



May 27, 2009

TO: The Honorable Mayor and City Council Members

FROM: John Szerlag, Acting City Manager  
John M. Lamerato, Assistant City Manager/Finance & Administration

SUBJECT: Approval of the Troy Downtown Development Authority's  
Proposed Fiscal Year 2009/10 Budget

The Downtown Development Authority (DDA) approved their proposed 2009/10 budget at the May 27, 2009 DDA meeting.

The City-captured tax rate of 9.28 mills, Oakland County 4.65 mills and Oakland County Community College. 1.58 mills was used in determining the DDA property tax revenue, based on a captured taxable value of \$221,718,465.

The DDA's proposed fiscal year 2009/10 budget is hereby submitted to City Council for their approval.



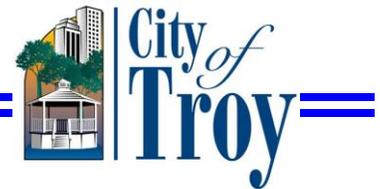
**Downtown Development Authority**  
**Proposed Annual Budget**  
**Fiscal Year July 1, 2009 – June 30, 2010**



**Members**

- |                           |                            |
|---------------------------|----------------------------|
| Al Aceves                 | Louise E. Schilling        |
| Stuart Frankel            | Douglas J. Schroeder       |
| David R. Hay              | Harvey Weiss               |
| Michele Hodges            | G. Thomas York             |
| Laurence G. Keisling      | <b>Executive Director</b>  |
| William Kennis            | Brian P. Murphy            |
| Alan M. Kiriluk, Chairman | <b>Secretary/Treasurer</b> |
| Daniel MacLeish           | John M. Lamerato           |
| Ernest C. Reschke         |                            |



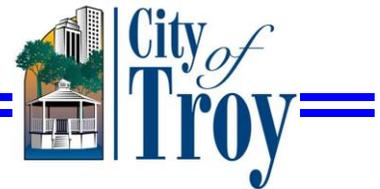


## **Introduction**

In order to prevent further deterioration and to encourage economic development of the Downtown District, the City of Troy established the Downtown Development Authority of the City of Troy (the DDA) pursuant to Act 197 of 1975 (Act 197) and an Ordinance adopted by the City Council of the City of Troy on July 12, 1993, and amended on September 28, 1998, February 7, 2000, August 5, 2002, December 16, 2002 and June 4, 2007.

The DDA has identified specific sources of funding to finance the implementation of a plan for physical improvements to the Downtown District identified in this plan as the Development Area.

The purpose of the Tax Increment Financing and Development Plan is to provide for the construction and financing of the necessary streets, sidewalks, street lighting, landscaping, parking garage and other facilities; Kmart and Civic Center projects; widening of Rochester Road and Big Beaver to improve traffic flow; provide and expand existing public facilities on the civic center site to serve the needs of the DDA businesses and the citizens of the City of Troy; to fund improvements contained in the Big Beaver Corridor Study and to carry out the objectives of the DDA so as to prevent the further deterioration of the Development Area while preserving and promoting economic growth for the benefit of all taxing units located within and benefited by the Development Area.



**2009-10 Budget**

**Revenue**

Property Taxes	\$ 3,438,850
Investment Income	250,000
Re-appropriation of Fund Balance	<u>5,520,420</u>
<b>Total Revenue</b>	<b><u>\$ 9,209,270</u></b>

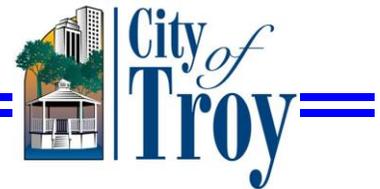
**Expenditures**

Administrative Expenses	\$ 250,000
Operating Expenses	250,000
Debt Service - Big Beaver Phase 2 & 3	1,193,000
Debt Service - MTF Bonds (Roch. Rd.)	231,000
Debt Service - Refund 1995 Dev. Bonds Series A	788,000
Debt Service - Community Center	1,166,000
Street Island Maint.	231,270
Corridor Study Improvements	5,000,000
Economic Development-MEGA Match	<u>100,000</u>
<b>Total Expenditures</b>	<b><u>\$ 9,209,270</u></b>

**Captured Taxable Value  
2009-10**

	<u>Real Taxable</u>	<u>Personal Taxable</u>	<u>Total Taxable</u>
1993 - Initial Value	342,302,000	86,976,530	429,278,530
2009 - Taxable Value	<u>529,452,075</u>	<u>121,544,920</u>	<u>650,996,995</u>
Captured Taxable Value	<u>187,150,075</u>	<u>34,568,390</u>	<u>221,718,465</u>

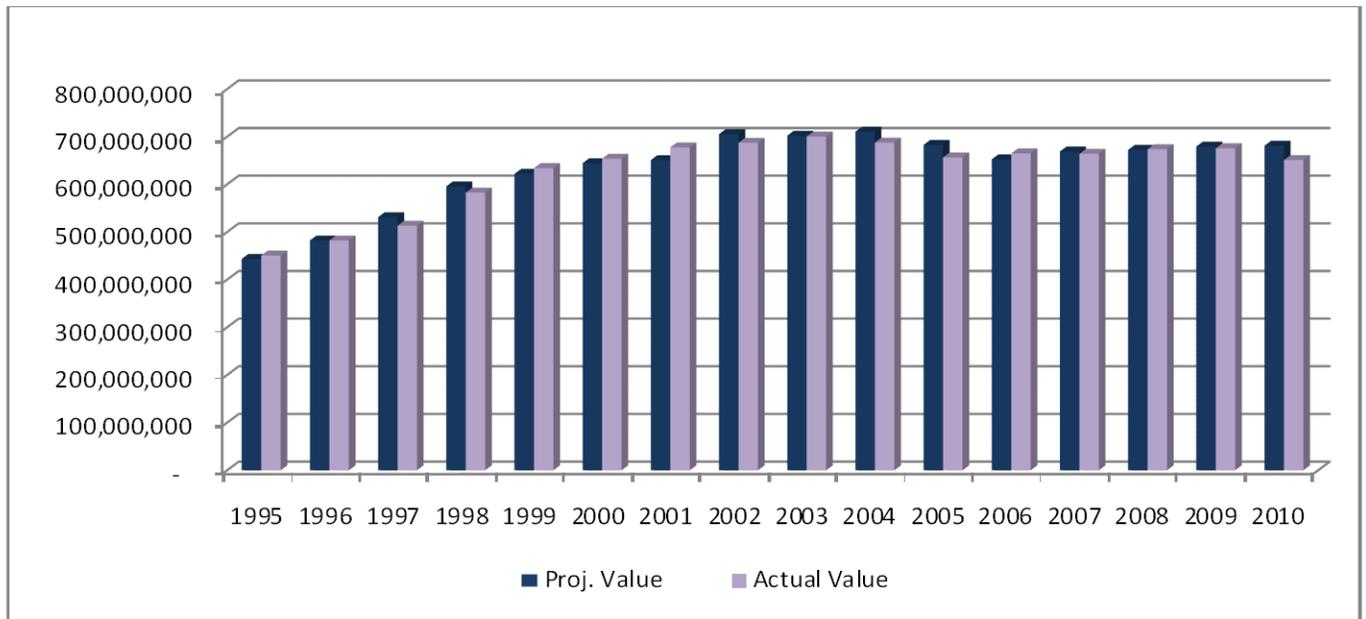
	<u>Oakland County</u>	<u>Oakland Comm. College</u>	<u>City of Troy</u>	<u>Total</u>
Millage Rates	\$ 4.65	\$ 1.58	\$ 9.28	\$ 15.51
Captured Yield	\$ 1,030,990	\$ 350,320	\$ 2,057,540	\$ 3,438,850



**Projected and Actual Captured Valuation  
May 1, 2009**

**Total DDA Base**

<b>Fiscal Year</b>	<b>Initial Valuation</b>	<b>Projected Valuation</b>	<b>Projected Captured</b>	<b>Actual Valuation</b>	<b>Actual Captured</b>
1995	429,278,530	443,579,055	14,300,525	450,682,090	21,403,560
1996	429,278,530	482,321,290	53,042,760	482,321,290	53,042,760
1997	429,278,530	531,054,797	101,776,267	513,251,790	83,973,260
1998	429,278,530	595,752,807	166,474,277	582,784,390	153,505,860
1999	429,278,530	622,051,685	192,773,155	634,117,140	204,838,610
2000	429,278,530	644,521,355	215,242,825	653,782,621	224,504,091
2001	429,278,530	650,903,679	221,625,149	677,550,840	248,272,310
2002	429,278,530	705,343,067	276,064,537	687,261,110	257,982,580
2003	429,278,530	702,063,909	272,785,379	700,292,970	271,014,440
2004	429,278,530	710,501,087	281,222,557	687,610,440	258,331,910
2005	429,278,530	682,725,921	253,447,391	656,443,260	227,164,730
2006	429,278,530	652,413,515	223,134,985	664,930,800	235,652,270
2007	429,278,530	668,894,972	239,616,442	664,121,560	234,843,030
2008	429,278,530	672,433,613	243,155,083	673,838,080	244,559,550
2009	429,278,530	679,300,371	250,021,841	675,603,180	246,324,650
2010	429,278,530	681,089,262	251,810,732	650,996,995	221,718,465



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



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

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

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

<b>Period</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
7/19/2001					
11/1/2001	\$ 605,000	4.00%	\$ 193,848.17	\$ 798,848.17	\$ -
5/1/2002			329,985.00	329,985.00	1,128,833.17
11/1/2002	545,000	4.00%	329,985.00	874,985.00	
5/1/2003			319,085.00	319,085.00	1,194,070.00
11/1/2003	565,000	4.00%	319,085.00	884,085.00	
5/1/2004			307,785.00	307,785.00	1,191,870.00
11/1/2004	590,000	4.00%	307,785.00	897,785.00	
5/1/2005			295,985.00	295,985.00	1,193,770.00
11/1/2005	615,000	4.00%	295,985.00	910,985.00	
5/1/2006			283,685.00	283,685.00	1,194,670.00
11/1/2006	640,000	5.00%	283,685.00	923,685.00	
5/1/2007			267,685.00	267,685.00	1,191,370.00
11/1/2007	670,000	4.00%	267,685.00	937,685.00	
5/1/2008			254,285.00	254,285.00	1,191,970.00
11/1/2008	700,000	4.10%	254,285.00	954,285.00	
5/1/2009			239,935.00	239,935.00	1,194,220.00
11/1/2009	730,000	5.00%	239,935.00	969,935.00	
5/1/2010			221,685.00	221,685.00	1,191,620.00
11/1/2010	770,000	5.00%	221,685.00	991,685.00	
5/1/2011			202,435.00	202,435.00	1,194,120.00
11/1/2011	805,000	4.40%	202,435.00	1,007,435.00	
5/1/2012			184,725.00	184,725.00	1,192,160.00
11/1/2012	850,000	5.50%	184,725.00	1,034,725.00	
5/1/2013			161,350.00	161,350.00	1,196,075.00
11/1/2013	895,000	5.50%	161,350.00	1,056,350.00	
5/1/2014			136,737.50	136,737.50	1,193,087.50
11/1/2014	945,000	5.50%	136,737.50	1,081,737.50	
5/1/2015			110,750.00	110,750.00	1,192,487.50
11/1/2015	1,000,000	5.50%	110,750.00	1,110,750.00	
5/1/2016			83,250.00	83,250.00	1,194,000.00
11/1/2016	1,055,000	5.00%	83,250.00	1,138,250.00	
5/1/2017			56,875.00	56,875.00	1,195,125.00
11/1/2017	1,110,000	5.00%	56,875.00	1,166,875.00	
5/1/2018			29,125.00	29,125.00	1,196,000.00
11/1/2018	1,165,000	5.00%	29,125.00	1,194,125.00	1,194,125.00
	<b>\$ 14,255,000</b>		<b>\$ 7,164,573.17</b>	<b>\$ 21,419,573.17</b>	<b>\$ 21,419,573.17</b>

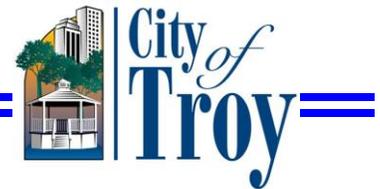


**Bond Debt Service  
Refunding Bonds, Series 2001  
Refunding of Callable 1995 DDA Bonds, Series A (Tax-Exempt)**

**Refunding Portion  
Final Pricing**

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

<b>Period</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
7/19/2001					
11/1/2001	\$ 465,000	4.00%	\$ 132,448.42	\$ 597,448.42	\$ -
5/1/2002			224,432.50	224,432.50	821,880.92
11/1/2002	380,000	4.00%	224,432.50	604,432.50	
5/1/2003			216,832.50	216,832.50	821,265.00
11/1/2003	395,000	4.00%	216,832.50	611,832.50	
5/1/2004			208,932.50	208,932.50	820,765.00
11/1/2004	415,000	4.00%	208,932.50	623,932.50	
5/1/2005			200,632.50	200,632.50	824,565.00
11/1/2005	430,000	4.00%	200,632.50	630,632.50	
5/1/2006			192,032.50	192,032.50	822,665.00
11/1/2006	410,000	5.00%	192,032.50	602,032.50	
5/1/2007			181,782.50	181,782.50	783,815.00
11/1/2007	430,000	4.00%	181,782.50	611,782.50	
5/1/2008			173,182.50	173,182.50	784,965.00
11/1/2008	450,000	4.10%	173,182.50	623,182.50	
5/1/2009			163,957.50	163,957.50	787,140.00
11/1/2009	470,000	5.00%	163,957.50	633,957.50	
5/1/2010			152,207.50	152,207.50	786,165.00
11/1/2010	495,000	5.00%	152,207.50	647,207.50	
5/1/2011			139,832.50	139,832.50	787,040.00
11/1/2011	560,000	4.40%	139,832.50	699,832.50	
5/1/2012			127,512.50	127,512.50	827,345.00
11/1/2012	590,000	5.50%	127,512.50	717,512.50	
5/1/2013			111,287.50	111,287.50	828,800.00
11/1/2013	620,000	5.50%	111,287.50	731,287.50	
5/1/2014			94,237.50	94,237.50	825,525.00
11/1/2014	655,000	5.50%	94,237.50	749,237.50	
5/1/2015			76,225.00	76,225.00	825,462.50
11/1/2015	690,000	5.50%	76,225.00	766,225.00	
5/1/2016			57,250.00	57,250.00	823,475.00
11/1/2016	725,000	5.00%	57,250.00	782,250.00	
5/1/2017			39,125.00	39,125.00	821,375.00
11/1/2017	765,000	5.00%	39,125.00	804,125.00	
5/1/2018			20,000.00	20,000.00	824,125.00
11/1/2018	800,000	5.00%	20,000.00	820,000.00	820,000.00
	<b>\$9,745,000</b>		<b>\$4,891,373.42</b>	<b>\$14,636,373.42</b>	<b>\$14,636,373.42</b>



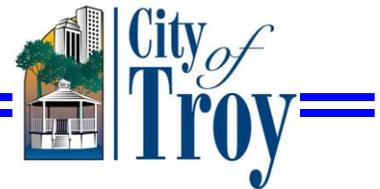
**\$5,600,000**  
**Michigan Transportation Fund Bonds**  
**(Rochester Road)**

Schedule of Principal and Interest Requirements  
On a Fiscal Year Basis

<b>Fiscal Year Beginning July 1</b>	<b>Interest Due November 1</b>	<b>Interest Rate</b>	<b>Principal Due May1, Next</b>	<b>Interest Due May 1, Next</b>	<b>Total</b>
2000	\$ 205,343.70	- %	\$ 1,100,000	\$ 136,893.75	\$ 1,442,237.45
2001	110,768.75	4.75%	1,200,000	110,768.75	1,421,537.50
2002	82,268.75	4.75%	1,300,000	82,268.75	1,464,537.50
2003	51,718.75	4.70%	125,000	51,718.75	228,437.50
2004	48,718.75	4.80%	150,000	48,718.75	247,437.50
2005	45,043.75	4.90%	175,000	45,043.75	265,087.50
2006	40,668.75	5.00%	175,000	40,668.75	256,337.50
2007	36,293.75	5.00%	175,000	36,293.75	247,587.50
2008	31,918.75	5.00%	175,000	31,918.75	238,837.50
2009	27,456.25	5.10%	175,000	27,456.25	229,912.50
2010	22,950.00	5.15%	175,000	22,950.00	220,900.00
2011	18,356.25	5.25%	200,000	18,356.25	236,712.50
2012	13,006.25	5.35%	225,000	13,006.25	251,012.50
2013	6,875.00	5.45%	250,000	6,875.00	263,750.00
	<b>\$ 741,387.45</b>		<b>\$ 5,600,000</b>	<b>\$ 672,937.50</b>	<b>\$ 7,014,324.95</b>

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

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



\$9,700,000

**Community Center Facilities Bonds, Series 2002**

Schedule of Principal and Interest Requirements  
On a Fiscal Year Basis

<b>Fiscal Year Beginning July 1</b>	<b>Principal Due November 1</b>	<b>Interest Rate</b>	<b>Interest Due November 1</b>	<b>Interest Due May 1, Next</b>	<b>Total Principal &amp; Interest Requirements</b>
2002	\$ -	- %	\$ -	\$ 236,433.33	\$ 236,433.33
2003	400,000.00	5.00%	177,325.00	167,325.00	744,650.00
2004	425,000.00	3.00%	167,325.00	160,950.00	753,275.00
2005	425,000.00	2.05%	160,950.00	156,593.75	742,543.75
2006	500,000.00	2.40%	156,593.75	150,593.75	807,187.50
2007	500,000.00	2.70%	150,593.75	143,843.75	794,437.50
2008	550,000.00	3.00%	143,843.75	135,593.75	829,437.50
2009	575,000.00	3.25%	135,593.75	126,250.00	836,843.75
2010	600,000.00	3.50%	126,250.00	115,750.00	842,000.00
2011	600,000.00	3.60%	115,750.00	104,950.00	820,700.00
2012	625,000.00	3.70%	104,950.00	93,387.50	823,337.50
2013	650,000.00	3.80%	93,387.50	81,037.50	824,425.00
2014	700,000.00	4.00%	81,037.50	67,037.50	848,075.00
2015	725,000.00	4.10%	67,037.50	52,175.00	844,212.50
2016	775,000.00	4.20%	52,175.00	35,900.00	863,075.00
2017	800,000.00	4.30%	35,900.00	18,700.00	854,600.00
2018	850,000.00	4.40%	18,700.00	0.00	868,700.00
	<b><u>\$9,700,000.00</u></b>		<b><u>\$1,787,412.50</u></b>	<b><u>\$1,846,520.83</u></b>	<b><u>\$ 13,333,933.33</u></b>

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



\$4,025,000

**Community Center Facilities Junior Lien Bonds, Series 2003**

Schedule of Principal and Interest Requirements  
On a Fiscal Year Basis

<b>Fiscal Year</b>	<b>Principal Due</b>	<b>Interest</b>	<b>Interest Due</b>	<b>Interest Due</b>	<b>Total Principal</b>
<b>Beginning</b>	<b>November 1</b>	<b>Rate</b>	<b>November 1</b>	<b>May 1, Next</b>	<b>&amp; Interest</b>
<b>July 1</b>					<b>Requirements</b>
2003	\$ -	0.00%	* \$ 59,984.38	\$ 71,981.25	\$ 131,965.63
2004	75,000.00	2.50%	71,981.25	71,043.75	218,025.00
2005	100,000.00	2.50%	71,043.75	69,793.75	240,837.50
2006	100,000.00	2.50%	69,793.75	68,543.75	238,337.50
2007	125,000.00	2.50%	68,543.75	66,981.25	260,525.00
2008	150,000.00	2.50%	66,981.25	65,106.25	282,087.50
2009	200,000.00	3.00%	65,106.25	62,106.25	327,212.50
2010	200,000.00	3.00%	62,106.25	59,106.25	321,212.50
2011	250,000.00	3.15%	59,106.25	55,168.75	364,275.00
2012	300,000.00	3.30%	55,168.75	50,218.75	405,387.50
2013	325,000.00	3.45%	50,218.75	44,612.50	419,831.25
2014	350,000.00	3.60%	44,612.50	38,312.50	432,925.00
2015	400,000.00	3.75%	38,312.50	30,812.50	469,125.00
2016	450,000.00	4.25%	30,812.50	21,250.00	502,062.50
2017	500,000.00	4.25%	21,250.00	10,625.00	531,875.00
2018	500,000.00	4.25%	10,625.00	0.00	510,625.00
	<b>\$ 4,025,000.00</b>		<b>\$ 845,646.88</b>	<b>\$ 785,662.50</b>	<b>\$ 5,656,309.38</b>

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

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



**Table 1  
Downtown Development Authority Bonds**

Schedule of Projected Taxable Values  
(Actual through 2009)

<b>Year</b>	<b>Total Real</b>	<b>Total Personal</b>	<b>Total Real &amp; Personal</b>	<b>Initial Assessed Value</b>	<b>Captured Taxable Value</b>
1993	342,342,400	86,936,130	429,278,530	429,278,530	-
1994	338,797,800	111,884,290	450,682,090	429,278,530	21,403,560
1995	334,906,240	147,415,050	482,321,290	429,278,530	53,042,760
1996	366,197,830	147,053,960	513,251,790	429,278,530	83,973,260
1997	391,782,920	191,001,470	582,784,390	429,278,530	153,505,860
1998	430,125,100	203,992,040	634,117,140	429,278,530	204,838,610
1999	432,998,790	220,783,831	653,782,621	429,278,530	224,504,091
2000	469,734,570	207,816,270	677,550,840	429,278,530	248,272,310
2001	493,426,640	193,834,470	687,261,110	429,278,530	257,982,580
2002	520,281,770	180,011,200	700,292,970	429,278,530	271,014,440
2003	524,793,130	162,817,310	687,610,440	429,278,530	258,331,910
2004	522,118,430	134,324,830	656,443,260	429,278,530	227,164,730
2005	531,379,920	133,550,880	664,930,800	429,278,530	235,652,270
2006	538,571,100	125,550,460	664,121,560	429,278,530	234,843,030
2007	546,229,050	127,609,030	673,838,080	429,278,530	244,559,550
2008	548,608,230	126,994,950	675,603,180	429,278,530	246,324,650
2009	529,452,075	121,544,920	650,996,995	429,278,530	221,718,465
2010	532,099,335	121,544,920	653,644,255	429,278,530	224,365,725
2011	534,759,830	121,544,920	656,304,750	429,278,530	227,026,220
2012	537,433,630	121,544,920	658,978,550	429,278,530	229,700,020
2013	540,120,800	121,544,920	661,665,720	429,278,530	232,387,190
2014	542,821,400	121,544,920	664,366,320	429,278,530	235,087,790
2015	542,821,400	121,544,920	664,366,320	429,278,530	235,087,790
2016	542,821,400	121,544,920	664,366,320	429,278,530	235,087,790
2017	542,821,400	121,544,920	664,366,320	429,278,530	235,087,790
2018	542,821,400	121,544,920	664,366,320	429,278,530	235,087,790

2010 thru 2014 has a 0.5% increase in Real, and a 0% increase in Personal Property value.  
2015 thru 2018 has no increase in Real or Personal Property value.  
Assumes no new development in the district.

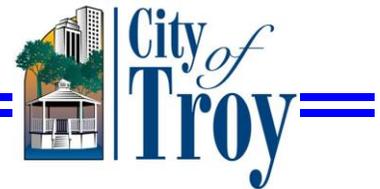


**Table 2  
Downtown Development Authority Bonds  
\*(Actual through 2009)**

Schedule of Impact on Taxing Jurisdictions

<b>Year</b>	<b>(TV after 1994) in District</b>	<b>Assessed Value</b>	<b>(TV after 1994) in District</b>	<b>College 1.5800</b>	<b>Oakland 4.6500</b>	<b>(9.48 &lt; 2002) 9.2800</b>	<b>Annual Capture</b>	
1993	429,278,530	* 429,278,530	* -	\$ -	\$ -	\$ -	\$ -	
1994	450,682,090	* 429,278,530	* 21,403,560	34,246	99,527	202,906	336,678	
1995	482,321,290	* 429,278,530	* 53,042,760	84,868	246,649	502,845	834,362	
1996	513,251,790	* 429,278,530	* 83,973,260	134,357	390,476	796,067	1,320,899	
1997	582,784,390	* 429,278,530	* 153,505,860	245,609	713,802	1,455,236	2,414,647	
1998	634,117,140	* 429,278,530	* 204,838,610	327,742	952,500	1,941,870	3,222,112	
1999	653,782,621	* 429,278,530	* 224,504,091	359,207	1,043,944	2,128,299	3,531,450	
2000	677,550,840	* 429,278,530	* 248,272,310	397,236	1,154,466	2,353,621	3,905,324	
2001	687,261,110	* 429,278,530	* 257,982,580	412,772	1,199,619	2,445,675	4,058,066	
2002	700,292,970	* 429,278,530	* 271,014,440	433,623	1,260,217	2,561,086	4,254,927	
2003	687,610,440	* 429,278,530	* 258,331,910	413,331	1,201,243	2,441,237	4,055,811	
2004	656,443,260	* 429,278,530	* 227,164,730	363,464	1,056,316	2,146,707	3,566,487	
2005	664,930,800	* 429,278,530	* 235,652,270	372,331	1,095,783	2,226,914	3,695,028	
2006	664,121,560	* 429,278,530	* 234,843,030	371,052	1,092,020	2,219,267	3,682,339	
2007	673,838,080	* 429,278,530	* 244,559,550	386,404	1,137,202	2,269,513	3,793,119	
2008	675,603,180	* 429,278,530	* 246,324,650	389,193	1,145,410	2,285,893	3,820,495	
2009	650,996,995	* 429,278,530	* 221,718,465	350,315	1,030,991	2,057,547	3,438,853	
2010	653,644,255	429,278,530	* 224,365,725	354,498	1,043,301	2,082,114	3,479,912	
2011	656,304,750	429,278,530	* 227,026,220	358,701	1,055,672	2,106,803	3,521,177	
2012	658,978,550	429,278,530	* 229,700,020	362,926	1,068,105	2,131,616	3,562,647	
2013	661,665,720	429,278,530	* 232,387,190	367,172	1,080,600	2,156,553	3,604,325	
2014	664,366,320	429,278,530	* 235,087,790	371,439	1,093,158	2,181,615	3,646,212	
2015	664,366,320	429,278,530	* 235,087,790	371,439	1,093,158	2,181,615	3,646,212	
2016	664,366,320	429,278,530	* 235,087,790	371,439	1,093,158	2,181,615	3,646,212	
2017	664,366,320	429,278,530	* 235,087,790	371,439	1,093,158	2,181,615	3,646,212	
2018	664,366,320	429,278,530	* 235,087,790	371,439	1,093,158	2,181,615	3,646,212	
					<b>\$ 8,376,240</b>	<b>\$ 24,533,633</b>	<b>\$ 49,419,841</b>	<b>\$ 82,329,715</b>

2010 thru 2014 has a 0.5% increase in a Real and a 0% increase in Personal Property value.  
 2015 thru 2018 has no increase in Real or Personal Property value.  
 Assumes no new developments in the district.



**Annual Debt Requirements**

<b>Year Ending June 30,</b>	<b>Refunding Bonds 2001</b>	<b>Big Beaver Phase 2 &amp; 3</b>	<b>MTF Bonds Roch. Rd.</b>	<b>Comm. Center 2002</b>	<b>Comm. Center Jr. Lien 2003</b>	<b>Amount of Annual Interest</b>	<b>Total</b>
2010	470,000	730,000	175,000	575,000	200,000	1,221,754	3,371,754
2011	495,000	770,000	175,000	600,000	200,000	1,125,274	3,365,274
2012	560,000	805,000	200,000	600,000	250,000	1,026,192	3,441,192
2013	590,000	850,000	225,000	625,000	300,000	914,614	3,504,614
2014	620,000	895,000	250,000	650,000	325,000	786,621	3,526,621
2015	655,000	945,000	-	700,000	350,000	648,953	3,298,953
2016	690,000	1,000,000	-	725,000	400,000	515,814	3,330,814
2017	725,000	1,055,000	-	775,000	450,000	376,638	3,381,638
2018	765,000	1,110,000	-	800,000	500,000	231,600	3,406,600
2019	800,000	1,165,000	-	850,000	500,000	78,450	3,393,450
	<b>\$ 6,370,000</b>	<b>\$ 9,325,000</b>	<b>\$ 1,025,000</b>	<b>\$ 6,900,000</b>	<b>\$ 3,475,000</b>	<b>\$ 6,925,910</b>	<b>\$34,020,910</b>



**Five -Year Budget Projection  
May 1, 2009**

	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
<b>Revenue</b>					
Property Taxes	\$ 3,479,900	\$ 3,521,170	\$ 3,562,640	\$ 3,604,320	\$ 3,646,210
Re-appropriation Fund Balance	380,100	473,430	556,760	545,010	312,130
Investment Income	200,000	150,000	100,000	100,000	75,000
<b>Total</b>	<b>\$ 4,060,000</b>	<b>\$ 4,144,600</b>	<b>\$ 4,219,400</b>	<b>\$ 4,249,330</b>	<b>\$ 4,033,340</b>
<b>Expenditures</b>					
Operating Expenses	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Administrative Expense	255,000	260,000	265,000	270,000	276,000
Street Island Maintenance	236,000	240,600	245,400	250,330	255,340
<b>Debt Service</b>					
Big Beaver Phase 2 & 3	1,195,000	1,193,000	1,197,000	1,194,000	1,194,000
MTF Rochester Road	222,000	237,000	252,000	264,000	-
Refund Series 'A'	788,000	828,000	830,000	826,000	826,000
Community Center	1,164,000	1,186,000	1,230,000	1,245,000	1,282,000
<b>Total - Debt Service</b>	<b>\$ 3,369,000</b>	<b>\$ 3,444,000</b>	<b>\$ 3,509,000</b>	<b>\$ 3,529,000</b>	<b>\$ 3,302,000</b>
Available for Projects	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 4,060,000</b>	<b>\$ 4,144,600</b>	<b>\$ 4,219,400</b>	<b>\$ 4,249,330</b>	<b>\$ 4,033,340</b>
Captured TV	202,188,550	183,244,540	164,868,850	147,044,420	129,754,740
Captured Tax Rate	\$ 15.51	\$ 15.51	\$ 15.51	\$ 15.51	\$ 15.51
Estimated Fund Balance	\$ 4,599,480	\$ 4,126,050	\$ 3,569,290	\$ 3,024,280	\$ 2,712,150
Debt Service in Relation To Property Taxes	96.8	97.8	98.5	97.9	90.6

### **Tax Increment Procedure**

Tax increment revenue to be transmitted to the DDA is generated when the current taxable value of all properties within a development area exceeds the initial assessed value of the properties. The initial assessed value is defined in Act 197 as the assessed value of all taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the ordinance is adopted. The current assessed value refers to the assessed value of all properties, real and personal, within the development area as established each year subsequent to the adoption of the tax increment financing plan. The amount in any one year by which the current taxable value exceeds the initial assessed value, including real and personal property, is defined as the “captured taxable value.” The tax increment revenue transmitted to the DDA results from applying the total tax levy of taxing units within the development area to the captured taxable value.

Increases in assessed values within a development area which result in the generation of tax increment revenues, can result from any of the following:

- a. Construction of new development occurring after the date establishing the “initial assessed value.”
- b. Construction of new rehabilitation, remodeling alterations, or additions accruing after the date establishing the “initial assessed value.”
- c. Increases in property values which occur for any other reason.

Tax increment revenues transmitted to the DDA can be pledged for debt service on general obligation tax increment bonds issued by the municipality or tax increment revenues bonds issued by the DDA.

If bonds are to be sold, the municipality may not pledge for annual debt service requirements in excess of 80% of the estimated tax increment revenue to be received from a development area for that year. In addition, the estimated annual debt service owed on bonds issued by the municipality may not exceed 80% of the estimated annual tax increment revenues. Should actual tax increment revenues fall below projections, any previously accumulated revenue would be devoted to retirement of the bonds. Any tax increment revenues collected in excess of the 80% measure described in Table 2 of the Development Plan will be used to pay current debt service on any bonds issued under the Plan. The bonds are subject to the Michigan Municipal Finance Act and may not mature in more than thirty years.

The DDA may expend tax increment revenues only in accordance with the tax increment financing plan; surplus revenues revert proportionally to the prospective taxing jurisdictions. The tax increment financing plan may be modified upon approval of the governing body after notification and hearings as required by Act 197. When the governing body finds that the purposes for which the plan was established have been accomplished, they may abolish the plan.