

Additional information for item:

K-1 *Continuation of Discussion
on the 6-Year Organizational
Restructuring Plan*



CARLISLE/WORTMAN ASSOCIATES, INC.
Community Planners / Landscape Architects

605 S. Main, Suite 1
Ann Arbor, MI 48104
734-662-2200
fax 734-662-1935

6401 Citation Drive, Suite E
Clarkston, MI 48346
248-625-8480
fax 248-625-8455

September 30, 2009

John Szerlag, City Manager
City of Troy
500 W. Big Beaver Road
Troy, MI 48084

Re: Privatization

Dear Mr. Szerlag:

As you know, we are providing contractual service support for a number of communities in the areas of building administration and enforcement, code enforcement, community and economic development, and program administration.

I would confirm that a forty (40%) percent savings in cost through privatization is both realistic and conservative. More specifically, I have reviewed the Building Department budget and staffing model and a forty (40%) percent savings could be achieved.

Please let me know if you have any questions or wish to discuss this further.

Yours truly,

CARLISLE/WORTMAN ASSOCIATES, INC.

Richard K. Carlisle, PCP



September 30, 2009

Mr. John Szerlag, City Manager
City of Troy
500 W. Big Beaver Rd.
Troy, MI 48084

Re: Privatization of City Engineering Services

Dear Mr. Szerlag,

Thank you for the opportunity to come in and meet with you and other City Management staff recently to discuss the enormous financial challenges that the City is faced with and opportunities for the City to reduce budgets through the privatization of certain Department functions. As a long time Michigan based business, Spalding DeDecker Associates, Inc. (SDA) has been working in this economic environment for several years and also serves other Municipal clients in Oakland, Macomb, and Wayne Counties. SDA is very sensitive to the fact that we are talking about people's jobs and livelihoods. We understand that City Management is looking at various options because it is your responsibility to balance the community's needs with the highest level of service that is affordable. Accordingly, we appreciate the gravity of this matter.

In our meeting, we discussed how different communities rely on Engineering Consultants to support the engineering needs of that particular community. In Townships and smaller communities, SDA functions as that community's Engineer and provides a wide range of services. In larger communities, like the City of Troy, we provide a supporting role to the Municipal Engineer and their staff. In every instance, we are accountable to someone in the municipality's management who oversees our professional services obligations whether it is a Department Head, a Township Supervisor, a City Clerk, a utility Superintendent, and so on. **For a community the size of the City of Troy (with the many complexities of issues, large capital improvement budgets, and the need to interact with other City Departments, regional authorities, funding authorities, Residents, and Developers) we strongly believe that the City should retain City Engineering Administration and Management in-house.** Other in-house engineering department functions, such as surveying and limited inspection capabilities should be gauged upon their rate of utilization.

In your September 9, 2009 correspondence to the Mayor and City Council, you made a series of assumptions. One of them was that privatization of City Departments will result in roughly a 40% savings compared to the cost of those services in-house. **We concur with this assumption on the following basis:**

- The City's current staffing levels are relatively fixed. Although there have been some City Engineering staffing reductions through attrition and lay-offs (and positions left unfilled), the "development" and growth of the City has drastically slowed as compared to what it was just a few years ago. Privatization of non-administrative function would allow for a flexibility of staffing level (adjusted through the consultant) to match the level of development.
- At times, there may be a perception that "consultants are more expensive than city staff". We disagree with that perception because the comparison is usually made between a consultant's billing rates vs. the municipality's staff's wages. This is an unfair comparison for several reasons:

Engineering Consultants



Mr. Szerlag
September 30, 2009
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1. Many engineering consultant fees are "fixed" depending upon the task and do not reflect the hourly rates shown on the standard hourly rate schedule. For instance, a Utility or Pavement Design is fixed upon a percentage of construction or a Plan Review is typically fixed upon a unit of development (area or percentage of construction cost). There are very few engineering fees that can't be fixed unless they are "on demand" services like inspections. And even in those cases, inspection cost can be capped by making a contractor responsible for extra inspection days.
2. Consultant hourly fees typically include all the business overhead (i.e., wages, benefits, professional insurance, buildings, equipment, supplies, etc.) while municipal staffing cost usually only account for wages, benefits, and legacy costs (pension and health care) with no accounting for buildings and other overhead. Consultants have been operating in this economic environment for several years and have cut their margins to almost the break-even point.
3. When a consultant is given a task to perform, it is in their best interest to complete that task as efficiently and effectively as possible. When they do, and the task is complete, they move onto another task. That next task may be for a different client so, in affect, there is no "down time" and the Consultant staff must account for every hour spent in the work week. In essence, the community is paying only the cost for the service it needs and is not paying for time their employee spends attending to other non-specific duties. Public employees remain on the payroll even at times between assignments. The private consultant has much more flexibility in the assignment of work staff and maintaining appropriate staffing levels depending upon the volume of work.

In closing, we would again like to thank you for asking us to meet with you and the City of Troy Management. This is a very difficult time not only for the City of Troy, but also for our entire region and all the municipalities in it. We believe that the City is being very proactive in meeting this challenge by projecting into the future. SDA hopes that we can be part of the solution in helping the City meet this budget crisis head-on. Please remember that we feel the stress of the community also because we have many employees, including myself, who live in the City or nearby area. Although, within the last year, we have had a General Consulting Engineering Services contract award to us by the City and had actually reduced our fees with that last contract, we are open to discussing our fee structure as it relates to an increased volume of work. Please feel free to call upon us at any time.

Sincerely,

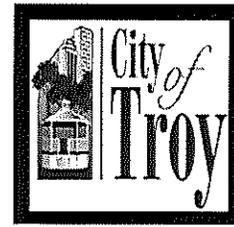
Spalding DeDecker Associates, Inc.

A handwritten signature in blue ink that reads "David A. Lakin".

David A. Lakin, PE
President

Engineering Consultants

Infrastructure • Land Development • Surveying



October 2, 2009

To: John Szerlag, City Manager
From: Nino Licari, City Assessor
Cc: John Lamerato, Assistant City Manager – Finance/Administration
Re: Proposed Expense and Staff Reductions in the Assessing Department generated by Oakland County Equalization taking over the Personal Property functions at the City of Troy

In order to effectuate the largest savings to the General Fund from the current Assessing Budget, a bid for services was requested from Oakland County Equalization to take over some portion of the Assessing Department functions.

Three iterations of the bid were studied. The largest savings occurs in having the County take over all of the Personal Property functions.

Coupled with other reductions in expenditures, this scenario results in an overall savings of approximately 36% when compared to the existing Assessing budget.



Memo

To: John M. Lamerato, Assistant City Manager/Finance & Administration
From: Cathleen A. Russ, Library Director
CC: Monica Irelan
Date: 10/2/2009
Re: Fees for Library Service

The Troy Public Library charges fees for the following:

- Rental books (popular, bestselling materials)
- Rental of "feature" DVDs (popular feature films)
- Overdue materials
- Internet usage (to non-residents of Troy and Suburban Library Cooperative communities)
- The purchase of a non-resident card (to individuals who lives in communities which do not support a library or whose community of residence does not have a reciprocal borrowing agreement with the Troy Public Library)
- Replacement fee for a lost library card
- Replacement fees for lost or damaged material
- Test proctoring
- Exhibiting in the Art Gallery spaces

The Troy Public Library does not offer a discount of any kind on any fine or fee (i.e. a senior discount).

According to Lance Werner, former Library Law Specialist for the Library of Michigan, the imposition on residents of a usage fee for library service, in addition the monies paid in taxes to support the library, would constitute an "illegal tax." I have attached Mr. Werner's article on the subject to this memorandum.

The Troy Public Library does not currently fund its operations through a millage. Please see the attached document for a list of the public libraries in Michigan that have operating millages. The most current information available is that reported in 2007-2008. 385 libraries reported financial information

on their annual State Aid application; 2 did not. Of the 385 libraries who reported information, 287 of those libraries have operating millages.

Lastly, I have been asked to provide an explanation regarding what type of library service would be available to Troy residents from other area libraries, in the event that the Troy Public Library were to close. Every public library in Michigan is a public building, and any person from anywhere may spend time in any public library without penalty or fee.

However, it should be stated explicitly that, if the Troy Public Library were to close, Troy residents interested in checking materials out of a public library would need to purchase a library card from a library that sold library cards to non-residents. Not all area libraries sell non-resident cards. Please find as follows a list of area libraries, with their non-resident card fees, as applicable:

Baldwin Public Library (Birmingham):	Does not sell non-resident cards
Bloomfield Twp Public Library:	Does not sell non-resident cards
Clawson Public Library:	\$40 per person annually (borrowing privileges at CPL only)
Madison Heights Public Library:	\$50 per person annually (borrowing privileges at MHPL only)
Rochester Hills Public Library:	Does not sell non-resident cards
Royal Oak Public Library:	\$75 per person annually (borrowing privileges at ROPL only)
Sterling Heights Public Library:	\$200 per person annually (full borrowing privileges at SLC libraries)
Warren Public Library:	\$200 per person annually (full borrowing privileges at SLC libraries)

In other words, residents who wish to use the Baldwin Public Library, the Bloomfield Twp Public Library or the Rochester Hills Public Library may go to those libraries and avail themselves of the in-house services, but will not be able to borrow materials from those libraries.

Residents and Library Fees

By Lance M. Werner, Library Law Specialist

Once in awhile it is necessary to go back to the basics, to ask ourselves why we are here with respect to our professions. In this vein, I felt that it would be useful to discuss how Michigan law governs the fees residents' pay for library services.

The imposition of fees for library services has been addressed numerous times in Michigan laws. As it happens, there is a great deal of legal authority against the imposition of resident fees for library services.

Michigan jurisprudence on the establishment and funding of free public libraries predates statehood. Since the beginning of the State, Michigan laws have not only called for the creation of public libraries but have also authorized State subsidization of free public library services for all Michigan residents. Article X, Section 4 of the Michigan Constitution of 1835 provides:

As soon as the circumstances of the state will permit, the legislature shall provide for the establishment of Libraries, one at least in each township...the clear proceeds of all fines assessed in the several counties for any breach of the penal laws, shall be exclusively applied for the support of said libraries.

The above language was carried forward in Michigan's next constitution, the Constitution of 1850, in Article XIII, Section 12.

The intent of the Legislature that there shall be *free* library service for all people is evidenced by language found in the City, Village and Township Libraries Act, 1877 PA 164, MCL 397.201 *et seq.* The title of this law indicates that it is an act to:

...[A]uthorize cities, incorporated villages, and townships to establish and maintain, or contract for the use of, free public libraries and reading rooms...

Moreover, section 6 of 1877 PA 164, MCL 397.206, states:

Every library and reading room established under this act shall be forever free to the use of the inhabitants where located...

Additionally, section 13 of 1877 PA 164, MCL 397.213, provides:

Notwithstanding a contrary city, village, or township charter provision, a township, village, or city adjacent to a township, village, or city that supports a free public circulating library and reading room under this act may contract for the use of library services with that adjacent township, village, or city.

In other words, even if a library is established via city charter, it still must maintain its status as a free public circulating library. It is also noteworthy that the language specifically mentions that municipalities that have contracted for library service are entitled to the same services as people that reside within a library's jurisdictional service area.

These sections are still good law today.

Over the years the language concerning the establishment and funding of library services for Michigan residents has changed somewhat from what was articulated in the 1835 Constitution; however, the original intent has endured.

The contemporary constitutional underpinnings for library services is found in Article VIII, Section 9 of the 1963 Constitution, which states in relevant part:

The legislature shall provide by law for the establishment and support of public libraries which shall be available to all residents of the state under regulations adopted by the governing bodies thereof.

As with every Michigan constitution and statute since 1835, current law provides mechanisms not only for the creation of public libraries, but also for the State subsidization of free public library services.

The Legislature enacted specific laws to give effect to the "support" language currently found in Article VIII, Section 9 of the Michigan Constitution of 1963. These laws include the Distribution of Penal Fines to Public Libraries Act (Penal Fines Act), 1964 PA 59, MCL 397.31 *et seq.*, and the State Aid to Public Libraries Act (State Aid Act), 1977 PA 89, MCL 397.551 *et seq.* As with the other laws mentioned above, these public acts exhibit legislative intent for free library services.

Section 1 of the Penal Fines Act, MCL 397.31, indicates:

"Public library" means a library, the whole interests of which belong to the general public, lawfully established for free public purposes...

Section 6 of the Penal Fines Act, MCL 397.36, provides:

The penal fine moneys when received by the proper authorities shall be applied exclusively to the support of public libraries and to no other purpose...

Preference for "free" public libraries is also evidenced by section 2 of the State Aid Act, MCL 397.552, which states:

"Public library" means a library that is lawfully established for free public purposes by 1 or more counties, cities, townships, villages, school districts, or other local

governments or a combination thereof, or by a public or local act, the entire interests of which belong to the general public.

A legal distinction between residents and non-residents and the imposition of fees can be found in section 11a of the State Aid Act, MCL 397.561a, which indicates:

A library may charge nonresident borrowing fees to a person residing outside of the library's service area...

The relationship between library services and fees was recently considered by the Legislature in 2005, in the course of considering SB 512, which was ultimately enacted into law as Public Act 60 of 2005. During legislative deliberations on the bill, a decision was made to omit a provision, the so-called section 12(g), which would have limited access to library services based on monetary considerations. Here again, the Legislature made a conscious public policy decision that library services shall be free to local residents and to the residents of other localities that contract with local public libraries.

Based on these laws and the history of public libraries in Michigan, it is fair to conclude that people residing within a public library's jurisdictional service area (residents) and those residing in contractual service area (persons served by library service contract) are entitled to free library services.

The issue of residents and fees is wholly dependant on the question of what constitutes library service. The question of what constitutes library service is one to be answered by the governing boards of libraries, in accordance with the law, in response to the public and with the assistance of legal counsel.

If you have any questions, ask your library's legal counsel. Additionally, please feel free to contact Lance M. Werner, the library law specialist at the Library of Michigan - by phone at (517) 373-1299 or via e-mail at wernerl@michigan.gov - for further information.

Library Name	County	Library Type	Population	Year	Millage	Year	Millage	Year	Millage	Year	Millage	Year	Millage	Year	
Three Oaks Township Public Library	Berrien	Township	1	Dec-98	0.9658	Dec-07									
Watervliet District Library	Berrien	District	0.5	Nov-07	0.5	Nov-10	0.5	Aug-04	0.5	Aug-08					
Branch District Library	Branch	District	0.7	Aug-95	0.7	Dec-08									
Albion Public Library	Calhoun	City	1	Aug-04	1	Dec-08									
Athens Community Library	Calhoun	Township	0.53	Nov-06	0.53	Nov-07									
Homer Public Library	Calhoun	Village	1	Aug-04	1	Dec-12									
Marshall District Library	Calhoun	District	1	Jul-95	0.9781		X	0.693	Nov-04	0.693	Dec-11	0	Feb-96	0.36	Dec-16
Tekonsha Township Public Library	Calhoun	Township	1	Aug-98	0.9602	Aug-18									
Willard Public Library	Calhoun	District	2	Jun-01	2		X								
Cass District Library	Cass	District	0.75	Jan-94	0.6503		X								
Dowagiac District Library	Cass	District	0.75	Mar-04	0.7155		X								
Marcellus Township Wood Memorial Library	Cass	Township	1	Sep-04	1	Sep-08									
Beaver Island District Library	Charlevoix	District	1	Aug-06	0.9	Dec-09									
Boyne District Library	Charlevoix	District	0.75	Aug-96	0.6367		X	0.35	Aug-04	0.3329		X			
Charlevoix Public Library	Charlevoix	District	0.5	Jun-97	0		X	0.65	Jun-04	0	Jun-24	0.75	Jun-04	0	Jun-23
Crooked Tree District Library	Charlevoix	District	0.3	Aug-04	0.2857	Dec-08		0.3	Aug-04	0.2857	Dec-08				
Jordan Valley District Library	Charlevoix	District	1	Apr-94	0.8618		X								
Cheboygan Area Public Library	Cheboygan	District	0.75	Feb-95	0.657		X	0.341	Jun-04	0	Jun-23				
Indian River Area Library	Cheboygan	Township	0.3	Aug-06	0.3		X								
Wolverine Community Library	Cheboygan	District	0.75	Nov-96	0.6414		X								
Bayliss Public Library	Chippewa	City	0.5	Aug-06	0.4954	Dec-08		0.25	Feb-04	0.235					
Whitefish Township Community Library	Chippewa	Township	0.5	Nov-04	0.4974	Nov-08									
Pere Marquette District Library	Clare	District	1	May-05	0.9961		X								
Surrey Township Public Library	Clare	Township	0.0003	Oct-79	0.0003		X	1.7	Sep-01	1.9788		X			
Briggs Public Library	Clinton	City	0.5	Dec-04	0.5	Dec-07									
DeWitt Public Library	Clinton	District	0.5	Aug-04	0.4998	Dec-08									
Maple Rapids Public Library	Clinton	Village	1	Mar-64	0.8905		X								
Ovid Public Library	Clinton	District	1	Nov-92	0.75		X								
Crawford County Library	Crawford	County	0.45	Aug-04	0.4458	Dec-11									
Dickinson County Library	Dickinson	County	0.9	Aug-04	0.9	Dec-09									
Charlotte Community Library	Eaton	District	0.9	Aug-98	0.8587	Dec-07		0.9	Jan-08	0	Dec-17				
Delta Township District Library	Eaton	District	1	122007	1		X								
Mulliken District Library	Eaton	District	1	Aug-92	0.8978		X	0.3	Jan-75	0.8978		X			
Pottersville-Benton Township District Library	Eaton	District	0.5	Nov-96	0.4333		X								
Sunfield District Library	Eaton	District	0.7	Aug-98	0.6619	Aug-12		0.6	Aug-98	0.5673	Aug-17				
Vermontville Township Library	Eaton	Township	0.25	Aug-00	0.25	Aug-08		0.5	Aug-00	0.5	Aug-08				
Grand Ledge Area District Library	Eaton	District	1.2	Nov-01	1.1544	Dec-11									
Mackinaw Area Public Library	Emmet	District	1	Mar-86	0.8495		X								
Petoskey Public Library	Emmet	City	1	Dec-95	0.907	Dec-07		1	Aug-00	0.907	Dec-07				

Public Libraries in Michigan that have operating millages

Information reported from 2007-2008 Annual Report/State Aid Application Information--Library of Michigan

Library Name	County	District	Millage	Start Date	End Date	Other Dates	Other Millages	Other Dates	Other Dates	Other Dates	
Flint Public Library	Genesee	District	2.9	Aug-02	2.9						
Genesee District Library	Genesee	District	0.7481	May-07	0.7481	Dec-17					
Gladwin County District Library	Gladwin	District	0.5	Aug-06	0.5						
Ironwood Carnegie Library	Gogetic	City	1	Nov-94	0.8549						
Interlochen Public Library	Grand Traverse	Township	1.1	Dec-96	1.01	Dec-16					
Traverse Area District Library	Grand Traverse	District	1.1	Aug-96	0.974	Aug-16					
Alma Public Library	Gratiot	City	2	Aug-04	2	Aug-24					
Camden Township Library	Hillsdale	Township	0.75	Aug-03	0.75						
Hillsdale Community Library	Hillsdale	City	1	Sep-01	0.9947						
Jonesville District Library	Hillsdale	District	1	May-99	1						
Litchfield District Library	Hillsdale	District	0.9975	Nov-95	1						
Pittsford Public Library	Hillsdale	Township	0.93	Jan-08	0.93	Jan-28					
Reading Community Library	Hillsdale	District	0.5	Nov-46	0.5						
Waldron District Library	Hillsdale	District	1	Aug-05	1						
Portage Lake District Library	Houghton	District	2	May-05	1.9998	Dec-10					
Bad Axe Area Public Library	Huron	District	0.9	52007	0.9						
Harbor Beach Area District Library	Huron	District	1.6	Sep-94	1.5781						
Pigeon District Library	Huron	District	1	Nov-06	1	Dec-10					
Port Austin Township Library	Huron	Township	0.45	Nov-03	0.4826	Nov-12					
Sebewaing Township Library	Huron	Township	0.3	Aug-08	0.3	Aug-14	0.2	Nov-04	0.2	Nov-10	
Sleeper Public Library	Huron	Village	0.3	Feb-09	0.3		X	0.7	Aug-07	0.7	Aug-10
Capital Area District Library	Ingham	District	1.56	Aug-06	1.56	Dec-10					
Alvah N. Belding Memorial Library	Ionia	City	1	Aug-98	0.9339	Dec-17					
Ionia Community Library	Ionia	District	1	Aug-98	0.9339	Dec-17					
Lake Odessa Community Library	Ionia	District	1	Aug-98	1	Dec-17	1	Nov-96	1	X	
Lyons Township District Library	Ionia	District	1	Aug-98	0.9452	Aug-18					
Portland District Library	Ionia	District	1	Aug-98	0.9381	Dec-17	0.93	May-03	0.7	Jun-24	
Saranac Public Library	Ionia	Village	1	Mar-74	1		X	1	Feb-98	1	Apr-18
Iosco-Arenac District Library	Iosco	District	0.5	Aug-04	0.4912	Dec-13					
Crystal Falls District Community Library	Iron	District	0.9	Aug-00	0.8943	Dec-10	0.5	Aug-00	0.4969	Dec-09	
West Iron District Library	Iron	District	1.5	Apr-04	1.5	Dec-09					
Chippewa River District Library System	Isabella	District	1.75	Dec-98	1.6894	Dec-08					
Jackson District Library	Jackson	District	1	Mar-96	0.8593	Dec-16					
Augusta-Ross Township District Library	Kalamazoo	District	0.5	Aug-98	0.4558	Aug-08					
Comstock Township Library	Kalamazoo	Township	1.5	Nov-94	1.5		X				
Kalamazoo Public Library	Kalamazoo	District	2.88	Apr-90	2.7782	Apr-09	1.1926	Mar-95	1.1801	Mar-14	
Parchment Community Library	Kalamazoo	District	2	Jun-02	1.9908		X				
Portage District Library	Kalamazoo	District	1.5	Jun-98	1.49		X				

Public Libraries in Michigan that have operating millages
 Information Reported from 2007-2008 Annual Report/State Aid Application information--Library of Michigan

Library Name	County	District	Millage	Start Date	End Date	State Aid	Application Information	Library of Michigan
Richland Community Library	Kalamazoo	District	1	Aug-91	0.8255	X	0.33 Sep-01 0.33 Sep-21	
Schoolcraft Community Library	Kalamazoo	Village	1	Mar-98	0.8436		0.8436 Jul-02	X
Vicksburg District Library	Kalamazoo	Village	1	Sep-91	0.8436		0.8436	
Kalkaska County Library	Kalkaska	County	0.25	May-04	0.25	Dec-08		
Cedar Springs Public Library	Kent	City	0.5	Nov-36	0	X	1 Jun-04 0.8772	
Grand Rapids Public Library	Kent	City	2.15	Jan-94	2.07	X	0.39 Jul-98 0.38 Jun-18	
Kent District Library	Kent	District	0.88	Aug-04	0.88	Dec-13		
Pathfinder Community Library	Lake	Township	1	Jan-53	1	X		
Almont District Library	Lapeer	District	0.9	Aug-96	0.8131	Dec-06	0.5 Aug-98 0.444 Dec-08	1.25 Nov-07 1.25 Nov-16
Dryden Township Library	Lapeer	Township	0.5	111974	0.3645	X		
Lapeer District Library	Lapeer	District	0.9	Aug-96	0.8131	Dec-06		
North Branch Township Library	Lapeer	Township	0.9	Aug-96	8.32	Aug-06		
Ruth Hughes Memorial District Library	Lapeer	District	1	May-07	1	Dec-13		
Glen Lake Community Library	Leelanau	District	0.25	Nov-96	0.1933	Nov-16		
Clinton Township Public Library	Lenawee	Township	1	Aug-34	0.8496	X		
Tecumseh District Library	Lenawee	District	1.15	Oct-03	1.15	Oct-13		
Brighton District Library	Livingston	District	0.75	May-94	0.6692	X	0.55 Jan-93 0.37 Jan-14	
Cromaine District Library	Livingston	District	1.6	Jun-02	1.502	Jun-12		
Fowlerville District Library	Livingston	District	0.5	Jul-94	0.5	X		
Hamburg Township Library	Livingston	Township	0.5	Nov-98	0.4418	Nov-08	0 Feb-00 0.477 Feb-09	
Howell Carnegie District Library	Livingston	District	1	Oct-88	0.692	X		
Pinckney Community Public Library	Livingston	District	1	Aug-02	0.9562	Dec-08		
Armada Free Public Library	Macomb	Township	0.75	Aug-66	0.6435	X	0.5 Aug-92 0.4492	X
Chesterfield Township Library	Macomb	Township	0.07	Nov-94	0.06	X		
Clinton-Macomb Public Library	Macomb	District	1	Aug-98	0.8961	X		
Eastpointe Memorial Library	Macomb	City	1	Jul-06	0.897	Jun-07		
Fraser Public Library	Macomb	City	1		1	X		
Lenox Township Library	Macomb	Township	1	Aug-88	1	X	0.5 Nov-94 0.2975	X
MacDonald Public Library	Macomb	City	2	Nov-87	1.3446	X		
Mount Clemens Public Library	Macomb	District	2.75	Jul-94	2.5747	X	0.1056 Jun-04 0.1041	X
Ray Township Public Library	Macomb	Township	0.3	Nov-06	0.3	X		
Romeo District Library	Macomb	District	1.35	Nov-96	1.1582	X	0 Nov-96 0.2 Nov-08	
Saint Clair Shores Public Library	Macomb	City	1	Jul-06	0.92	Jun-07		
Utica Public Library	Macomb	City	1	Apr-49	0.859	X		
Warren Public Library	Macomb	City	0.5	Oct-56	0.4899	X		
Manistee County Library	Manistee	County	1	Aug-02	0.9643	Dec-07		
Forsyth Township Public Library	Marquette	Township	0.5	Aug-07	0.5	Aug-13		

Public Libraries in Michigan that have operating millages

Information Reported from 2007-2008 Annual Report/State Aid Application information - Library of Michigan

Public Libraries in Michigan that have operating millages													
Information Reported in 2007-2008 Annual Report/State Aid Application information--Library of Michigan													
Peter White Public Library	Marquette	City	1.5	Jan-29	1.4181		X						
Mason County District Library	Mason	District	0.5	Aug-91									
Barryton Public Library	Mecosta	District	2	Aug-99									
Morton Township Public Library	Mecosta	Township	0.8	Aug-94	0.7396		X						
Wheatland Township Library	Mecosta	Township	0.8	Nov-03	0.8	Nov-07		0.43	Aug-00	0.43	Nov-30		
Spies Public Library	Menominee	City	1	May-07	1	Jun-08							
Coleman Area Library	Midland	District	1	Aug-98	0.9531	Dec-08							
Missaukee District Library	Missaukee	District	0.25	Aug-96	0.2367		X						
Milan Public Library	Monroe	City	1	Nov-47	0.9156		X	0.5	Aug-94	0.4712		X	0.25 Nov-05 0.25 Dec-12
Monroe County Library System	Monroe	County	1	Aug-04	1	Dec-12							
Carson City Public Library	Montcalm	City	0.5	Aug-90	0.4618	Aug-09							
Flat River Community Library	Montcalm	District	0.75		0.6011		X	0.5		0.5	Jan-10		
Home Township Library	Montcalm	Township	0.5	Aug-90	0.4656	Aug-10							
Richland Township Library	Montcalm	Township	0.5	Aug-90	0.4407	Aug-10							
Tamarack District Library	Montcalm	District	0.5	Nov-90	0.443	Nov-10		0.4	Feb-06	0.396		X	
Timothy C. Hauenstein Reynolds Township Library	Montcalm	Township	1	Apr-55	0.859		X	0.5		0.4656	Aug-09		
White Pine Library	Montcalm	City	0.5	Aug-90	0.5	Aug-10							
Montmorency County Public Libraries	Montmorency	County	0.6	Jun-04	0.6	Dec-07							
Hackley Public Library	Muskegon	District	2.4	Jun-01	2.4	Jun-21							
Muskegon Area District Library	Muskegon	District	0.75	Feb-06	0.749	Dec-15							
White Lake Community Library	Muskegon	District	0.7	Apr-99	0.68		X	0.47	Apr-99	0.47	May-20		
Fremont Area District Library	Newaygo	District	1.5	Sep-97	1.4497		X						
Grant Area District Library	Newaygo	District	0.935	Jun-02	0.8695		X	0	Jun-02	0.6732	Aug-28		
Newaygo Area District Library	Newaygo	District	1	Jan-14	0.9834		X						
White Cloud Community Library	Newaygo	District	1.5	Jan-99	1.3026		X						
Hesperia Community Library	Newaygo	District	0.75	Aug-06	0.75	Dec-09		0.973	Mar-01	0.973	Dec-20		
Addison Township Public Library	Oakland	Township	0.75	Nov-84	0.5737		X						
Auburn Hills Public Library	Oakland	City	1	Nov-84	0.7041		X						
Baldwin Public Library	Oakland	City	1.75	Nov-98	1.4652		X						
Blair Memorial Library	Oakland	City	1	Jul-05	1		X						
Bloomfield Township Public Library	Oakland	Township	1	Nov-64	0.7152		X	0.7641	Aug-02	0.7719		X	
Brandon Township Public Library	Oakland	Township	1	Aug-87	0.86		X	1	Aug-98	1		X	
Farmington Community Library	Oakland	District	0.6	Aug-98	0.586	Dec-13		1	May-05	1	Dec-24		
Ferndale Public Library	Oakland	City	1	Aug-04	1		X	1	May-07	1			

Library Name	City/Township/District	Population	Year	Millage	Year	Millage	Year	Millage	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
Franklin Public Library	Oakland	Village	1.5	Mar-73	0.4923														
Hazel Park Memorial Library	Oakland	City	1.8	Aug-94	1.5508														
Highland Township Public Library	Oakland	Township	1	Aug-94	0.7137														
Holly Township Library	Oakland	Township	1	Aug-06	0.9843	Aug-12													
Independence Township Library	Oakland	Township	0.75	Dec-06	0.691	Dec-10													
Lyon Township Public Library	Oakland	Township	0.53	May-07	0.53	May-17													
Milford Public Library	Oakland	Township	1	Apr-79	0.7611			0.4	Aug-00	0.3836	Dec-09								
Novi Public Library	Oakland	City	1	Nov-77	0.7719														
Oak Park Public Library	Oakland	City	1	Jul-04	0.9917														
Orion Township Public Library	Oakland	Township	1.5	Aug-96	1.4189														
Oxford Public Library	Oakland	Township	1	Aug-84	0.6764			0.85	Nov-95	0.7218			X	0.84	Nov-96	0.41	May-16		
Pontiac Public Library	Oakland	City	1	Jul-07	1	Nov-17													
Rochester Hills Public Library	Oakland	Township	1	Apr-24	0.7823														
Royal Oak Public Library	Oakland	City	1	Nov-03	1	Jun-22													
Royal Oak Township Public Library	Oakland	Township	1.2834	Dec-06	1.2834			0.7166	Dec-06	0.7166			X						
Southfield Public Library	Oakland	City	2.2	Mar-99	2.0934														
Springfield Township Library	Oakland	Township	0.5	Nov-90	0.5														
Walled Lake City Library	Oakland	City	1	Nov-62	0.7975			1	Nov-04	0.9847	Nov-14								
Waterford Township Public Library	Oakland	Township	0.9118	Aug-02	0.9118	Dec-12													
West Bloomfield Township Public Library	Oakland	Township	1	Sep-49	1			0.7	Sep-97	0.7	Sep-12								
White Lake Township Library	Oakland	Township	0.4584	Aug-06	0.4528	Nov-13		0.3	Apr-75	0.2114			X						
Wixom Public Library	Oakland	City	1.08	Nov-06	1.08	Jun-17													
Hart Area Public Library	Oceana	District	2	Apr-99	1.9578														
Pentwater Township Library	Oceana	Township	1	Aug-93	0.8921														
Shelby Area District Library	Oceana	District	1.5	Apr-94	1.4606														
Ogemaw District Library	Ogemaw	District	0.03	Nov-04	0	Nov-09													
West Branch District Library	Ogemaw	District	0.3	Aug-00	0.2874	Aug-09													
Carp Lake Township Library	Ontonagon	District	0.5	Nov-05	0.5	Dec-08													
Ontonagon Township Library	Ontonagon	Township	0.5	Aug-04	0.5	Dec-13													
Ewart Public Library	Osceola	District	1	Apr-52	0.4								X						
M. Alice Chapin Memorial Library	Osceola	Village	1	Mar-69	1								X						
Reed City Public Library	Osceola	City	1	Feb-04	1	Feb-09													
Otsego County Library	Otsego	County	0.4	Aug-03	0.35	Aug-08													
Allendale Township Library	Ottawa	Township	0.72	Apr-98	0.45	Apr-08													
Gary Byker Memorial Library of Hudsonville	Ottawa	City	0.75	Nov-96	0.3303	Nov-16													
Herrick District Library	Ottawa	District	1.5	May-97	1.3111	Dec-16													
Howard Miller Library	Ottawa	City	0.01	Jul-01	0.01	Jul-11													
Loutit District Library	Ottawa	District	1	Apr-00	0.9788			X	0.1	May-07	0.1	May-26							

Public Libraries in Michigan that have operating millages
Information reported from 2007-2008 Annual Report/State Aid Application information - Library of Michigan

Library Name	County	City/Township/District	Millage	Start Date	End Date													
Lawton Public Library	Van Buren	Village	1			0.9246			X									
Paw Paw District Library	Van Buren	District	1	May-07		1	Dec-27		0.3	Jun-94	0.2804		X	0.5	Jun-97	0.4703	X	
South Haven Memorial Library	Van Buren	City	0.99	Jan-59														
Van Buren District Library	Van Buren	District	1	Apr-91		0.88												
Ann Arbor District Library	Washtenaw	District	2	Jun-96		1.9214			X									
Chelsea District Library	Washtenaw	District	1.75	Oct-99		1.6382	Dec-19		8.2	May-04	0.7	May-24						
Dexter District Library	Washtenaw	District	0.5	Jun-94		0.4361			X	0.7	Nov-05	0.6925	Dec-10		0	Nov-05	0.3	Dec-24
Manchester District Library	Washtenaw	District	1.05	Nov-05		1.05	Dec-14											
Northfield Township Area Library	Washtenaw	Township	1	Aug-94		0.8477			X	0.5	Aug-98	0.4262						
Salem-South Lyon District Library	Washtenaw	District	1.25	May-95		1.0338			X									
Saline District Library	Washtenaw	District	0.9	Sep-91		0.833			X	0.55	Aug-06	0.55	Aug-26		Sep-91	0.1173	Aug-12	
Ypsilanti District Library	Washtenaw	District	0.85	Dec-93		0.8004			X	0.75	May-98	0.7112						
Bacon Memorial District Library	Wayne	District	1.6	Jun-94		1.5446			X									
Canton Public Library	Wayne	Township	2	Aug-86		1.54			X									
Dearborn Heights City Libraries	Wayne	City	1	Nov-99		0.9204			X									
Detroit Public Library	Wayne	City	0.64	Jul-94		0.6388			X	4	Nov-04	3.9943	Jun-15					
Flat Rock Public Library	Wayne	City	1	Dec-94		1			X									
Grosse Pointe Public Library	Wayne	District	1.5413	Sep-94		1.5412			X									
Hamtramck Public Library	Wayne	City	0.91	Jan-91		0.91			X	1	Sep-03	1						
Harper Woods Public Library	Wayne	City	1	Jan-64		0.9169			X	0.5		0.5	Jan-24					
Livonia Public Library	Wayne	City	1	Aug-84		0.8094			X									
Northville District Library	Wayne	District	1	Nov-94		0.9573			X	0.4	Nov-94	0.1572						
Plymouth District Library	Wayne	District	0.5	Nov-94		0.4909			X	0.4	Nov-87	0.3325		X	0.8	Nov-85	0.6422	X
Redford Township District Library	Wayne	District	1	Dec-94		0.9233			X	0.3345	Nov-02	0.3345	Dec-21					
Riverview Public Library	Wayne	City	1	Jul-00		1			X									
Wayne County Public Library	Wayne	County	0.7	Aug-04		0.7	Nov-07		0.25	Nov-90	0.25		X	1	Nov-94	0.913	X	
William P. Faust Public Library of Westland	Wayne	City	1	Apr-94		0.9599			X									
Cadillac-Wexford County Public Library	Wexford	County	0.75	Aug-88		0.6805	Aug-08											

Public Libraries in Michigan that have operating millages
 Information Reported from 2007-2008 Annual Report/State Aid Application Information--Library of Michigan

October 2, 2009

To: John Lamerato, Assistant City Manager/Finance and Administration
From: Carol Anderson, Parks and Recreation Director
Subject: Fee Structure for Parks and Recreation Programs/Activities

This memo serves to outline the rates of recreation programs, facility admission fees, and user fees specifically those receiving a reduced or increase in fee based on their status or circumstance.

Recreation programs:

- Resident rates are two dollars less for programs with a fee less than \$25
- Residents pay five dollars less for programs over \$25

Community Center Recreation Pass Fees:

- Residents pay \$18 a month, non-residents employees pay \$22, and non-residents pay \$28.
- Daily passes are \$7, \$8, and \$10 for residents, non-resident employee and non-residents respectively.
- Monthly passes are \$33, \$44, and \$50 for residents, non-resident employee and non-residents respectively.

Golf Courses:

- Sylvan Glen rates are reduced for residents \$3-16. Factors which influence the rate are the time of day, with/without a cart, 9 or 18 holes, and weekday/weekends
- Juniors and seniors playing 18 holes, weekdays, without a cart receive the greatest discount.
- Sanctuary Lake has discounted rates of up to nineteen dollars for senior/junior on weekday mornings.
- Weekends offer no discounts at Sanctuary Lake but there is a morning rate and a lesser afternoon rate.

TFAC:

- Season pass fees are \$65, \$93, \$107 for resident, non-resident employee, and non-resident.
- Additional family members are \$44, \$55 and \$61.50 for resident, non-resident employee and non-resident respectively.
- Daily pass fees are \$7.75, \$9.50, and \$11 for resident, non-resident employee, and non-resident.

Low Income Fee Waivers:

Those residents meeting Oakland County low income guidelines may participate in recreation programs at a reduced fee or the fee may be waived completely.

Discounts are as follows:

- Recreation Pass - 50% extremely low income, 25% very low income, and 10% low income or disabled.
- Recreation Programs - discounts up to a full waiver of fees can be granted for seniors and youth based on income, temporary circumstances, or other. \$10,000 annually is budgeted for this program.

Please advise of any additional information needed.

CC: Monica Ireland



CORE
PARTNERS

and copy of Mr. Samuel's 7-20-09 presentation

consultants of real estate

www.corepartners.net

September 23, 2009

Mr. John Szerlag, City Manager
City of Troy
500 W. Big Beaver Road
Troy, MI 48084

RE: Letter of Opinion – 6 Year Organizational Restructuring Plan for the City of Troy

Dear John,

In response to your invite, we have reviewed and analyzed the findings in your September 9th, 2009 letter to the Mayor of Troy and the Troy City Council Members regarding the above referenced restructuring plan. Please find the following consideration as it relates to the projected Tax revenues:

Given support of the attached analysis and materials, further weighted by our market knowledge and understanding of the constraints regarding financing limitations, real estate values, etc. please take the time to review the attached and poise any questions that you may have regarding.

It is our belief that the currently proposed Tax revenue reductions of 12.05% from 2009/2010 to 2010/2011 followed by the proposed consecutive reductions each year thereafter of 9.83%, 5.49% 4.89%, and 4.31% are more than likely conservative and underestimated.

Understanding that the current Tax revenues within the City of Troy are based on approximately 52% residential and 48% commercial, the following summary supports our concerns:

Residential (2007 to current)

- 46% reduction in "on market" inventory from 2,157 to 1,167, this is a good sign, however, likely projects a potential negative because of properties have been removed from market due to unreasonable expectations and inability to sell based on the current debt. Also supports an increase in vacant homes and/or leased solutions.
- 31.2% reduction in the number of sales from 600 to 413.
- 44.5% increase in time on market from 122.7 days to current average of 177.3 days.
- 24.7% reduction in the average sales price from \$259,568.00 to the current average of \$195,531.00.
- Uncertainty of how assessors can decipher a clean "arms length" sale versus a distressed sale i.e. foreclosure, short sale, etc. for purposes of supporting assessed and taxable values.
- Increasing number and likely a vast majority of sales are distressed.

Commercial (2000 to current)

Office

- 31.8% increase in the vacancy rate from 7.6% to 39.4% representing a negative annual absorption since 2000 and a current market supply of 5,446,107/sf.
- 30.7 month average time on market.
- 25.3% reduction in the average asking rate from \$25.09/sf to \$18.76/sf.

- 28.8% reduction in the estimated true rates from \$22.00/sf to \$17.00/sf, this does not reflect increased concessions, i.e. rent abatement, allowances, etc. which could further skew this figure and additional 10% to 15%.
- 42.3% reduction in the average sales price per square foot from \$125.08/sf to \$72.20/sf.
- 38.9% reduction in the estimated value of the Troy office market from \$1,631,407,433.00 to \$997,992,298.00.

Industrial

- 46.8% increase in the vacancy rate from 4.6% to 51.4% representing a negative annual absorption since 2000 and a current market supply of 1,799,689/sf.
- 21.7 month average time on market.
- 29.3% reduction in the average asking rate from \$6.45/sf to \$4.56/sf.
- 28.6% reduction in the estimated true rates from \$5.25/sf to \$3.75/sf, this does not reflect increased concessions, i.e. rent abatement, allowances, etc. which could further skew this figure and additional 8% to 11%.
- 42.3% reduction in the average sales price per square foot from \$53.56/sf to approximately \$30.93/sf.
- 42.0% reduction in the estimated value of the Troy industrial market from \$186,468,604.00 to \$108,296,446.00.

Flex

- 23.6% increase in the vacancy rate from 10.2% to 33.8% representing a negative annual absorption since 2000 and a current market supply of 515,295/sf.
- 20.6 month average time on market.
- 4.2% reduction in the average asking rate from \$7.76/sf to \$7.44/sf.
- 16.2% reduction in the estimated true rates from \$7.75/sf to \$6.50/sf, this does not reflect increased concessions, i.e. rent abatement, allowances, etc. which could further skew this figure and additional 5% to 8%.
- 16.1% reduction in the average sales price per square foot from \$102.18/sf to approximately \$85.81/sf.
- 13.8% reduction in the estimated value of the Troy industrial market from \$151,660,869.00 to \$130,820,949.00.

Retail

- 13.1% increase in the vacancy rate from 0.10% to 13.2% representing a negative annual absorption since 2000 and a current market supply of 445,820/sf.
- 21.1 month average time on market.
- 20.3% reduction in the average asking rate from \$18.25/sf to \$14.55/sf.
- 27.8% reduction in the estimated true rates from \$18.00/sf to \$13.00/sf, this does not reflect increased concessions, i.e. rent abatement, allowances, etc. which could further skew this figure and additional 10% to 15%.
- 19.5% reduction in the average sales price per square foot from \$217.00/sf to approximately \$174.83/sf.
- 18.4% reduction in the estimated value of the Troy industrial market from \$723,584,330.00 to \$590,475,737.00.

Please note that the information above illustrates an extreme change over longer periods of time, however, this tack was done purposely because Tax revenue changes typically lag the true market value changes by a few years. Example – for a commercial property a decrease in rents, increase in vacancy, increase in time on market, increase in concessions eventually effects exponentially on the true market value of the commercial asset, however, it is typically a couple years thereafter through assessment adjustments, tax appeals, etc. that the tax revenue is affected. Fortunately, this bears well for the City that the lagging reductions allow for time to make necessary adjustments to City budgets, although certainty of collection of Tax revenue is an increasing concern and will remain to be difficult until the market levels out and starts showing signs of stability and consistency.

We feel that the likely range of total Tax revenue reductions will track within the following parameters:

- 2010/2011 – Minimum reduction of the proposed 6.3% to 11%
- 2011/2012 – Minimum reduction of 8% to 15%
- 2012/2013 – Minimum reduction of 5% to 15%

The range increases in consecutive years due to increased uncertainty of the future market conditions and the impact of the lagging assessment and adjustment of Real Estate Taxes based on asset values.

Our analytics are supported by information obtained from the following sources: Commercial information from CORE Partners internal database, CPIX, CoStar Group and Residential information from RealComp.

We would like to thank you for the opportunity to review, analyze and comment on our findings and hope that this information helps to assist the City of Troy in making the necessary prudent decisions to ensure it's continued and future vibrancy. As you are aware, CORE Partners is a commercial real estate consulting firm that concludes a significant amount of transactions and corporate representation projects in the Troy marketplace and the future of the city is of great concern to us. Should you have any questions please do not hesitate to contact us to discuss and/or review.

Sincerely Yours,

A handwritten signature in blue ink, appearing to read "Matthew J. Farrell".

Matthew J. Farrell, CCIM
Executive Principal / Partner

A handwritten signature in blue ink, appearing to read "Ted Wilson".

Theodore A. Wilson
Vice President / Partner



City of Troy - Real Estate Market Analysis

Commercial

Office

	2000		2001		2002		2003	
		%		%		%		%
Total Inventory (# of Properties)	161	3.11%	166	0.60%	167	0.60%	168	1.79%
Total Inventory (SF)	13,042,912	2.69%	13,394,392	2.05%	13,669,392	0.08%	13,680,568	0.60%
Vacancy %	7.60%	107.89%	15.80%	15.19%	18.20%	12.09%	20.40%	4.90%
Avg Asking Rent	\$25.09	-11.68%	\$22.16	3.29%	\$22.89	-4.59%	\$21.84	-5.91%
Est Actual Rates	\$22.00	0.00%	\$22.00	-1.14%	\$21.75	-6.90%	\$20.25	-1.23%
S/F Sold	248,395	92.75%	478,778	-54.64%	217,186	-18.18%	177,703	27.32%
Sales Value/SF	\$125.08	-25.52%	\$93.16	1.04%	\$94.13	46.81%	\$138.19	-21.50%
Value of Total Inventory	\$1,631,407,433	-23.51%	\$1,247,821,559	3.12%	\$1,286,699,869	46.93%	\$1,890,517,692	-21.02%

Industrial

Total Inventory (# of Properties)	133	0.75%	134	0.00%	134	0.00%	134	0.00%
Total Inventory (SF)	3,481,490	0.57%	3,501,340	0.00%	3,501,340	0.00%	3,501,340	0.00%
Vacancy %	4.60%	165.22%	12.20%	13.93%	13.90%	44.60%	20.10%	14.93%
Avg Asking Rent	\$6.45	-9.30%	\$5.85	11.79%	\$6.54	-7.34%	\$6.06	-3.30%
Estimated Actual Rates	\$5.25	0.00%	\$5.25	0.00%	\$5.25	-4.76%	\$5.00	0.00%
S/F Sold	270,015	6.80%	288,374	-44.41%	160,305	45.39%	233,065	53.83%
Sales Value/SF	\$53.56	11.73%	\$59.84	11.13%	\$66.50	-11.04%	\$59.16	-4.09%
Value of Total Inventory	\$186,468,604	12.36%	\$209,520,186	11.13%	\$232,839,110	-11.04%	\$207,139,274	-4.09%

Flex

Total Inventory (# of Properties)	31	0.00%	31	0.00%	31	0.00%	31	3.23%
Total Inventory (SF)	1,484,252	0.00%	1,484,252	0.00%	1,484,252	0.00%	1,484,252	2.71%
Vacancy %	10.20%	-27.45%	7.40%	37.84%	10.20%	17.65%	12.00%	62.50%
Avg Asking Rent	\$7.76	39.18%	\$10.80	0.93%	\$10.90	-18.44%	\$8.89	-9.67%
Est Actual Rates	\$7.75	6.45%	\$8.25	1.21%	\$8.35	-4.19%	\$8.00	-6.25%
S/F Sold	178,824	-50.71%	88,143	30.84%	115,323	-47.97%	60,000	39.01%
Sales Value/SF	\$102.18	-8.52%	\$93.47	-20.21%	\$74.58	74.54%	\$130.17	-54.96%
Value of Total Inventory	\$151,660,869	-8.52%	\$138,733,034	-20.21%	\$110,695,514	74.54%	\$193,205,083	-53.74%

Retail

Total Inventory (# of Properties)	48	0.00%	48	0.00%	48	0.00%	48	0.00%
Total Inventory (SF)	3,334,490	0.00%	3,334,490	0.00%	3,334,490	0.00%	3,334,490	0.00%
Vacancy %	0.10%	200.00%	0.30%	400.00%	1.50%	53.33%	2.30%	173.91%
Avg Asking Rent	\$18.25	0.00%	\$18.25	-1.37%	\$18.00	-8.72%	\$16.43	-6.21%
Est Actual Rates	\$18.00	0.00%	\$18.00	-2.78%	\$17.50	-11.43%	\$15.50	-3.23%
S/F Sold	11,060	309.48%	45,288	-65.34%	15,698	757.34%	134,585	350.09%
Sales Value/SF	\$217.00	-35.94%	\$139.00	-4.16%	\$133.22	-37.05%	\$83.86	178.00%
Value of Total Inventory	\$723,584,330	-35.94%	\$463,494,110	-4.16%	\$444,220,758	-37.05%	\$279,630,331	178.00%

Total Market

Total commercial Value	\$2,693,121,237	\$2,059,568,889	\$2,074,455,251	\$2,570,492,381
Per-cent Value Change		-23.52%	0.72%	23.91%

Residential

	2007		2008		2009		2010		2011	
Total Listed	2,157	-18.68%	1,754	-33.47%	1,167		TBD		TBD	
Total Sold	600	-11.00%	534	-22.66%	413		TBD		TBD	
Avg Days on Market	122.70	8.80%	133.50	32.81%	177.30		20.00%		15.00%	
Avg Price per SF	\$114.30	-7.00%	\$106.30	-18.02%	\$87.14		-15.00%		-12.00%	
Avg Sale Price	\$259,568.00	-6.06%	\$243,842.00	-19.81%	\$195,531.00		-15.00%		-12.00%	

Disclaimer - The above projections are prepared for discussion purposes only using market data from multiple resources.

CORE Partners, LLC does not warrant or hold itself responsible for the accuracy of this data.



	2004	%	2005	%	2006	%	2007	%
Commercial Office								
Total Inventory (# of Properties)	171	0.58%	172	0.58%	173	0.00%	173	0.58%
Total Inventory (SF)	13,763,328	0.14%	13,782,608	0.01%	13,784,608	0.00%	13,784,608	0.28%
Vacancy %	21.40%	31.78%	28.20%	4.96%	29.60%	7.43%	31.80%	14.78%
Avg Asking Rent	\$20.55	-0.54%	\$20.44	0.44%	\$20.53	-1.12%	\$20.30	-5.12%
Est Actual Rates	\$20.00	-3.75%	\$19.25	-2.60%	\$18.75	-1.33%	\$18.50	-2.70%
S/F Sold	226,260	-10.33%	202,878	-52.52%	96,321	570.99%	646,303	-74.22%
Sales Value/SF	\$108.48	-6.57%	\$101.35	34.26%	\$136.07	-35.61%	\$87.61	-4.93%
Value of Total Inventory	\$1,493,045,821	-6.44%	\$1,396,867,321	34.28%	\$1,875,671,611	-35.61%	\$1,207,669,507	-4.67%
Industrial								
Total Inventory (# of Properties)	134	0.00%	134	0.00%	134	0.00%	134	0.00%
Total Inventory (SF)	3,501,340	0.00%	3,501,340	0.00%	3,501,340	0.00%	3,501,340	0.00%
Vacancy %	23.10%	-6.93%	21.50%	69.77%	36.50%	8.49%	39.60%	-7.32%
Avg Asking Rent	\$5.86	-2.73%	\$5.70	-4.04%	\$5.47	-12.61%	\$4.78	5.02%
Estimated Actual Rates	\$5.00	-5.00%	\$4.75	0.00%	\$4.75	-5.26%	\$4.50	0.00%
S/F Sold	358,521	106.35%	739,812	-31.04%	510,200	-51.97%	245,074	15.64%
Sales Value/SF	\$56.74	-19.28%	\$45.80	29.50%	\$59.31	-1.57%	\$58.38	-47.02%
Value of Total Inventory	\$198,666,032	-19.28%	\$160,361,372	29.50%	\$207,664,475	-1.57%	\$204,408,229	-47.02%
Flex								
Total Inventory (# of Properties)	32	0.00%	32	0.00%	32	0.00%	32	0.00%
Total Inventory (SF)	1,524,542	0.00%	1,524,542	0.00%	1,524,542	0.00%	1,524,542	0.00%
Vacancy %	19.50%	15.90%	22.60%	2.65%	23.20%	4.31%	24.20%	18.60%
Avg Asking Rent	\$8.03	3.24%	\$8.29	-3.26%	\$8.02	-1.62%	\$7.89	-11.91%
Est Actual Rates	\$7.50	0.00%	\$7.50	-6.67%	\$7.00	-3.57%	\$6.75	0.00%
S/F Sold	83,403	226.38%	272,213	-76.21%	64,748	N/A	N/A	N/A
Sales Value/SF	\$58.63	-11.68%	\$51.78	158.96%	\$134.09	N/A	N/A	N/A
Value of Total Inventory	\$89,383,897	-11.68%	\$78,940,785	158.96%	\$204,425,837	0.00%	\$204,425,837	-36.01%
Retail								
Total Inventory (# of Properties)	48	2.08%	49	2.04%	50	2.00%	51	0.00%
Total Inventory (SF)	3,334,490	0.66%	3,356,564	0.30%	3,366,539	0.32%	3,377,428	0.00%
Vacancy %	6.30%	-6.35%	5.90%	32.20%	7.80%	20.51%	9.40%	11.70%
Avg Asking Rent	\$15.41	-6.75%	\$14.37	7.93%	\$15.51	-4.51%	\$14.81	3.78%
Est Actual Rates	\$15.00	0.00%	\$15.00	0.00%	\$15.00	-3.33%	\$14.50	-1.72%
S/F Sold	605,758	-95.89%	24,925	-31.08%	17,179	49.83%	25,740	20.14%
Sales Value/SF	\$233.13	62.94%	\$379.86	-65.75%	\$130.09	73.95%	\$226.29	-15.59%
Value of Total Inventory	\$777,369,654	64.02%	\$1,275,024,401	-65.65%	\$437,953,059	74.51%	\$764,278,182	-15.59%
Total Market								
Total commercial Value	\$2,558,465,404		\$2,911,193,879		\$2,725,714,981		\$2,380,781,755	
Per-cent Value Change	-0.47%		13.79%		-6.37%		-12.65%	



Commercial

Office

	2008		2009	Projections	2010	2011	2012
		%					
Total Inventory (# of Properties)	174	0.00%	174		174	174	174
Total Inventory (SF)	13,822,608	0.00%	13,822,608		13,822,608	13,822,608	13,822,608
Vacancy %	36.50%	7.95%	39.40%		41.00%	44.00%	45.00%
Avg Asking Rent	\$19.26	-2.60%	\$18.76		\$17.50	\$17.50	\$17.50
Est Actual Rates	\$18.00	-5.56%	\$17.00		\$16.00	\$16.00	\$16.25
S/F Sold	166,612	3.84%	173,013		TBD	TBD	TBD
Sales Value/SF	\$83.29	-13.31%	\$72.20		-22.00%	-12.00%	-8.00%
Value of Total Inventory	\$1,151,285,020	-13.31%	\$997,992,298		-22.00%	-12.00%	-8.00%

Industrial

Total Inventory (# of Properties)	134	0.00%	134		134	134	134
Total Inventory (SF)	3,501,340	0.00%	3,501,340		3,501,340	3,501,340	3,501,340
Vacancy %	36.70%	40.05%	51.40%		53.00%	55.00%	56.00%
Avg Asking Rent	\$5.02	-9.16%	\$4.56		\$4.50	\$4.50	\$4.50
Estimated Actual Rates	\$4.50	-16.67%	\$3.75		\$3.25	\$3.50	\$3.50
S/F Sold	283,409	-76.96%	65,285		TBD	TBD	TBD
Sales Value/SF	\$30.93	0.00%	\$30.93		-12.00%	-10.00%	-8.00%
Value of Total Inventory	\$108,296,446	0.00%	\$108,296,446		-12.00%	-10.00%	-8.00%

Flex

Total Inventory (# of Properties)	32	0.00%	32		32	32	32
Total Inventory (SF)	1,524,542	0.00%	1,524,542		1,524,542	1,524,542	1,524,542
Vacancy %	28.70%	17.77%	33.80%		34.00%	36.00%	37.00%
Avg Asking Rent	\$6.95	7.05%	\$7.44		\$7.25	\$7.25	\$7.25
Est Actual Rates	\$6.75	-3.70%	\$6.50		\$6.00	\$6.25	\$6.25
S/F Sold	276,192	-71.30%	79,261		TBD	TBD	TBD
Sales Value/SF	\$85.81	-72.70%	\$23.43		0.00%	TBD	TBD
Value of Total Inventory	\$130,820,949	-72.70%	\$35,720,019		0.00%	TBD	TBD

Retail

Total Inventory (# of Properties)	51	0.00%	51		51	51	51
Total Inventory (SF)	3,377,428	0.00%	3,377,428		3,377,428	3,377,428	3,377,428
Vacancy %	10.50%	25.71%	13.20%		\$15.00	\$18.00	\$20.00
Avg Asking Rent	\$15.37	-5.34%	\$14.55		\$14.00	\$13.50	\$13.00
Est Actual Rates	\$14.25	-8.77%	\$13.00		\$12.00	\$12.00	\$12.00
S/F Sold	30,924	-60.60%	12,185		TBD	TBD	TBD
Sales Value/SF	\$191.01	-8.47%	\$174.83		-12.00%	-10.00%	-8.00%
Value of Total Inventory	\$645,122,522	-8.47%	\$590,475,737		-12.00%	-10.00%	-8.00%

Total Market

Total commercial Value	\$2,035,524,938		\$1,732,484,500		TBD	TBD	TBD
Per-cent Value Change	-14.50%		-14.89%		TBD	TBD	TBD