

Revised

July 14, 2005

To: John Szerlag, City Manager

From: John Lamerato, Assistant City Manager - Finance/Administration
Doug Smith, Director of Real Estate and Development
Nino Licari, City Assessor

Re: Agenda Item - Report and Communication
Estimate of Taxes Generated by Proposed Monarch Project

Council has requested an estimate of taxes that might be generated by the proposed Monarch High-Rise condominium and retail project on the north side of Big Beaver, between Alpine and McClure.

The estimate is for City and/or DDA taxes, and makes assumptions based on project costs of \$90,000,000 from the developer. These costs cannot be verified at this time. Additionally, an estimated \$2,000,000 of Personal Property may be expected at the site.

The tax revenue estimate below will detail estimated total City taxes from the project, if it were removed from the current DDA boundaries, and total DDA taxes based on a \$46,000,000 Taxable Value (T/V).

Total CITY Tax Revenue Calculation - Project Removed from DDA		
Total T/V \$46,000,000	City Mills 9.4500	Total City Taxes \$434,700
Current T/V \$589,500	City Mills 9.4500	Current Taxes \$5,571
Net T/V \$45,410,500	City Mills 9.4500	Net New City Taxes \$429,129

As is DDA/City Tax Revenue Calculation		
*Total T/V DDA \$37,310,500	DDA Mills 15.6865	DDA Taxes \$585,271
Current DDA Captured T/V \$1,001,650	DDA Mills 15.6865	Current DDA Taxes \$15,712
Total T/V DDA \$36,308,850	DDA Mills 15.6865	DDA Taxes \$569,559
Townhouses (not DDA) \$8,100,000	City Mills 9.4500	City Taxes \$76,545

DDA/City Tax Revenue Calculation - Podium Bldg Removed from DDA		
*Total T/V DDA \$22,874,575	DDA Mills 15.6865	DDA Taxes \$358,822
Current DDA Captured T/V \$1,001,650	DDA Mills 15.6865	Current DDA Taxes \$15,712
Total T/V DDA \$21,872,925	DDA Mills 15.6865	DDA Taxes \$343,110
Townhouses (not DDA) \$8,100,000	City Mills 9.4500	City Taxes \$76,545
Podium Bldg (not DDA) \$13,434,275	City Mills 9.4500	City Taxes \$126,954