



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Date: June 26, 2025

To: Honorable Mayor and City Council

From: Frank A. Nastasi, City Manager

Subject: 2025 Bond Proposal

Background

June 10, 2024, Regular City Council Meeting: ReThinking Libraries (RTL) delivered the Troy Public Library Strategic Planning Report to the City Council. The presentation included a minimum space needs analysis of 82,299 square feet, based on 0.95 square feet per person and a population of 87,000 (slide 11). The presentation noted support for a new library building of at least 90,000 square feet, costing between \$29 million and \$ 39 million, within the Civic Center complex (slide 21).

June 24, 2024, Special City Council Meeting: City Council discussed funding options for a new library building. There was a consensus of the City Council to request that City Management provide funding options and examples of bond proposals from other communities.

January 11, 2025, Special City Council Meeting (Capital Conference): A detailed Post-Meeting Report dated January 27, 2025, was provided by the facilitator and included in the February 24, 2025, Special City Council Meeting agenda.

January 27, 2025, Regular City Council Meeting: The City Council awarded a contract to HBM Architects for architectural and engineering services to provide a schematic design and an opinion of cost for a new library building (Resolution #2025-01-015).

February 24, 2025, Special City Council Meeting (Capital Conference follow-up): The agenda packet included the Capital Conference Post-Meeting Report, an updated and detailed list of capital improvement projects, and every bond proposal that appeared on ballots in Oakland County between November 2020 and November 2024. During the meeting, City staff presented information regarding the projects and community engagement. There was consensus from the City Council to proceed with community engagement on projects totaling approximately **\$165 million**.

April 16, 2025, Special City Council Meeting: After conducting due diligence, City staff prepared a **\$112 million** bond proposal for a new library building, streets, park improvements, recreation improvements, and public safety. There was a consensus among the City Council to proceed with a bond proposal for one mill or less for a new library building, roads, public safety, parks, and recreation.

April 28, 2025, Special City Council Meeting: Joint meeting of the City Council and Planning Commission regarding the proposed new Troy Public Library building. Peter Bolek, President and Director of Design at HBM Architects, presented preliminary plans for a new library and discussed the process used to develop the plans. During the April 28 meeting, several comments were made and questions were asked regarding library size and population growth.



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May 19, 2025, Regular City Council Meeting: The agenda packet included a report dated May 14, 2025, regarding library size and population growth.

June 9, 2025, Regular City Council Meeting: Peter Bolek, President and Director of Design at HBM Architects, presented the schematic design and opinion of probable cost to the City Council. The City Council scheduled a special meeting for June 30, 2025, to discuss the 2025 Bond Proposal (Resolution #2025-06-087). The agenda packet also included a report dated June 4, 2025, regarding library space needs and benchmarks.

2025 Bond Proposal

As outlined above, this process began in June 2024 when the City Council requested that City Management provide funding options for a new public library facility. In preparation for the Capital Conference in January 2025, City staff projected a Capital Projects Fund deficit of \$51.8 million between fiscal years ending 2025 and 2030. Throughout this process, the City Council and staff have proceeded with the following assumptions:

- Focus on short-term capital needs while investing in long-term assets.
- Fund capital needs with general obligation bonds, subject to voter approval.
- Plan for a November 2025 bond proposal.
- Limit the need for future ballot proposals.

During the process, the City Council prioritized nearly **\$200 million** of capital expenditures, and City staff proceeded with community engagement and due diligence on projects totaling approximately **\$165 million**. In April 2025, City staff presented a **\$112 million** bond proposal to fund a new public library facility, street improvements, park improvements, recreation improvements, and public safety equipment. Earlier this month, the City Council was presented with an opinion of probable costs significantly greater than previously planned for a new 90,000-square-foot public library facility.

Since then, City staff have collaborated with the City's municipal financial advisor to develop a new **\$137 million** bond proposal that addresses the community's top priorities while minimizing the impact on taxpayers. This bond proposal includes two options for the City Council's consideration. The first option is for the City Council to approve ballot language for a bond proposal, subject to voter approval, authorizing the City to issue general obligation bonds not exceeding **\$137 million**, payable over a period of not more than **twenty (20) years**. The second option is for the City Council to approve ballot language for a bond proposal, subject to voter approval, authorizing the City to issue general obligation bonds for the library (**\$75 million**) payable over a period not to exceed **thirty (30) years** and obligation bonds not exceeding **\$62 million**, payable over a period not exceeding **twenty (20) years**. The 30-year payment period is expected to result in higher interest rates and lower annual payments compared to the 20-year payment period.

If the City Council gives direction on June 30, City staff will prepare ballot wording for the City Council's consideration at its July 14 regular meeting. If the City Council provides direction on July 14, City staff will prepare ballot wording for the City Council's consideration at its July 28 regular meeting. August 12, 2025, is the deadline for certifying the ballot wording of proposals qualified to appear on the November 4, 2025, ballot.

November 4, 2025 Bond Proposal

Special City Council Meeting

June 30, 2025

2024

June 10, 2024: Regular City Council Meeting

- Troy Public Library Strategic Plan Presentation

June 24, 2024: Special City Council Meeting

- Troy Public Library Strategic Planning

Q1 2025

January 11, 2025: Special City Council Meeting

- Capital Conference

February 24, 2025: Special City Council Meeting

- Capital Conference follow-up

Capital Project Prioritization

Orange Line

- \$112.74 million
- Estimated 0.9775 mills
- \$14.25 monthly tax based on \$175,000 Taxable Value

Green Line

- \$165.41 million
- Estimated 1.4341 mills
- \$20.91 monthly tax based on \$175,000 Taxable Value

Q2 2025

April 16, 2025: Special City Council Meeting

- \$112 million bond proposal

April 28, 2025: Special City Council Meeting

- Joint meeting of the City Council and Planning Commission

June 9, 2025: Regular City Council Meeting

- Troy Public Library Conceptual Design and Opinion of Cost

TOTAL PROJECT ESTIMATE **\$75,872,299**

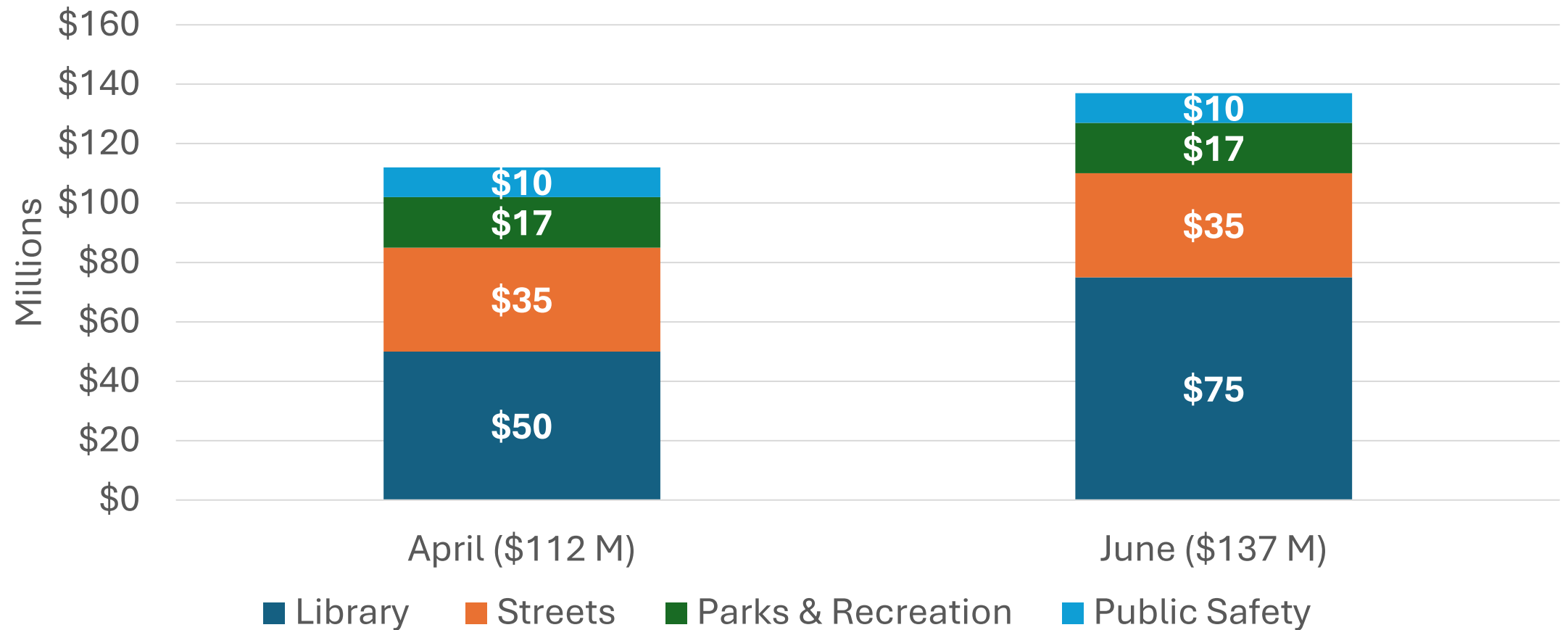
Hard Costs/Cost of Work **\$68,359,200**

Soft Costs **\$7,513,099**

Other Costs to Consider

- 1. Tariff Contingencies = \$3,417,960
- 2. Program Enhancements
 - + Child Interactives = \$400,000
 - + Outdoor Furniture = \$500,000
- 3. Additional Space for Programming
 - + 10,000 SF = \$8,430,255
 - <= 4,000 SF <= \$2,400,000

Bond Proposals

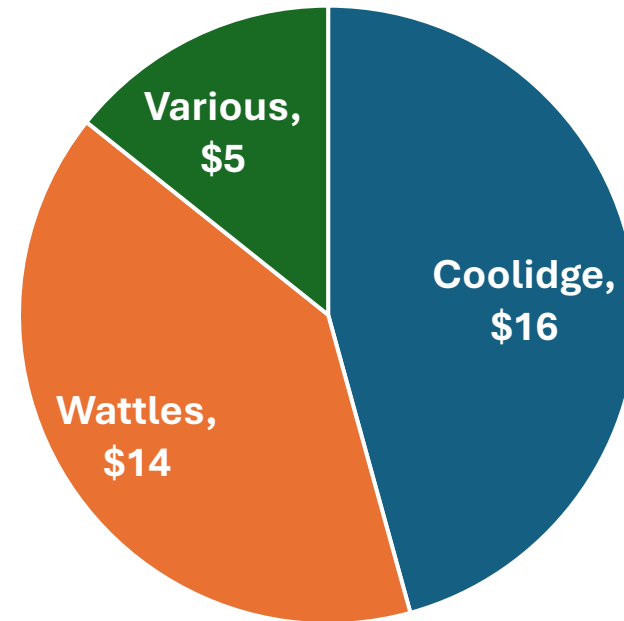


\$137 Million Bond Proposal

Library (\$75 million)

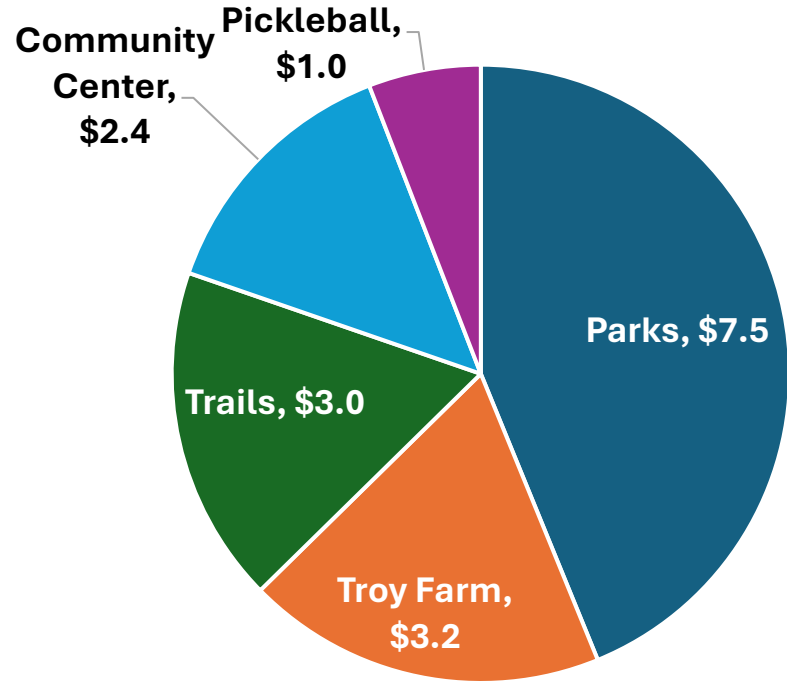
- \$75.87 million total project estimate
- 90,000 square feet

Streets (\$35 million)



\$137 Million Bond Proposal

Parks & Recreation (\$17 million)



Public Safety (\$10 million)

- Fire apparatus replacement
- Police body-worn cameras and public safety technology upgrades

\$137 Million Bond Proposal Options

0.9 mill Option

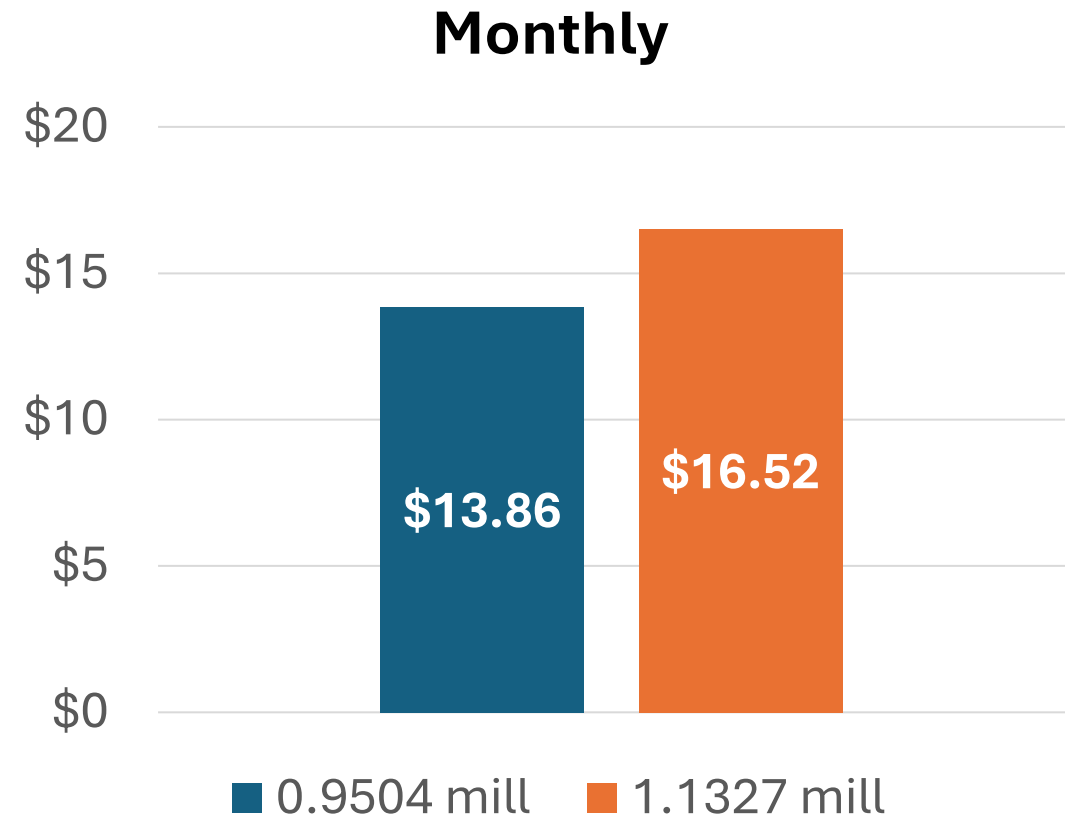
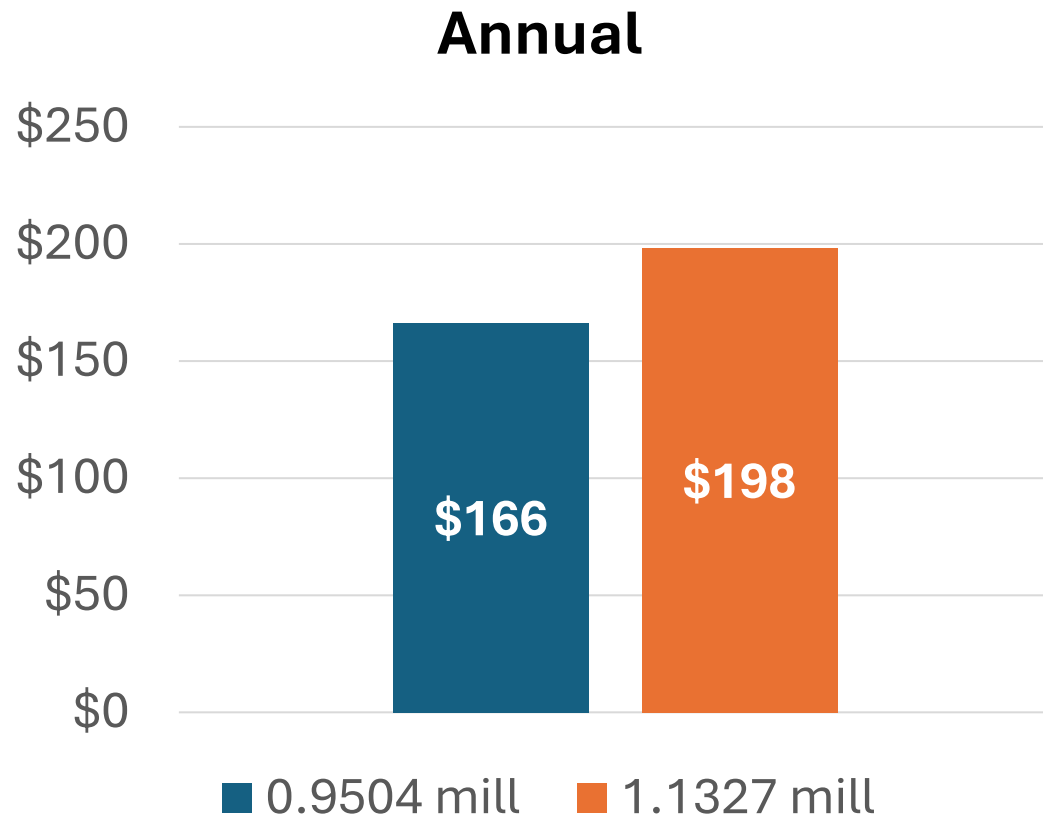
- \$62 M 20-year Principal
- \$75 M 30-year Principal
- 4.75% **Projected** Interest Rate
- 2.5% **Projected** Taxable Value Growth Rate

1.1 mill Option

- \$137 M 20-year Principal
- 4.50% **Projected** Interest Rate
- 2.5% **Projected** Taxable Value Growth Rate

See Debt Schedules for details about assumptions and annual millage requirements

2026 Estimated Tax, \$175,000 Taxable Value



Discussion

Special City Council Meeting

June 30, 2025

\$137,000,000

CITY OF TROY

COUNTY OF OAKLAND, STATE OF MICHIGAN

UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2026

SCHEDULE OF DEBT SERVICE REQUIREMENTS

On a Fiscal Year Basis

30 Years

Fiscal Year Beginning July 1	Principal Due October 1	Interest Rate	Interest Due October 1	Interest Due April 1 NEXT	Total Principal & Interest Requirements	Taxable Value in 1,000	Fiscal Year Millage Requirement
2026	\$ 835,000	4.75%	\$ 2,711,458	\$ 3,233,919	\$ 6,780,377	\$ 7,133,889	0.9504
2027	990,000	4.75%	3,233,919	3,210,406	7,434,325	7,312,236	1.0167
2028	1,230,000	4.75%	3,210,406	3,181,194	7,621,600	7,495,042	1.0169
2029	1,485,000	4.75%	3,181,194	3,145,925	7,812,119	7,682,418	1.0169
2030	1,755,000	4.75%	3,145,925	3,104,244	8,005,169	7,874,478	1.0166
2031	2,045,000	4.75%	3,104,244	3,055,675	8,204,919	8,071,340	1.0165
2032	2,355,000	4.75%	3,055,675	2,999,744	8,410,419	8,273,124	1.0166
2033	2,685,000	4.75%	2,999,744	2,935,975	8,620,719	8,479,952	1.0166
2034	3,035,000	4.75%	2,935,975	2,863,894	8,834,869	8,691,951	1.0164
2035	3,410,000	4.75%	2,863,894	2,782,906	9,056,800	8,909,249	1.0166
2036	3,810,000	4.75%	2,782,906	2,692,419	9,285,325	9,131,981	1.0168
2037	4,230,000	4.75%	2,692,419	2,591,956	9,514,375	9,360,280	1.0165
2038	4,680,000	4.75%	2,591,956	2,480,806	9,752,763	9,594,287	1.0165
2039	5,160,000	4.75%	2,480,806	2,358,256	9,999,063	9,834,144	1.0168
2040	5,665,000	4.75%	2,358,256	2,223,713	10,246,969	10,079,998	1.0166
2041	6,200,000	4.75%	2,223,713	2,076,463	10,500,175	10,331,998	1.0163
2042	6,775,000	4.75%	2,076,463	1,915,556	10,767,019	10,590,298	1.0167
2043	7,380,000	4.75%	1,915,556	1,740,281	11,035,838	10,855,055	1.0167
2044	8,020,000	4.75%	1,740,281	1,549,806	11,310,088	11,126,432	1.0165
2045	8,700,000	4.75%	1,549,806	1,343,181	11,592,988	11,404,593	1.0165
2046	9,420,000	4.75%	1,343,181	1,119,456	11,882,638	11,689,707	1.0165
2047	3,715,000	4.75%	1,119,456	1,031,225	5,865,681	11,981,950	0.4895
2048	4,045,000	4.75%	1,031,225	935,156	6,011,381	12,281,499	0.4895
2049	4,395,000	4.75%	935,156	830,775	6,160,931	12,588,536	0.4894
2050	4,765,000	4.75%	830,775	717,606	6,313,381	12,903,250	0.4893
2051	5,160,000	4.75%	717,606	595,056	6,472,663	13,225,831	0.4894
2052	5,575,000	4.75%	595,056	462,650	6,632,706	13,556,477	0.4893
2053	6,015,000	4.75%	462,650	319,794	6,797,444	13,895,389	0.4892
2054	6,485,000	4.75%	319,794	165,775	6,970,569	14,242,773	0.4894
2055	6,980,000	4.75%	165,775	-	7,145,775	14,598,843	0.4895
	\$ 137,000,000		\$ 60,375,271	\$ 57,663,813	\$ 255,039,083	\$ 313,196,999	0.8562 Average

Assumptions:

Bonds Dated:	05/01/2026
First Interest Payment:	10/01/2026
Number of Days:	150
Subsequent Interest Payment:	04/01/2027
Number of Days:	180
First Principal Payment:	10/01/2027
Projected Interest Rate	4.75%
2025 Taxable Value	\$ 6,959,891,440
Growth Rate in Taxable Value	2.50%

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The information contained herein was derived from sources generally recognized as reliable and does not make any representations as to correctness or completeness and has in no way been altered except to the extent that some information may be summarized, and is in no way intended to be a solicitation for orders.

\$137,000,000

CITY OF TROY

COUNTY OF OAKLAND, STATE OF MICHIGAN

UNLIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2026

SCHEDULE OF DEBT SERVICE REQUIREMENTS

On a Fiscal Year Basis

20 Years 4.50%

Fiscal Year Beginning July 1	Principal Due October 1	Interest Rate	Interest Due October 1	Interest Due April 1 <i>NEXT</i>	Total Principal & Interest Requirements	Taxable Value in 1,000	Fiscal Year Millage Requirement
2026	\$ 2,485,000	4.50%	\$ 2,568,750	\$ 3,026,588	\$ 8,080,338	\$ 7,133,889	1.1327
2027	2,285,000	4.50%	3,026,588	2,975,175	8,286,763	7,312,236	1.1333
2028	2,600,000	4.50%	2,975,175	2,916,675	8,491,850	7,495,042	1.1330
2029	2,935,000	4.50%	2,916,675	2,850,638	8,702,313	7,682,418	1.1328
2030	3,295,000	4.50%	2,850,638	2,776,500	8,922,138	7,874,478	1.1330
2031	3,675,000	4.50%	2,776,500	2,693,813	9,145,313	8,071,340	1.1331
2032	4,075,000	4.50%	2,693,813	2,602,125	9,370,938	8,273,124	1.1327
2033	4,505,000	4.50%	2,602,125	2,500,763	9,607,888	8,479,952	1.1330
2034	4,955,000	4.50%	2,500,763	2,389,275	9,845,038	8,691,951	1.1327
2035	5,435,000	4.50%	2,389,275	2,266,988	10,091,263	8,909,249	1.1327
2036	5,945,000	4.50%	2,266,988	2,133,225	10,345,213	9,131,981	1.1329
2037	6,485,000	4.50%	2,133,225	1,987,313	10,605,538	9,360,280	1.1330
2038	7,055,000	4.50%	1,987,313	1,828,575	10,870,888	9,594,287	1.1331
2039	7,655,000	4.50%	1,828,575	1,656,338	11,139,913	9,834,144	1.1328
2040	8,295,000	4.50%	1,656,338	1,469,700	11,421,038	10,079,998	1.1330
2041	8,970,000	4.50%	1,469,700	1,267,875	11,707,575	10,331,998	1.1331
2042	9,680,000	4.50%	1,267,875	1,050,075	11,997,950	10,590,298	1.1329
2043	10,430,000	4.50%	1,050,075	815,400	12,295,475	10,855,055	1.1327
2044	11,225,000	4.50%	815,400	562,838	12,603,238	11,126,432	1.1327
2045	12,065,000	4.50%	562,838	291,375	12,919,213	11,404,593	1.1328
2046	12,950,000	4.50%	291,375	-	13,241,375	11,689,707	1.1327
	\$ 137,000,000		\$ 42,630,000	\$ 40,061,250	\$ 219,691,250	\$ 193,922,452	1.1329 Average

Assumptions:

Bonds Dated: 05/01/2026

First Interest Payment: 10/01/2026

Number of Days: 150

Subsequent Interest Payment: 04/01/2027

Number of Days: 180

First Principal Payment: 10/01/2027

Projected Interest Rate 4.50%

2025 Taxable Value \$ 6,959,891,440

Growth Rate in Taxable Value 2.50%

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