



500 West Big Beaver
Troy, MI 48084
troymi.gov

I-05

CITY COUNCIL AGENDA ITEM

Date: April 23, 2019

To: The Honorable Mayor and City Council Members

From: Mark F. Miller, City Manager
Tom Darling, Director of Financial Services
Glenn Lapin, Economic Development Specialist

Subject: Approval of the Troy Brownfield Redevelopment Authority (TBRA) Proposed Fiscal Year 2019/20 and Three-Year Budget

The Troy Brownfield Redevelopment Authority (TBRA) recommended approval of its proposed 2019/20 and Three-year budget at the April 16, 2019 TBRA meeting. City management recommends that City Council approve the TBRA's proposed 2019/20 and Three-year budget.

BROWNFIELD REDEVELOPMENT AUTHORITY



2019/2020 Budget



Brownfield Redevelopment Authority

County of Oakland, State of Michigan

2019/20 through 2021/22 Budget

Introduction

The Brownfield Redevelopment Financing Act, Act 381 of 1996, authorized the City of Troy to create the Troy Brownfield Redevelopment Authority (TBRA), which occurred on January 18, 1999. The purpose of the TBRA is to implement Brownfield Plans, create Brownfield redevelopment zones, promote revitalization, redevelopment and reuse of distressed properties within the City. Furthermore, the TBRA may utilize tax increment financing to assist redevelopment.

The TBRA shall consist of not less than five (5) persons and not more than nine (9) persons who serve for three year terms, and are appointed by the Mayor and approved by City Council.

The three year budget contains six active Brownfield plans as follows: Plan #4 for the TCF Bank Branch; Plan #6 for the MJR Troy Grand Digital Cinema 16; Plan #7 for the Regency at Troy (Ciena Healthcare); Plan #8 for the Somerset Shops; Plan #9 for the Uptown Apartments (formerly Midtown Apts.); and Plan #10 for the Harrison Poolside Troy Apartments.



Brownfield Redevelopment Authority

County of Oakland, State of Michigan

**2019/20 through 2021/22
Budget**

	2018 Actual	2019 Estimated	2019 Budget	2020 Budget	2021 Budget	2022 Budget
REVENUE						
Property Taxes-TCF	\$ 2,963	\$ 3,090	\$ 3,100	\$ 3,260	\$ 3,400	\$ 3,550
Property Taxes-MJR	81,093	79,310	79,430	78,870	80,710	82,590
Property Taxes - Somerset Shops	-	1,490	1,490	480	1,210	3,950
Property Taxes - Mult. Senior Citz Apts.	-	-	-	270	56,000	178,870
Property Taxes - Midtown Apts.	-	-	-	-	62,280	113,730
Property Taxes - Harrison-Troy PS Apts.	-	-	-	-	112,520	114,910
Interest Income	764	1,000	100	100	100	100
Total Revenues	84,820	84,890	84,120	82,980	316,220	497,700
EXPENDITURES						
Administrative Expenses	5,000	5,500	5,500	5,600	5,700	5,700
Audit Fees	2,000	1,800	2,040	1,840	1,880	1,920
Payment to TCF Bank	2,963	3,090	3,100	3,260	3,400	3,550
Payment to MJR	-	-	-	-	-	-
Payment to Somerset Shops	-	1,490	1,490	480	1,210	3,950
Payment to Mult. Senior Citz Apts.	-	-	-	270	56,000	178,870
Payment to Midtown Apts.	-	-	-	-	62,280	113,730
Payment to Harrison-Troy PS Apts.	-	-	-	-	112,520	114,910
Other expenditures	217	-	-	300	300	300
TOTAL - EXPENDITURES	10,180	11,880	12,130	11,750	243,290	422,930
Change in Fund Balance	74,640	73,010	71,990	71,230	72,930	74,770
BEGINNING FUND BALANCE	438,658	513,298	513,298	586,308	657,538	730,468
ENDING FUND BALANCE	\$ 513,298	\$ 586,308	\$ 585,288	\$ 657,538	\$ 730,468	\$ 805,238

Revolving Fund/Fund Balance

Beginning Balance	\$ 181,157	\$ 262,250	\$ 262,250	\$ 341,560	\$ 420,430	\$ 501,140
Loan payments from MJR	81,093	79,310	79,430	78,870	80,710	82,590
Ending Balance	262,250	341,560	341,680	420,430	501,140	583,730
Unassigned Fund Balance	251,048	244,748	243,608	237,108	229,328	221,508
Total Fund Balance	\$ 513,298	\$ 586,308	\$ 585,288	\$ 657,538	\$ 730,468	\$ 805,238



Brownfield Redevelopment Authority

County of Oakland, State of Michigan

Tax Capture and Millage 2019/20 through 2023/24

	2020 Budget	2021 Budget	2022 Budget	2023 Estimated	2024 Estimated
<u>TCF Bank (TCF)(BR4)</u>					
Base Taxable Value	\$ 197,940	\$ 197,940	\$ 197,940	\$ 197,940	\$ 197,940
Taxable Value	361,070	368,291	375,657	383,170	390,834
Captured Taxable Value	163,130	170,351	177,717	185,230	192,894
TCF Bank Tax Revenues	3,260	3,400	3,550	3,700	3,850
<u>MJR Theater (MJR)(BR6)</u>					
Base Taxable Value	\$ 1,025,640	\$ 1,025,640	\$ 1,025,640	\$ 1,025,640	\$ 1,025,640
Taxable Value	4,973,047	5,065,353	5,159,434	5,255,324	5,353,058
Captured Taxable Value	3,947,407	4,039,713	4,133,794	4,229,684	4,327,418
MJR Theater Tax Revenues	78,870	80,710	82,590	84,510	86,460
<u>Somerset Shops (SSS)(BR8)</u>					
Base Taxable Value	\$ 1,843,250	\$ 1,843,250	\$ 1,843,250	\$ 1,843,250	\$ 1,843,250
Taxable Value	1,867,500	1,903,751	2,040,716	2,280,410	2,324,886
Captured Taxable Value	24,250	60,501	197,466	437,160	481,636
Somerset Shops Tax Revenues	480	1,210	3,950	8,730	9,620
<u>Mult. Senior Citiz. (MSC)(BR7)</u>					
Base Taxable Value	\$ 879,840	\$ 879,840	\$ 879,840	\$ 879,840	\$ 879,840
Taxable Value	893,400	3,682,380	9,832,380	13,607,380	13,660,380
Captured Taxable Value	13,560	2,802,540	8,952,540	12,727,540	12,780,540
MSC Tax Revenues	270	56,000	178,870	254,300	255,360
<u>Midtown Apts. (MTA)(BR9)</u>					
Base Taxable Value	\$ 2,032,700	\$ 2,032,700	\$ 2,032,700	\$ 2,032,700	\$ 2,032,700
Taxable Value	1,972,880	5,150,000	7,725,000	10,036,000	10,236,720
Captured Taxable Value	-	3,117,300	5,692,300	8,003,300	8,204,020
MTA Tax Revenues	-	62,280	113,730	159,910	163,920
<u>Harrison Troy Poolside Apt (HTA)(BR10)</u>					
Base Taxable Value	\$ 368,620	\$ 368,620	\$ 368,620	\$ 368,620	\$ 368,620
Taxable Value	37,460	6,000,000	6,120,000	6,242,400	6,367,248
Captured Taxable Value	-	5,631,380	5,751,380	5,873,780	5,998,628
HTA Tax Revenues	-	112,520	114,910	117,360	119,850
Total Tax Revenues	\$ 82,880	\$ 316,120	\$ 497,600	\$ 628,510	\$ 639,060



Brownfield Redevelopment Authority

County of Oakland, State of Michigan

Tax Capture and Millage 2019/20 through 2023/24

	2020 Budget	2021 Budget	2022 Budget	2023 Estimated	2024 Estimated
Millage Rates					
City Less Debt Service	9.6681	9.6681	9.6681	9.6681	9.6681
County	4.4878	4.4878	4.4878	4.4878	4.4878
Community College	1.5431	1.5431	1.5431	1.5431	1.5431
Oakland County Transportation	1.0000	1.0000	1.0000	1.0000	1.0000
Intermediate School District	3.2813	3.2813	3.2813	3.2813	3.2813
Total	19.9803	19.9803	19.9803	19.9803	19.9803



Brownfield Redevelopment Authority

County of Oakland, State of Michigan

MJR Revolving Loan Schedule

Year	MJR Revolving Fund Debt Service						MJR Interest and Admin Fees				Totals	
	Beginning Balance	Interest (3%)	Admin Fees (1%)	Less Payments on Principal	Less Payments on Interest/Admin	Ending Balance	Interest Paid	Interest Outstanding	Admin Paid	Admin Outstanding	MJR Paid on LSRRF	Total Paid Tax MJR
2014/2015	463,495	13,905	4,635		(1,917)	480,118	1,917	11,988	-	4,635	1,917	13,502
2015/2016	480,118	14,404	4,801	(55,349)	(35,828)	408,146	26,392	-	9,436	-	91,177	91,177
2016/2017	408,146	12,244	4,081	(75,006)	(10,354)	339,111	10,354	1,890	-	4,081	85,360	85,360
2017/2018	339,111	10,173	3,391	(81,090)	-	271,585	-	12,063	-	7,472	81,090	81,090
2018/2019	271,585	8,148	2,716	(65,283)	(14,027)	203,139	14,027	6,184	-	10,188	79,310	79,310
2019/2020	203,139	6,094	2,031	(60,425)	(18,445)	132,394	12,278	-	6,167	6,052	78,870	78,870
2020/2021	132,394	3,972	1,324	(67,407)	(11,348)	58,935	3,972	-	7,376	-	78,755	80,710
2021/2022	58,935	1,768	589	(58,935)	(2,357)	-	1,768	-	589	-	61,292	82,590
Total		70,708	23,568	(463,495)	(94,276)		70,708		23,568		557,771	592,609