



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## CITY COUNCIL AGENDA ITEM



Date: April 28, 2021

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 Joint Local Development Finance Authority Troy Subcommittee  
Proposed Fiscal Year 2021/22 and Three-Year Budget

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The Joint Local Development Finance Authority Troy Subcommittee (LDFA) recommended approval of its proposed 2021/22 budget at the April 26, 2021 LDFA meeting. City management recommends that City Council approve the LDFA's proposed 2021/22 and Three-Year Budget.



## *Local Development Financing Authority*

County of Oakland, State of Michigan

**2021/22 through 2023/24 Budget**

### Introduction

Troy's Local Development Finance Authority, as established by The Local Development Financing Act, Act 281 of 1986, Section 125.2151, is composed of seven members and appointed for four-year terms by the Mayor subject to the approval of City Council.

The Authority's primary objective is to encourage local development to prevent conditions of unemployment and to promote economic growth; to provide for the establishment of local development finance authorities and to prescribe their powers and duties; to provide for the creation of a board to govern an authority and to prescribe its powers and duties; to provide for the creation and implementation of development plans; to authorize the acquisition and disposal of interests in real and personal property; to permit the issuance of bonds and other evidences of indebtedness by an authority; to prescribe powers and duties of certain public entities and state officers and agencies; to reimburse authorities for certain losses of tax increment revenues; and to authorize and permit the use of tax increment financing.

In 2003, the City of Troy established the Automation Alley SmartZone. In 2017, the SmartZone was extended for an additional 15 years. Central to the SmartZone was the designation of an area as a certified technology park. This 75-acre zone was created as a Local Development Finance Authority (LDFA). The tax increment will be used to fund infrastructure for the Automation Alley SmartZone. Initially funds were used to establish Automation Alley and its technology accelerator program. Funds are provided to Automation Alley for operational assistance of the technology accelerator. Automation Alley is a nonprofit manufacturing and technology business association and Michigan's Industry 4.0 knowledge center, with a global outlook and a regional focus. The organization connects industry, academia and government to fuel Michigan's economy and accelerate innovation. Automation Alley offers programs, resources and knowledge to help members grow and prosper in the digital age.



## Local Development Financing Authority

County of Oakland, State of Michigan

### 2021/22 through 2023/24 Budget

	2020 Actual	2021 Estimated	2021 Budget	2022 Budget	2023 Budget	2024 Budget
<b>REVENUE</b>						
Property Taxes	\$ 148,207	\$ 185,000	\$ 173,600	\$ 206,430	\$ 201,310	\$ 199,150
State Revenue Sharing-EMPP	59,109	51,815	40,000	40,000	40,000	40,000
Interest Income	5,191	1,400	100	100	100	100
<b>Total Revenues</b>	<b>212,507</b>	<b>238,215</b>	<b>213,700</b>	<b>246,530</b>	<b>241,410</b>	<b>239,250</b>
<b>EXPENDITURES</b>						
Automation Alley - Operations	124,178	110,000	112,896	132,510	129,354	127,980
Infrastructure	-	75,264	75,264	88,340	86,236	85,320
Tax Tribunals/Tax Refunds	(787)	-	-	-	-	-
Administrative Services	5,000	5,000	5,000	5,100	5,200	5,300
Marketing Costs (Membership)	17,500	17,500	17,500	17,500	17,500	17,500
Audit Fees	-	2,040	2,040	2,080	2,120	2,150
Other	-	1,000	1,000	1,000	1,000	1,000
<b>TOTAL - EXPENDITURES</b>	<b>145,891</b>	<b>210,804</b>	<b>213,700</b>	<b>246,530</b>	<b>241,410</b>	<b>239,250</b>
Change Before Other Financing	66,616	27,411	-	-	-	-
BEGINNING FUND BALANCE	62,917	129,533	129,533	156,944	156,944	156,944
<b>ENDING FUND BALANCE</b>	<b>\$ 129,533</b>	<b>\$ 156,944</b>	<b>\$ 129,533</b>	<b>\$ 156,944</b>	<b>\$ 156,944</b>	<b>\$ 156,944</b>

### Captured Taxable Value

	2021/22 Taxable	2022/23 Taxable	2023/24 Taxable
<b>Industrial Real Property</b>			
Real Base Taxable Value	\$ 13,016,380	\$ 13,016,380	\$ 13,016,380
Real Taxable Value	16,777,140	17,028,797	17,284,229
<b>Industrial Real Captured Value</b>	<b>3,760,760</b>	<b>4,012,417</b>	<b>4,267,849</b>
<b>Commercial Personal Property</b>			
Personal Base Taxable Value	545,070	545,070	545,070
Personal Taxable Value	1,677,220	1,702,378	1,727,914
<b>Commercial Personal Property Captured Value</b>	<b>1,132,150</b>	<b>1,157,308</b>	<b>1,182,844</b>
<b>Industrial Personal Property</b>			
Personal Base Taxable Value	885,930	885,930	885,930
Personal Taxable Value	3,377,040	2,701,632	2,161,306
<b>Commercial Personal Property Captured Value</b>	<b>2,491,110</b>	<b>1,815,702</b>	<b>1,275,376</b>
<b>Total Captured Value</b>	<b>\$ 7,384,020</b>	<b>\$ 6,985,427</b>	<b>\$ 6,726,069</b>
<b>Tax Revenues</b>			
Industrial Real Revenues	\$ 126,770	\$ 135,260	\$ 143,870
Commercial Personal Revenues	27,230	27,830	28,440
Industrial Personal Revenues	52,430	38,220	26,840
<b>Total Revenues</b>	<b>\$ 206,430</b>	<b>\$ 201,310</b>	<b>\$ 199,150</b>



## Local Development Financing Authority

County of Oakland, State of Michigan

2021/22 through 2023/24 Budget

Millage Rates	Oakland	City		School	*1/2 School	1/2	Community	Hold	State	
	County	(Less Debt)	OCPTA	OP	OP-12	ISD	College	Harmless	Education	Total
Industrial Real	4.57850	10.01550	0.98470	-	9.00000	1.61330	1.51770	-	6.00000	33.70970
	4.57850	10.01550	0.98470	3.00000	-	1.61330	1.51770	2.33750	-	24.04720
Commercial Personal										
Industrial Personal	4.57850	10.01550	0.98470	-	-	1.61330	1.51770	2.33750		21.04720