



500 West Big Beaver
Troy, MI 48084
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CITY COUNCIL AGENDA ITEM

Date: June 3, 2020

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager
Robert Maleszyk, Chief Financial Officer
Glenn Lapin, Economic Development Specialist

Subject: Approval of the Troy Brownfield Redevelopment Authority (TBRA) Proposed Fiscal Year 2020/21 and Three-Year Budget

The Troy Brownfield Redevelopment Authority (TBRA) recommended approval of its proposed 2020/21 and Three-Year Budget at the June 2, 2020 TBRA meeting. City management recommends that City Council approve the TBRA's proposed 2020/21 and Three-Year Budget.



Brownfield Redevelopment Authority

County of Oakland, State of Michigan

2020/21 through 2022/23 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

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2020/21 through 2022/23 Budget

	2019	2020	2020	2021	2022	2023
	Actual	Estimated	Budget	Budget	Budget	Budget
REVENUE						
Property Taxes-TCF	\$ 3,094	\$ 3,260	\$ 3,260	\$ 3,380	\$ 3,530	\$ 3,680
Property Taxes-MJR	79,315	78,870	78,870	78,430	78,900	-
Property Taxes - Somerset Shops	1,495	480	480	12,250	14,880	19,750
Property Taxes - Regency at Troy	-	270	270	-	55,720	177,980
Property Taxes - Uptown Apts.	-	-	-	-	61,970	113,170
Property Taxes - Harrison-Troy PS Apts.	-	-	-	-	111,960	114,340
Interest Income	19,388	4,000	100	4,000	6,000	8,000
Total Revenues	103,292	86,880	82,980	98,060	332,960	436,920
EXPENDITURES						
Administrative Expenses	5,500	5,600	5,600	5,700	5,800	5,900
Audit Fees	1,800	1,840	1,840	1,880	1,920	1,920
Payment to TCF Bank	3,094	3,260	3,260	3,380	3,530	3,680
Payment to MJR	-	-	-	-	-	-
Payment to Somerset Shops	-	480	480	12,250	14,880	19,750
Payment to Regency at Troy	-	270	270	-	55,720	177,980
Payment to Uptown Apts.	-	-	-	-	61,970	113,170
Payment to Harrison-Troy PS Apts.	-	-	-	-	111,960	114,340
Other expenditures	72	300	300	300	300	300
TOTAL - EXPENDITURES	10,466	11,750	11,750	23,510	256,080	437,040
Change in Fund Balance	92,826	75,130	71,230	74,550	76,880	(120)
BEGINNING FUND BALANCE	513,298	606,124	606,124	681,254	755,804	832,684
ENDING FUND BALANCE	\$ 606,124	\$ 681,254	\$ 677,354	\$ 755,804	\$ 832,684	\$ 832,564

Revolving Fund/Fund Balance

Beginning Balance	\$ 262,250	\$ 341,565	\$ 341,565	\$ 420,435	\$ 498,865	\$ 560,491
Loan payments from MJR	79,315	78,870	78,870	78,430	61,626	-
Ending Balance	341,565	420,435	420,435	498,865	560,491	560,491
Unassigned Fund Balance	264,559	260,819	256,919	256,939	272,193	272,073
Total Fund Balance	\$ 606,124	\$ 681,254	\$ 677,354	\$ 755,804	\$ 832,684	\$ 832,564



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Tax Capture and Millage 2020/21 through 2024/25

	2021 Budget	2022 Budget	2023 Budget	2024 Estimated	2025 Estimated
<u>TCF Bank (TCF)(BR4)</u>					
Base Taxable Value	\$ 197,940	\$ 197,940	\$ 197,940	\$ 197,940	\$ 197,940
Taxable Value	367,930	375,289	382,794	390,450	398,259
Captured Taxable Value	169,990	177,349	184,854	192,510	200,319
TCF Bank Tax Revenues	3,380	3,530	3,680	3,830	3,980
<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	4,970,720	4,994,262	5,054,314	5,117,559	5,183,961
Captured Taxable Value	3,945,080	3,968,622	4,028,674	4,091,919	4,158,321
MJR Theater Tax Revenues	78,430	78,900	80,090	81,350	82,670
<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	2,459,440	2,591,494	2,836,573	2,886,486	2,937,329
Captured Taxable Value	616,190	748,244	993,323	1,043,236	1,094,079
Somerset Shops Tax Revenues	12,250	14,880	19,750	20,740	21,750
<u>Regency at Troy (MSC)(BR7)</u>					
Base Taxable Value	\$ 879,840	\$ 879,840	\$ 879,840	\$ 879,840	\$ 879,840
Taxable Value	685,900	3,682,380	9,832,380	13,607,380	13,660,380
Captured Taxable Value	-	2,802,540	8,952,540	12,727,540	12,780,540
MSC Tax Revenues	-	55,720	177,980	253,030	254,080
<u>Uptown Apts. (MTA)(BR9)</u>					
Base Taxable Value	\$ 2,032,700	\$ 2,032,700	\$ 2,032,700	\$ 2,032,700	\$ 2,032,700
Taxable Value	652,060	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	-	61,970	113,170	159,110	163,100
<u>Harrison Troy Poolside Apt (HTA)(BR10)</u>					
Base Taxable Value	\$ 368,620	\$ 368,620	\$ 368,620	\$ 368,620	\$ 368,620
Taxable Value	160,300	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	-	111,960	114,340	116,770	119,260
Total Tax Revenues	\$ 94,060	\$ 326,960	\$ 509,010	\$ 634,830	\$ 644,840
<u>Millage Rates</u>					
City Less Debt Service	9.6191	9.6191	9.6191	9.6191	9.6191
County	4.4846	4.4846	4.4846	4.4846	4.4846
Community College	1.5303	1.5303	1.5303	1.5303	1.5303
Oakland County Transportation	0.9927	0.9927	0.9927	0.9927	0.9927
Intermediate School District	3.2539	3.2539	3.2539	3.2539	3.2539
Total	19.8806	19.8806	19.8806	19.8806	19.8806



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)	(14,032)	203,134	14,032	6,179	-	10,188	79,315	79,315
2019/2020	203,134	6,094	2,031	(60,425)	(18,445)	132,389	12,273	-	6,172	6,047	78,870	78,870
2020/2021	132,389	3,972	1,324	(67,407)	(11,023)	59,255	3,972	-	7,051	320	78,430	78,430
2021/2022	59,255	1,778	593	(58,935)	(2,691)	-	1,778	-	913	-	61,626	78,900
Total		70,718	23,572	(463,495)	(94,290)		70,718		23,572		557,785	586,644