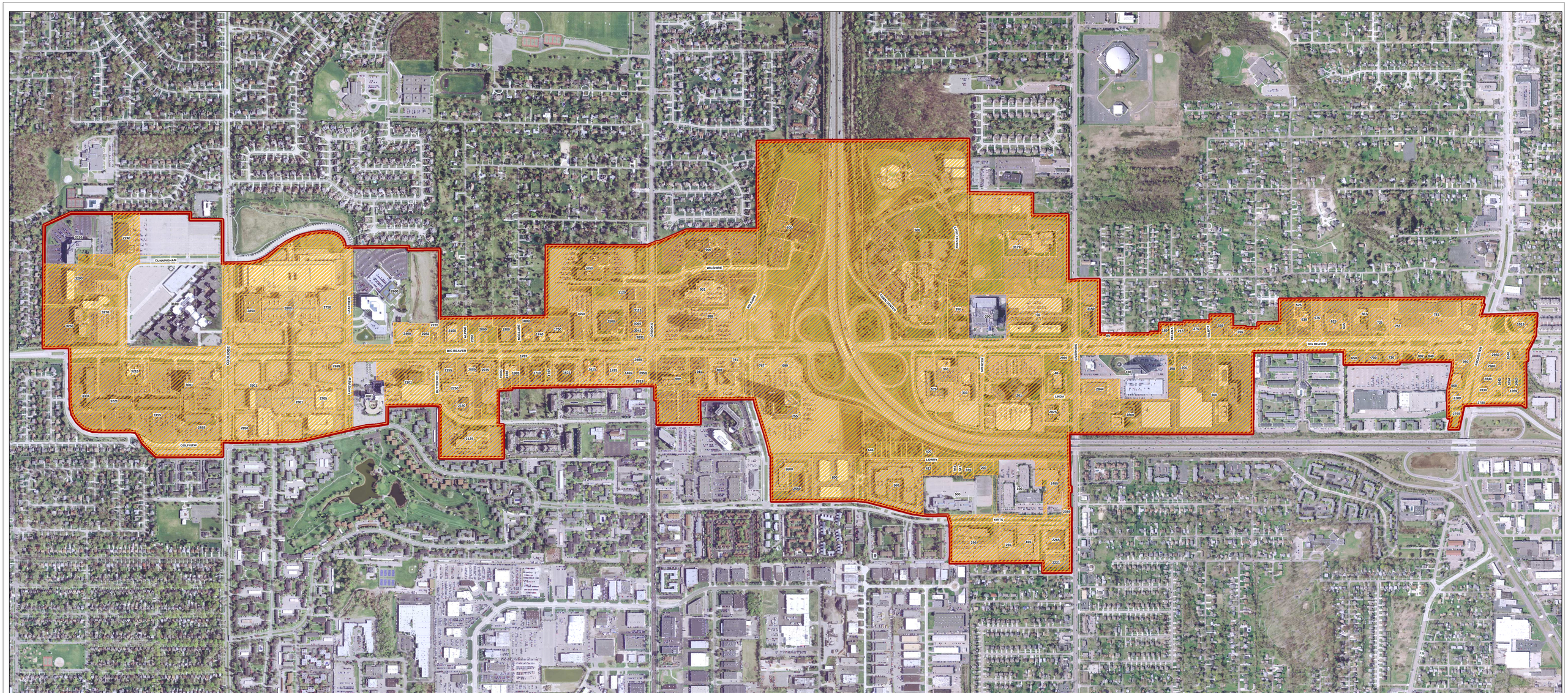
### 8. DURATION OF THE PROGRAM

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.

BLOOMFIELD 90528-10 1296239v2




# Revised Development Area

**Legend**

- Parcel
- Development Area
- DDA Boundary

Date: 6/7/2013

A meeting of the Downtown Development Authority was held on Wednesday, June 19, 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:** | Bostick, Dennis | |
| | Hay, David | |
| | Keisling, Larry | |
| | Kiriluk, Allan | |
| | Knight, P. Terry | |
| | MacLeish, Dan | |
| | Schroeder, Douglas | |
| | Slater, Mayor Dane | |
| | | |
| | | |
| **Absent:** | Jonna, Arkan | |
| | Randol, Ward | |
| | Reschke, Ernest | |
| | Papa, Albert | |
| | VanDyke, Earle | |
| | | |
| | | |
| **Also Present:** | Bendzinski, Robert | |
| | Bluhm, Lori | |
| | Donnelly, Terrance | |
| | Kischnick, Brian | |
| | Lapin, Glenn | |
| | Licari, Nino | |
| | Miller, Mark | |
| | Savidant, R. Brent | |

## Minutes

~~**Resolution: DDA-2013-06-06**~~

Moved by:
Seconded by:

RESOLVED, That the Minutes of the May 15, 2013 regular meeting be approved.

Yeas:
Absent:

***No action taken, Minutes will be re-submitted at the next meeting.***

## New Business – Troy Downtown Development Authority Bond Repayment Proposal and Resolution Approving 2013 Amendments to Development Plan and Tax increment Financing Plan

Mr. Kischnick presented the Bond Repayment Proposal, including Troy City Council approval, June 17, 2012, Notice of Intent to Issue Bonds.

Members of the Troy Downtown Development Authority discussed in detail the proposal and amendment of the Development Plan and Tax Increment Financing Plan.

Mr. Donnelly presented the amendment to the Development Plan, Tax Increment Financing Plan and Development area, including the proposed resolution.

**Resolution: DDA-2013-06-06**

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

PRESENT:

| |
|---|
| Bostick, Dennis |
| Hay, David |
| Keisling, Larry |
| Kiriluk, Allan |
| Knight, P. Terry |
| MacLeish, Dan |
| Schroeder, Douglas |
| Slater, Mayor Dane |

ABSENT:

| |
|---|
| Jonna, Arkan |
| Randol, Ward |
| Reschke, Ernest |
| Papa, Albert |
| VanDyke, Earle |

The following resolution was moved by Douglas Schroeder and seconded by Dennis Bostick:

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 Councilfor 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:**

| |
|---|
| Bostick, Dennis |
| Hay, David |
| Keisling, Larry |
| Kiriluk, Allan |
| Knight, P. Terry |
| MacLeish, Dan |
| Schroeder, Douglas |
| Slater, Mayor Dane |

**Absent:**

| |
|---|
| Jonna, Arkan |
| Randol, Ward |
| Reschke, Ernest |
| Papa, Albert |
| VanDyke, Earle |

**Abstain:** NONE

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

:

## New Business – Planning Department Development Report

Mr. Savidant presented the Planning Department report.

## Public Comment

None

## Member Comment

General discussion regarding Car Jam, August 4, 2013, future TDDA role, Tree lighting and blue spruce disease.

## Closed Session

None

This meeting was adjourned at 8:27AM.

Alan Kiriluk, Chairman

Thomas Darling, Secretary

G:\MM\bt\MY DOCUMENTS\DDA\2013 Minutes & Agendas\06.19.13 Final Minutes

**Attachment B.**

500 W. Big Beaver
Troy, MI 48084
(248) 524-3300



**CITY OF TROY**
**OAKLAND COUNTY, MICHIGAN**
**RESOLUTION**

**Resolution: DDA-2013-07-08**

At a regular meeting of the Downtown Development Authority of the City of Troy, Oakland County, Michigan, held on July 24, 2013.

PRESENT:

Bostick, Dennis
Hay, David
Keisling, Larry
Kiriluk, Alan
Knight, P. Terry
Randol, Ward
Reschke, Ernest
Schroeder, Douglas
Slater, Mayor Dane

ABSENT:

Jonna, Arkan
MacLeish, Dan
Papa, Albert
VanDyke, Earle

The following resolution was moved by Keisling and seconded by Reschke:

**RESOLUTION APPROVING ESTIMATE OF ANTICIPATED TAX INCREMENT REVENUES**

WHEREAS, By resolution adopted on June 19, 2013, the Downtown Development Authority of the City of Troy (the "DDA") approved additional amendments (the "2013 Plan Amendments") to the DDA's Development Plan and Tax Increment Financing Plan (collectively, the "Plan") and recommended approval of the 2013 Plan Amendments to the City Council of the City of Troy as provided in Section 14 of Act 197, Public Acts of Michigan, 1975, as amended ("Act 197"); and

# Attachment B.

WHEREAS, The 2013 Plan Amendments, if approved by the City Council, would 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 refund certain outstanding bonds issued by the DDA for such purpose in 2001, 2002 and 2003, (ii) extending the duration 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 Plan, as amended by the 2013 Plan Amendments, 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 City Council of the City is expected to approve the 2013 Plan Amendments and to authorize the issuance of the City Bonds at its regular meeting on August 12, 2013, and before the City Council may adopt a resolution authorizing the issuance of the City Bonds, the DDA is required by Section 16(1) of Act 197 to submit to the City Council an estimate of the anticipated tax increment revenues and other revenue available under Section 11 of Act 197 to be available to pay the principal of and interest on the City Bonds.

NOW, THEREFORE, BE IT RESOLVED, That:

1. The estimate of the anticipated tax increment revenues to be received by the DDA after the approval of the 2013 Plan Amendments and to be available to pay the principal of and interest on the City Bonds, as set forth in attached Exhibit A, is hereby approved. The DDA does not presently anticipate that any other revenue will be available under Section 11 of Act 197 to pay such principal and interest.
2. The Secretary is directed to submit such estimate of tax increment revenues to the City Council as provided in Section 16(1) of Act 197.
3. All resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.

**EXHIBIT A**

**Estimate of Anticipated Tax Increment Revenues**

| Fiscal Year Ending June 30 | Amount |
|---|---|
| 2015 | $1,023,834 |
| 2016 | 978,617 |
| 2017 | 894,896 |
| 2018 | 895,059 |
| 2019 | 895,227 |
| 2020 | 954,541 |
| 2021 | 1,014,449 |
| 2022 | 1,074,956 |

# Attachment B.

| | |
|---|---|
| 2023 | 1,136,068 |
| 2024 | 1,197,791 |
| 2025 | 1,322,472 |
| 2026 | 1,449,646 |
| 2027 | 1,579,364 |
| 2028 | 1,711,677 |
| 2029 | 1,846,635 |
| 2030 | 1,984,293 |
| 2031 | 2,124,703 |
| 2032 | 2,267,922 |
| 2033 | 2,414,006 |
| 2034 | 2,563,011 |

YES:

Bostick, Dennis
Hay, David
Keisling, Larry
Kiriluk, Alan
Knight, P. Terry
Randol, Ward
Reschke, Ernest
Schroeder, Douglas
Slater, Mayor Dane

ABSENT:

Jonna, Arkan
MacLeish, Dan
Papa, Albert
VanDyke, Earle

ABSTAIN:

None

**RESOLUTION DECLARED ADOPTED**

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

# Attachment B.

Troy, Oakland County, Michigan, held on July 24, 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.).

M. Aileen Bittner, CMC
City Clerk, City of Troy

**Attachment C.**

Bendzinski & Co.

municipal finance advisors

August 2, 2013

Mr. Brian Kischnick, City Manager
City of Troy
500 W. Big Beaver Road
Troy, MI 48084-5285

Re: City of Troy Downtown Development Authority Refinancing

Dear Brian:

You have raised the question as to what type of impact the filing of bankruptcy proceedings by the City of Detroit will have on the City of Troy's ability to refinance the outstanding Downtown Development Authority bonds.

We have had several discussions with various underwriters and bond purchasers regarding what type of interest rate penalty or "Detroit Premium" Michigan bonds are experiencing. We have been advised by these underwriters that as of July 31, 2013, they have not seen any type of penalty or premium due to the fact that the City of Detroit has filed for bankruptcy.

However, it is our professional opinion that as the City of Detroit case moves through the court, we cannot predict what type of penalty or premium could be attached to any type of Michigan municipal bonds that are sold in the future. As you are aware, this is a case that has national attention and is being watched by almost everyone and especially by municipal bond underwriters and purchasers.

As the City and the DDA proceed with the bonding process, we will keep you apprised of any changes that may occur in the municipal bond market due to the City of Detroit bankruptcy.

We hope this provides you with sufficient information. However, if you have any questions or require additional information, please do not hesitate to contact us.

Sincerely,

**BENDZINSKI & CO.**
Municipal Finance Advisors

Robert J. Bendzinski, CIPFA

**615 Griswold Street • Suite 1225 • Detroit, Michigan 48226-3997**
**(313) 961-8222 • FAX (313) 961-8220**
**e-mail • rjb@bendzinski.com**

At a regular meeting of the City Council of the City of Troy, Oakland County, Michigan, held on August 12, 2013.

PRESENT: _____

_____

_____

_____

ABSENT: _____

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

RESOLUTION APPROVING 2013 AMENDMENTS TO
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN
AND AMENDMENTS TO ORDINANCE 78 AND ORDINANCE 80

WHEREAS, pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended (MCL 125.1651 et. seq.) ("Act 197"), and Ordinance 78 adopted by the City Council of the City of Troy (the "City") on July 12, 1993, the City Council created the Downtown Development Authority of the City of Troy (the "DDA"); and

WHEREAS, pursuant to Act 197 and Ordinance 80 adopted by the City Council of the City of December 13, 1993, the City Council approved the Development Plan and Tax Increment Financing Plan (the "Plan"), which Plan was subsequently amended in 1998, 2000, 2002 (twice) and 2007; and

WHEREAS, there have been prepared and submitted to the City Council further amendments to the Plan designated "2013 Amendments to Development Plan and Tax Increment Financing Plan" (the "2013 Plan Amendments") with the recommendation from the DDA that the 2013 Plan Amendments be approved by the City Council; and

WHEREAS, a public hearing has been held on the 2013 Plan Amendments on this date by the City Council pursuant to notice given as required by Act 197 and other applicable law.

NOW, THEREFORE, BE IT RESOLVED:

1. That the City Council hereby approves extending the existence of the DDA to December 31, 2033 and amends Ordinance 78 in the form presented to this meeting.

2. That the City Council hereby approves the 2013 Plan Amendments in the form attached hereto and amends Ordinance 80 in the form presented to this meeting.

3. That 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: _____

No: _____

Absent: _____

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 City Council of the City of Troy, Oakland County, Michigan, held on August 12, 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.).

_____
M. Aileen Bittner, CMC
Troy City Clerk

BLOOMFIELD 90528-10 1302557v1

At a regular meeting of the City Council of the City of Troy, Oakland County, Michigan, held on August 12, 2013.

PRESENT: _____

_____

_____

_____

ABSENT: _____

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

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO EXCEED
$15,500,000 GENERAL OBLIGATION LIMITED TAX BONDS, SERIES 2013

WHEREAS, pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended (MCL 125.1651 et. seq.) ("Act 197"), and Ordinance 78 adopted by the City Council of the City of Troy (the "City") on July 12, 1993, the City Council created the Downtown Development Authority of the City of Troy (the "DDA"); and

WHEREAS, pursuant to Act 197 and Ordinance 80 adopted by the City Council of the City of December 13, 1993, the City Council approved the Development Plan and Tax Increment Financing Plan (the "Plan"), which Plan was subsequently amended in 1998, 2000, 2002 (twice) and 2007; and

WHEREAS, the DDA has previously issued the following bonds pursuant to Act 197, secured solely by tax increment revenues, as defined in Act 197 ("Tax Increment Revenues"), received by the DDA to finance the implementation of a portion of the Plan: (i) Downtown Development Authority Development and Refunding Bonds, Series 2001 in the aggregate principal amount of $24,000,000 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, (ii) Community Center Facility Bonds, Series 2002 in the aggregate principal amount of $9,700,000 to finance a portion of the cost of constructing the Troy Community Center, and (iii) Community Facility Center Junior Lien Bonds, Series 2003 in the aggregate principal amount of $4,025,000 to finance a portion of the cost of constructing the Troy Community Center (such bonds are collectively referred to as the "DDA Bonds"); and

WHEREAS, although the schedules prepared as part of each issue of DDA Bonds predicted that there would be sufficient Tax Increment Revenues to cover all of the debt service on the DDA Bonds, there has been an unanticipated decline in property values in the Plan's Development Area since 2008, and a corresponding decrease in the available Tax Increment Revenues to the extent that they are unable to pay the debt service on the DDA Bonds as of November 1, 2013; and

WHEREAS, in order to prevent a default on the DDA Bonds, the City Council has on this date approved (a) an extension of the existence of the DDA to December 31, 2033 and (b) amendments to the Plan that (i) extend the Plan to December, 2033 to allow for the capture of annual Tax Increment Revenues to ultimately pay off the indebtedness represented by the DDA Bonds, (ii) remove certain specified properties that have significantly decreased in value from the Plan's Development Area to enable the DDA to realize a capture of Tax Increment Revenues from the revised Development Area in amounts sufficient to pay the annual debt service on the Bonds (as hereinafter defined) and (iii) contemplate that the City will issue general obligation bonds to refund the DDA Bonds, which although requiring the City to pledge its limited tax full faith and credit, will be secured primarily by the Tax Increment Revenues to be derived from the revised Development Area for the extended period of time; and

WHEREAS, the City is authorized under Act 197 to issue the Bonds to pay all or part of the cost of implementing the Plan and in connection therewith, refunding the DDA Bonds; and

WHEREAS, the DDA, by resolution adopted on July 24, 2013, has approved and submitted to the City Council an estimate of the Tax Increment Revenues and other revenue

available under Section 11 of Act 197 to be available for payment of principal and interest on the Bonds, as set forth in attached Exhibit A; and

WHEREAS, the City Manager has recommended that this resolution be adopted in order to effect the refunding of all of the DDA Bonds in order to avoid a default on the DDA Bonds.

NOW, THEREFORE, BE IT RESOLVED that:

1. AUTHORIZATION OF BONDS – PURPOSE. Bonds of the City aggregating the principal sum of not to exceed Fifteen Million Five Hundred Thousand Dollars ($15,500,000) (the "Bonds"), as determined by the City Manager at the time of sale, shall be issued and sold pursuant to the provisions of Act 197, and other applicable statutory provisions, for the purpose of paying part of the cost of implementing the Plan and in connection therewith, refunding all of the outstanding DDA Bonds.

2. BOND DETAILS. The Bonds shall be designated "General Obligation Limited Tax Bonds, Series 2013;" shall be dated as of the date of delivery thereof to the Underwriter (as hereinafter defined); shall be numbered from 1 upwards; shall be fully registered; shall be in the denomination of $5,000 each or any integral multiple thereof not exceeding the aggregate principal amount for each maturity at the option of the purchaser thereof; shall bear interest at a rate or rates not exceeding 8.00% per annum as shall be determined by the City Manager at the time of sale, payable on each May 1 and November 1 as shall be determined by the City Manager at the time of sale; shall be mature on November 1 in such years and in such principal amounts as shall be determined by the City Manager at the time of sale; and shall be serial bonds and/or term bonds as shall be determined by the City Manager at the time of sale.

3. PAYMENT OF PRINCIPAL AND INTEREST. The principal of and interest on the Bonds shall be payable in lawful money of the United States. Principal shall be payable upon presentation and surrender of the Bonds to the bond registrar and paying agent as they severally mature. Interest shall be paid to the registered owner of each Bond as shown on the registration books at the close of business on the fifteenth day of the calendar month preceding the month in which the interest payment is due. Interest shall be paid when due by check or draft drawn upon

and mailed by the bond registrar and paying agent to the registered owner at the registered address.

4. PRIOR REDEMPTION. The Bonds shall be subject to mandatory and/or optional redemption prior to maturity if so determined by the City Manager at the time of sale and if so determined, upon such terms and conditions as shall be approved by the City Manager; provided, however, that the redemption premium to be payable in connection with any optional redemption of the Bonds shall not exceed 2% of the principal amount of any Bond to be redeemed.

5. BOOK-ENTRY SYSTEM. Initially, one fully-registered Bond for each maturity, in the aggregate amount of such maturity, shall be issued in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") for the benefit of other parties (the "Participants") in the book-entry-only transfer system of DTC. In the event the City determines that it is in the best interest of the City not to continue the book-entry system of transfer or that the interests of the holders of the Bonds might be adversely affected if the book-entry system of transfer is continued, the City may notify DTC and the bond registrar and paying agent, whereupon DTC will notify the Participants of the availability through DTC of Bond certificates. In such event, the bond registrar and paying agent shall deliver, transfer and exchange Bond certificates as requested by DTC and any Participant or "beneficial owner" in appropriate amounts in accordance with this resolution. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the City and the bond registrar and paying agent and discharging its responsibilities with respect thereto under applicable law or the City may determine that DTC is incapable of discharging its duties and may so advise DTC. In either such event, the City shall use reasonable efforts to locate another securities depository. Under such circumstances (if there is no successor securities depository), the City and the bond registrar and paying agent shall be obligated to deliver Bond certificates in accordance with the procedures established by this resolution. In the event Bond certificates are issued, the provisions of this resolution shall apply to, among other things, the transfer and exchange of such

certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the City and the bond registrar and paying agent to do so, the City and the bond registrar and paying agent shall cooperate with DTC in taking appropriate action after reasonable notice to make available one or more separate certificates evidencing the Bonds to any Participant having Bonds credited to its DTC account or to arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Notwithstanding any other provision of this resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, interest on and redemption premium, if any, on such Bonds and all notices with respect to the Bonds shall be made and given, respectively, to DTC. The City Manager is authorized to sign the Blanket Issuer Letter of Representations on behalf of the City in such form as such official signing the Blanket Issuer Letter of Representations deems necessary or appropriate in order to accomplish the issuance of the Bonds in accordance with law and this resolution.

6. BOND REGISTRAR AND PAYING AGENT. The City Manager shall designate, and may enter into an agreement with, a bond registrar and paying agent for the Bonds which shall be a bank or trust company located in the State of Michigan that is qualified to act in such capacity under the laws of the United States of America or the State of Michigan. The City Manager from time to time as required may designate a similarly qualified successor bond registrar and paying agent.

7. EXECUTION, AUTHENTICATION AND DELIVERY OF BONDS. The Bonds shall be executed in the name of the City by the manual or facsimile signatures of the Mayor and the City Clerk and authenticated by the manual signature of an authorized representative of the bond registrar and paying agent, and the seal of the City (or a facsimile thereof) shall be impressed or imprinted on the Bonds. After the Bonds have been executed and authenticated for delivery to the original purchaser thereof, they shall be delivered by the City Treasurer or the City Manager to the purchaser of the Bonds upon receipt of the purchase price. Additional

Bonds bearing the manual or facsimile signatures of the Mayor and the City Clerk may be delivered to the bond registrar and paying agent for authentication and delivery in connection with the exchange or transfer of the Bonds. The bond registrar and paying agent shall indicate on each Bond the date of its authentication.

8. EXCHANGE AND TRANSFER OF BONDS. Any Bond, upon surrender thereof to the bond registrar and paying agent with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney, at the option of the registered owner thereof, may be exchanged for Bonds of any other authorized denominations of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Bond.

Each Bond shall be transferable only upon the books of the City, which shall be kept for that purpose by the bond registrar and paying agent, upon surrender of such Bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the registered owner or his duly authorized attorney.

Upon the exchange or transfer of any Bond, the bond registrar and paying agent on behalf of the City shall cancel the surrendered Bond and shall authenticate and deliver to the transferee a new Bond or Bonds of any authorized denomination of the same aggregate principal amount and maturity date and bearing the same rate of interest as the surrendered Bond. If, at the time the bond registrar and paying agent authenticates and delivers a new Bond pursuant to this Section, payment of interest on the Bonds is in default, the bond registrar and paying agent shall endorse upon the new Bond the following: "Payment of interest on this bond is in default. The last date to which interest has been paid is _____, ____."

The City and the bond registrar and paying agent may deem and treat the person in whose name any Bond shall be registered upon the books of the City as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Bond and for all other purposes, and all payments made to any such registered owner, or upon his order, in accordance with the provisions of Section 3 of this

resolution shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the bond registrar and paying agent shall be affected by any notice to the contrary. The City agrees to indemnify and save the bond registrar and paying agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence hereunder, in so treating such registered owner.

For every exchange or transfer of Bonds, the City or the bond registrar and paying agent may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The bond registrar and paying agent shall not be required to transfer or exchange Bonds or portions of Bonds that have been selected for redemption.

9. FORM OF BONDS. The Bonds shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF OAKLAND

CITY OF TROY
GENERAL OBLIGATION LIMITED TAX BOND, SERIES 2013

| INTEREST RATE | MATURITY DATE | DATE OF ORIGINAL ISSUE | CUSIP |
|---|---|---|---|

Registered Owner:

Principal Amount:

The City of Troy, County of Oakland, State of Michigan (the "City"), acknowledges itself indebted to, and for value received hereby promises to pay to, the Registered Owner identified above, or registered assigns, the Principal Amount set forth above on the Maturity Date specified above, unless redeemed prior thereto as hereinafter provided, upon presentation and surrender of this bond at the corporate trust office of _____, the bond registrar and paying agent, located in _____, Michigan, or at such successor bond registrar and paying agent as may be designated pursuant to the Resolution (as hereinafter defined), and to pay to the Registered Owner, as shown on the registration books at the close of business on the 15th day of the calendar month preceding the month in which an interest payment is due, by check or draft drawn upon and mailed by the bond registrar and paying agent by first class mail postage prepaid to the Registered Owner at the registered address, interest on such Principal Amount from the Date of Original Issue set forth above, or such later date through which interest has been paid, until the City's obligation with respect to the payment of such Principal Amount is discharged, at the rate per annum specified above. Interest is payable on the first days of May and November in each year, commencing on _____, 201_. Principal and interest are payable in lawful money of the United States of America.

This bond is one of a series of bonds aggregating the principal sum of _____ Dollars ($_____) issued by the City under and pursuant to and in full conformity with the Constitution and Statutes of Michigan (especially Act No. 197, Public Acts of 1975, as amended ("Act 197")) and a resolution adopted by the City Council of the City on August 12, 2013 (the "Resolution"), for the purpose of paying part of the cost of implementing the Development Plan and Tax Increment Financing Plan (the "Plan") of the Downtown Development Authority of the City of Troy (the "DDA") and in connection therewith, refunding all of the outstanding bonds of the DDA originally issued to pay such cost. The tax increment revenues and other revenue to be received by the DDA pursuant to Section 11 of Act 197 and the full faith and credit of the City have been pledged to the prompt payment of the principal of and interest on this bond. In the event and to the extent that such tax increment

revenues and other revenue are not sufficient to pay the principal of and interest on the bonds of this series, such principal and interest are payable as a first budget obligation of the City from its general funds. Taxes imposed by the City are subject to constitutional, statutory and charter tax limitations.

This bond is transferable, as provided in the Resolution, only upon the books of the City kept for that purpose by the bond registrar and paying agent, upon the surrender of this bond together with a written instrument of transfer satisfactory to the bond registrar and paying agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the exchange or transfer of this bond a new bond or bonds of any authorized denomination, in the same aggregate principal amount and of the same interest rate and maturity, shall be authenticated and delivered to the transferee in exchange therefor as provided in the Resolution, and upon payment of the charges, if any, therein provided. Bonds so authenticated and delivered shall be in the denomination of $5,000 or any integral multiple thereof not exceeding the aggregate principal amount for each maturity.

The bond registrar and paying agent shall not be required to transfer or exchange bonds or portions of bonds that have been selected for redemption.

MANDATORY PRIOR REDEMPTION

Bonds maturing in the year ____ are subject to mandatory prior redemption at par and accrued interest as follows:

| Redemption Date | Principal Amount of Bonds to be Redeemed |
|---|---|

Bonds or portions of bonds to be redeemed by mandatory redemption shall be selected by lot.

(REPEAT IF MORE THAN ONE TERM BOND)

OPTIONAL PRIOR REDEMPTION

Bonds maturing prior to _____, ____, are not subject to redemption prior to maturity. Bonds maturing on and after _____, ____, are subject to redemption prior to maturity at the option of the City, in such order as shall be determined by the City, on any one or more interest payment dates on and after _____, ____. Bonds of a denomination greater than $5,000 may be partially redeemed in the amount of $5,000 or any integral multiple thereof. If less than all of the bonds maturing in any year are to be redeemed, the bonds or portions of

bonds to be redeemed shall be selected by lot. The redemption price shall be the par value of the bond or portion of the bond called to be redeemed plus interest to the date fixed for redemption and a premium as follows:

% of the par value if called for redemption on or after _____, ____, but prior to _____, ____;

% of the par value if called for redemption on or after _____, ____, but prior to _____, ____;

% of the par value if called for redemption on or after _____, ____, but prior to _____, ____.

Not less than thirty but not more than sixty days' notice of redemption shall be given to the Registered Owner of bonds called to be redeemed by mail to each Registered Owner at the registered address. Bonds or portions of bonds called for redemption shall not bear interest on and after the date fixed for redemption, provided funds are on hand with the bond registrar and paying agent to redeem the same.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the bonds of this series, existed, have happened and have been performed in due time, form and manner as required by law, and that the total indebtedness of the City, including the series of bonds of which this bond is one, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Troy, State of Michigan, by its City Council, has caused this bond to be executed in its name by the manual or facsimile signatures of the Mayor and the City Clerk and its corporate seal (or a facsimile thereof) to be impressed or imprinted thereon. This bond shall not be valid unless the Certificate of Authentication has been manually executed by an authorized representative of the bond registrar and paying agent.

CITY OF TROY

(SEAL)

By:_____ By:_____

City Clerk Mayor

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within mentioned Resolution.

_____
Bond Registrar and Paying Agent

By: _____
Authorized Representative

AUTHENTICATION DATE:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (please print or type name, address and taxpayer identification number of transferee) the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed: _____

Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

10. APPROVAL OF ESTIMATE OF TAX INCREMENT REVENUES. The estimate of the Tax Increment Revenues and other revenue available under Section 11 of Act 197 to be available for the payment of the principal of and interest on the Bonds, as approved by the DDA and as set forth in attached Exhibit A, is approved.

11. SECURITY. The Tax Increment Revenues and other revenue to be available to the DDA under Section 11 of Act 197 are pledged for the payment of the principal of and interest on the Bonds. The Bonds shall also be limited tax general obligations of the City. The full faith and credit of the City are also pledged for the prompt payment of the principal of and interest on the Bonds as the same shall become due. Each year the City shall be obligated, as a first budget obligation, to advance moneys from its general funds or to levy ad valorem property taxes on all taxable property within its corporate boundaries to pay such principal and interest as the same become due in the event and to the extent that the Tax Increment Revenues and other revenue to be available to the DDA under Section 11 of Act 197 are not sufficient to make such payment. The ability of the City to raise funds to pay such amounts is subject to applicable constitutional, statutory and charter limitations on the taxing power of the City.

12. DEFEASANCE. In the event cash or direct obligations of the United States or obligations the principal of and interest on which are guaranteed by the United States, or a combination thereof, the principal of and interest on which, without reinvestment, come due at times and in amounts sufficient to pay, at maturity or irrevocable call for earlier optional redemption, the principal of, premium, if any, and interest on the Bonds, shall have been deposited in trust, this resolution shall be defeased and the owners of the Bonds shall have no further rights under this resolution except to receive payment of the principal of, premium, if any, and interest on the Bonds from the cash or securities deposited in trust and the interest and gains thereon and to transfer and exchange Bonds as provided herein.

13. PRINCIPAL AND INTEREST FUND. There is hereby established for the Bonds a Principal and Interest Fund that shall be either a separate fund or part of a common fund as permitted by law. From the proceeds of the sale of the Bonds, there shall be set aside in the

Principal and Interest Fund any accrued interest received from the purchaser at the time of delivery of the same. The Tax Increment Revenues and other revenue available to the DDA under Section 11 of Act 197 and other available moneys of the City, if any, to be used to pay the payment of the principal of and interest on the Bonds shall be deposited in the Principal and Interest Fund and so long as the principal or interest on the Bonds remain unpaid, no moneys shall be withdrawn from such fund except to pay such principal and interest or to pay from any investment earnings on such fund the fees and expenses of the bond registrar and paying agent.

14. PAYMENT OF COSTS OF ISSUANCE -- ESCROW FUND. The remainder of the proceeds of the Bonds shall be used, together with available moneys of the DDA, if any, to pay the costs of issuance of the Bonds and to refund the DDA Bonds. After the costs of issuance have been paid or provided for the remaining proceeds and DDA moneys, in an amount determined by the City Manager at the time of sale of the Bonds, shall be used to establish an escrow fund (the "Escrow Fund") consisting of cash and investments in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or other obligations the principal of and interest on which are fully secured by the foregoing and used to pay the principal of, interest on and redemption premiums, if any, on the Prior Bonds. The Escrow Fund shall be held by an escrow agent (the "Escrow Agent") pursuant to an Escrow Agreement (the "Escrow Agreement"), which irrevocably shall direct the Escrow Agent to take all necessary steps to pay the principal of and interest on the Prior Bonds being refunded when due and to call such Prior Bonds for redemption at such time as shall be determined in the Escrow Agreement. The City Manager is authorized to select the Escrow Agent and enter into the Escrow Agreement on behalf of the City. The amounts held in the Escrow Fund shall be such that the cash and the investments and the income received on the investments will be sufficient without reinvestment to pay the principal of, interest on and redemption premiums, if any, on the DDA Bonds when due at maturity or call for redemption as required by the Escrow Agreement.

15. APPROVAL OF DEPARTMENT OF TREASURY. The issuance and sale of the Bonds shall be subject to permission being granted therefor by the Department of Treasury of the State of Michigan as provided in Act 34. If necessary, the City Manager is authorized to file an application with the Department of Treasury for approval of the Bonds.

16. SALE, ISSUANCE, DELIVERY, TRANSFER AND EXCHANGE OF BONDS. The Bonds shall be sold pursuant to a negotiated sale as hereinafter provided, and it is hereby determined that such negotiated sale is in the best interests of the City and is calculated to provide the maximum flexibility in pricing the Bonds and to result in the lowest interest cost to the City. The City Manager is authorized to enter into a Bond Purchase Agreement with Fifth Third Securities, Inc. (the "Underwriter"), which Bond Purchase Agreement shall set forth the principal amount of the Bonds, principal maturities and dates, interest rates and interest payment dates, redemption provisions, if any, purchase price to be paid by the Underwriter with respect to the Bonds and such other terms and provisions as the City Manager determines to be necessary or appropriate in connection with the sale of the Bonds. The Bond Purchase Agreement and the terms of the Bonds set forth therein shall be approved by an order adopted by the City Manager at the time of the sale of the Bonds. The Mayor, the City Clerk, the City Manager and the City Treasurer are each hereby authorized to do all things necessary to effectuate the sale, issuance, delivery, transfer and exchange of the Bonds in accordance with the provisions of this resolution. In making the determination in the order authorizing the sale of the Bonds and in the Bond Purchase Agreement with respect to principal maturities and dates, interest rates, purchase price of the Bonds and compensation to be paid to the Underwriter, the City Manager shall be limited as follows:

(a) The interest rate on any Bond shall not exceed 8.00% per annum.

(b) The final maturity date of the Bonds shall not be later than November 1, 2033.

(c) The purchase price of the Bonds shall not be less than 97% of the principal amount thereof.

(d) The Underwriter's discount with respect to the Bonds or the compensation to be paid to the Underwriter shall not exceed 1.00% of the principal amount of the Bonds.

17. REPLACEMENT OF BONDS. Upon receipt by the City Clerk of proof of ownership of an unmatured Bond, of satisfactory evidence that the Bond has been lost, apparently destroyed or wrongfully taken and of security or indemnity that complies with applicable law and is satisfactory to the City Clerk, the City Clerk may authorize the bond registrar and paying agent to deliver a new executed Bond to replace the Bond lost, apparently destroyed or wrongfully taken in compliance with applicable law. In the event an outstanding matured Bond is lost, apparently destroyed or wrongfully taken, the City Clerk may authorize the bond registrar and paying agent to pay the Bond without presentation upon the receipt of the same documentation required for the delivery of a replacement Bond. The bond registrar and paying agent, for each new Bond delivered or paid without presentation as provided above, shall require the payment of expenses, including counsel fees, which may be incurred by the bond registrar and paying agent and the City in the premises. Any Bond delivered pursuant to the provisions of this Section 17 in lieu of any Bond lost, apparently destroyed or wrongfully taken shall be of the same form and tenor and be secured in the same manner as the Bond in substitution for which such Bond was delivered.

18. TAX COVENANT. The City covenants to comply with all applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), necessary to assure that the interest on the Bonds will be and will remain excludable from gross income for federal income tax purposes. The Mayor, the City Clerk, the City Manager, the City Treasurer and other appropriate officials of the City are authorized to do all things necessary (including the making of such covenants of the City as shall be appropriate) to assure that the interest on the Bonds will be and will remain excludable from gross income for federal income tax purposes.

19. OFFICIAL STATEMENT. The City Manager is authorized to cause the preparation of an official statement for the Bonds for purposes of enabling compliance with Rule 15c2-12 issued under the Securities Exchange Act of 1934, as amended (the "Rule") and to do

all other things necessary to enable compliance with the Rule. After the award of the Bonds, the City will provide copies of a "final official statement" (as defined in paragraph (e)(3) of the Rule) on a timely basis and in reasonable quantity as requested by the Underwriter to enable the Underwriter to comply with paragraph (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

20. CONTINUING DISCLOSURE. The Mayor and the City Clerk are authorized to execute and deliver in the name and on behalf of the City a continuing disclosure certificate to comply with the requirements for a continuing disclosure undertaking of the City pursuant to paragraph (b)(5) of the Rule, and amendments to such certificate from time to time in accordance with the terms of such certificate (the certificate and any amendments thereto are collectively referred to herein as the "Continuing Disclosure Certificate"). The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.

21. PROFESSIONAL SERVICES. The following are appointed to act in the following capacities with respect to the Bonds:

| | |
|---|---|
| As registered municipal advisor: | Bendzinski & Co., Municipal Finance Advisors<br>Detroit, Michigan |
| As Underwriter: | Fifth Third Securities, Inc.<br>Cincinnati, Ohio |
| As bond counsel: | Dickinson Wright PLLC<br>Troy, Michigan |

22. CONFLICTING RESOLUTIONS. All resolutions and parts of resolutions insofar as they may be in conflict herewith are rescinded.

RESOLUTION DECLARED ADOPTED.

YEAS: _____

_____

_____

NAYS: _____

ABSTENTIONS: _____

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 City Council of the City of Troy, Oakland County, Michigan, held on August 12, 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.).

_____
M. Aileen Bittner, CMC
Troy City Clerk

EXHIBIT A

Estimate of Anticipated Tax Increment Revenues

| Fiscal Year Ending June 30 | Amount |
|---|---|
| 2015 | $1,023,834 |
| 2016 | 978,617 |
| 2017 | 894,896 |
| 2018 | 895,059 |
| 2019 | 895,227 |
| 2020 | 954,541 |
| 2021 | 1,014,449 |
| 2022 | 1,074,956 |
| 2023 | 1,136,068 |
| 2024 | 1,197,791 |
| 2025 | 1,322,472 |
| 2026 | 1,449,646 |
| 2027 | 1,579,364 |
| 2028 | 1,711,677 |
| 2029 | 1,846,635 |
| 2030 | 1,984,293 |
| 2031 | 2,124,703 |
| 2032 | 2,267,922 |
| 2033 | 2,414,006 |
| 2034 | 2,563,011 |