



500 West Big Beaver
Troy, MI 48084
troymi.gov



CITY COUNCIL AGENDA ITEM

Date: May 18, 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: Resolution to Schedule Public Hearing on June 28, 2021 for Proposed Eighth Amendment to Troy Downtown Development Authority Plan and Tax Increment Financing Plan

History

During the February 3, 2021 Joint City Council/ Downtown Development Authority Meeting, a proposed eighth amendment to the Downtown Development Authority Development Plan and Tax Increment Finance Plan was discussed. A draft amended Development Plan and Tax Increment Finance Plan was subsequently prepared and presented to the Downtown Development Authority for consideration at its April 21, 2021 meeting. The Downtown Development Authority reviewed and approved the proposed amendment at its April 21, 2021 meeting. The amendment is now being brought to City Council for scheduling of a Public Hearing on June 28, 2021.

This amendment incorporates the previous plans, including but not limited to the continuation of the Quality Development Initiative. This proposed amendment provides more flexibility, in the event that there are available funds that exceed the bond obligations, for a design and implementation of a new landscaping plan and other integrative elements that increase the value of the Downtown Development District.

The plan calls for a reserve to be set aside, so that there is some comfort that there will be sufficient funds to pay off the bonds that the City has backed with its full faith and credit. The amendment also identifies that over 100 residents are expected to be located in the District around July of 2021.

Financial

Downtown Development Authority financing is provided through funds generated by the Tax Increment Financing Plan induced by annual increases in property valuations from new construction within the Downtown District.

Recommendation

City administration recommends that City Council approve the resolution to schedule a Public Hearing on June 28, 2021 for consideration of the proposed Eighth Amendment to Troy Downtown Development Authority Plan and Tax Increment Financing Plan.



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Legal Review

This item was submitted to the City Attorney for review pursuant to City Charter Section 3.17.

Attachments:

1. 2021 Amendments to Development Plan and Tax Increment Financing Plan
2. Troy Downtown Development Authority Draft Minutes from April 21, 2021 meeting
3. Public Notice

**2021 Amendments
To Development Plan and
Tax Increment Financing Plan**

**City of
Troy Downtown
Development Authority**

BACKGROUND AND PURPOSE

A. Purpose of the Downtown Development Authority Act

Act 197 of Public Acts of 1975, as amended (MCL 125.1651 et. Seq., which has been subsequently codified and is now MCL 125.4201), of the State of Michigan, commonly referred to as the Downtown Development Authority Act ("Act 197") authorizes the establishment of a downtown development authority and was created in part to correct and prevent deterioration of business districts; to promote economic growth and revitalization; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the levy and collection of taxes; the issuance of bonds and the use of tax increment financing to finance downtown development contained in locally adopted development plans.

Act 197 seeks to attack problems of urban decline, strengthen existing areas and encourage new private developments in Michigan's downtown communities. It seeks to accomplish this goal by providing these communities with the necessary legal, monetary and organizational tools to revitalize downtown districts either through publicly initiated projects or in concert with private developments. The method chosen by downtown development authorities to make use of these tools depends on the problems and opportunities facing the district and the development priorities established by the community for the revitalization of the business area.

B. Creation of the Troy Downtown Development Authority

In July of 1993, the Troy City Council adopted Ordinance 78, and subsequently adopted Ordinance 80, which created the Troy Downtown Development Authority (the "DDA") and defined its powers. The DDA was given all of the powers and duties prescribed for a Downtown Development Authority pursuant to the Act.

C. Basis for the Tax Increment Plan and Development Plan

Act 197 provides the legal mechanism for local officials to address the need for economic development in the business district. In Troy, the Downtown District of the DDA can be generally described as the commercial area along Big Beaver Road from Rochester Road on the east to Newport Court on the west, (the "Downtown District"). The Development Area was subsequently established as coterminous with the boundaries of the Downtown District. A development plan and a tax increment-financing plan

were adopted for the purpose of implementing specific development programs and/or projects in the Development Area.

For purposes of financing activities of a downtown development authority within a downtown district, Act 197 provides for establishment of a Tax Increment Plan. By definition, a Tax Increment Financing Plan seeks to capitalize on and make use of the increased tax base created by economic development within the boundaries of a Downtown district. The tax increment financing plan is required to include a development plan that sets forth the improvements and projects to be financed by the tax increment financing plan.

D. The Current TDDA Development Plan and the TDDA Tax Increment Financing Plan

The Development Plan (the “Development Plan”) and the Tax Increment Financing Plan (the “Tax Increment Financing Plan” and together with the Development Plan, the “Plan”) of the DDA were initially approved and adopted by the Troy City Council on December 13, 1993. The Development Plan included Development Plan #1, which provided for reconstruction and improvements to Big Beaver Road and a public parking deck. The Tax Increment Financing Plan provided for capture and use by the DDA of all tax increment revenues generated from the captured assessed value of all taxable real and personal property within the Development Area for purposes of the Development Plan.

The Plan was subsequently amended on seven different occasions.

An amendment to the Development Plan was approved and adopted by the City on September 28, 1998 (referred to for purposes hereof as “Development Plan #2”). Development Plan #2 incorporated the area north of Cunningham Road for purposes of the construction of a data center for K-Mart and the proposed civic center site at Big Beaver and I-75.

Development Plan #2 expressly incorporated and restated the Tax Increment Financing Plan previously adopted by the DDA to finance development programs and projects within the Downtown District.

This second amendment to the Development Plan (referred to for purposes hereof as “Development Plan #3”), expressly incorporated and restated the development programs and projects described in Development Plan #1 and Development Plan #2 and described two additional major road projects including the widening of Big Beaver Road between I- 75 and Rochester Road and from I-75 to the northern DDA boundary deemed necessary by the DDA for the future economic vitality of the District, and with respect thereto, set forth the plans for development and financing of said projects as required under Act 197.

Development Plan #3 was structured to provide the DDA with the continued ability to utilize tax increment financing to address the needs of the Development Area.

Development Plan #4 was the third amendment to the Development Plan and facilitated the project known as “Troy Place Improvement Project.” With this project, the DDA provided the local match required for a local company to receive financial incentives from the State of Michigan in order to retain its headquarters in the City of Troy and the State of Michigan.

Development Plan #5 was the fourth amendment to the Development Plan and provided for the project known as “Sheffield Plaza Building #2 Improvement Project.” With this project, the DDA financed the local match required for a local company to receive financial incentives from the State of Michigan in order to retain its headquarters in the State of Michigan.

Development Plan #6 was the fifth amendment to the Development Plan and incorporated the projects known as the “Big Beaver Corridor Study Implementation Plan,” where the DDA supplied a local match for a local company to receive financial incentives from the State of Michigan, and also assisted with I-75 interchange improvements, improvements to the Big Beaver Corridor, park improvements and property acquisition. All previous amendments to the Tax Increment Financing Plan and Development Plan were incorporated and modified to include the new development, consistent with state law.

In 2013, there was a sixth amendment to the Development Plan that was necessitated by financial issues potentially jeopardizing the bonds issued by the DDA under its previous Plans. The DDA issued three separate bond issues in 2001, 2002 and 2003 (the “DDA Bonds”). The proceeds of the DDA Bonds were used as follows: in 2001, to finance the cost of roadway and streetscape improvements to Big Beaver Road and to refinance a portion of the cost of the parking garage adjacent to Somerset North; in 2002, to finance a portion of the cost of constructing the Troy Community Center; and in 2003, to finance a portion of the cost of constructing the Troy Community Center. Each of the DDA Bond issues was secured solely from the tax increment revenues expected to be derived from the properties in the Development Area, and there was no pledge of the full faith and credit of the City of Troy as additional security for the bonds. This was permitted because of the perceived strength of the taxable values of the Development Area and the projected ability of the properties in the Development Area to generate sufficient tax increment revenues pay the debt service on the DDA Bonds.

Due to an unanticipated and dramatic decline in the taxable values in portions of the Development Area, the amount of tax increment revenues captured in the Plan declined significantly. As a result, the DDA used its reserves and an advance from the City to avoid a default on the DDA

Bonds during the fiscal year beginning July 1, 2013.

The 2013 amendments to the Plan enabled the DDA to avoid a projected default on the DDA Bonds and provided for (i) revision of the Development Area for the Plan by removing therefrom certain specified properties; (ii) extension of the existence of the Plan to December 2033, and (iii) the issuance of general obligation bonds by the City (the “City Bonds”) to finance a portion of the cost of the Plan and in connection therewith refunded the outstanding DDA Bonds. The tax increment revenues received by the DDA pursuant to the 2013 amendments to the Under the Plan, the tax increment revenues received by the DDA are the first source of payment of the “City Bonds,” and the limited tax full faith and credit pledge of the City will be the secondary security for the City.

In 2017, the Plan was again amended (seventh amendment) to facilitate a new QDI development initiative to encourage parking structures and infrastructure to promote mixed use development within the Downtown Development Area, and to allow for maintenance of public facilities in the Downtown Development area, and marketing expenditures to maintain a positive image and competitive edge over other Southeastern Michigan communities. According to this Amendment, these expenses were secondary to the obligation to use tax increment financing, and the DDA was required to pledge its revenue to meet the financial obligations for the “City Bonds,” which were the first priority.

The QDI initiative, which is also incorporated and included in this amendment to the Plan, is designed to further the Troy’s DDA mission, recognizing that successful downtown districts include a mix of land uses, density, open space, multi-modal transportation options (including non-motorized transportation means), vibrant streetscapes with pedestrian activity, high quality development and amenities, natural features, art and culture. The QDI provides an additional DDA tool to further encourage the development of the key components that make up successful downtown environments. Parking structures and storm water detention/retention facilities for mixed use developments are often difficult to finance or may not necessarily achieve the quality, scale and scope desired by the DDA. The QDI would encourage mixed use projects that require parking structures and other public improvements such as storm water detention/retention facilities.

The QDI utilizes up to 60% of the annual tax increment increase of the target property to be used for public facilities and enhancement. The funds may be used to financially assist a developer on an annual basis for a portion of the cost of these needed public improvements. Each QDI would require a separate agreement. The DDA has the flexibility to adjust the amount of the annual assistance, not to exceed 60% the tax capture on any new investment. Any QDI shall not extend beyond the life of the DDA, which ends in 2033.

Minimum QDI Standards

In determining eligibility for QDI assistance, a proposed project shall meet the following standards:

1. The project has a public use and public benefit.
2. The project shall have a privately- owned public facility.
3. The project is consistent with the City of Troy Master Plan.
4. The project is consistent with the vision set forth by the Big Beaver Corridor Study.
5. The project shall contain mixed use development.
6. The total QDI assistance payments shall not be greater than 60% of the cost to construct the privately- owned public facility.
7. The QDI assistance shall be generated from the projects new DDA capture and shall not exceed 60% of the new DDA tax capture from the new investment.
8. The project shall feature a parking facility or facilities (structure or underground). A minimum of 50% of the project site's total parking requirements must be accommodated by the proposed parking facility or facilities.
9. Parking structure projects shall achieve high quality design standards and be constructed with high quality materials.
10. Project shall successfully go through any review and permit processes required by the City of Troy.
11. Storm water detention projects, along with sanitary sewers, storm sewers, water mains, detention basins, grading and rear yard drainage, paving, soil erosion and sedimentation control, site improvement plans and sidewalks shall generally follow best management practices. Practices may not apply to all conditions, and alternate solutions may be permitted as approved by the City Engineer.

These QDI Standards are intended to provide a sound, reasonable basis for the design and implementation of potential projects. They are not intended as a substitute for sound planning and engineering judgment. These standards incorporate the City of Troy Standard Details and the City of Troy Specifications.

E. Reasons for Proposed Plan Amendments

In recognition of the Authority's improved financial position, and the expectation that the projected amounts of tax revenue under the Plan will adequately cover the City's outstanding bond obligations and also allow for other expenditures, this Eighth Amendment to the Plan provides flexibility to authorize expenditures for the design, purchase, plan, and installation of new landscaping and other integrated upgrades in the DDA District, as well as the continued ability to enter into individual QDI Agreements, continue marketing and branding initiatives, and other administrative costs.

2021 PLAN AMENDMENTS

I. AMENDMENTS TO THE DEVELOPMENT PLAN

II. The following sections of the Development Plan are amended to read as follows:

A. DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA AND NEW PROJECTS

The Development Area is located within the jurisdictional limits of the City of Troy and the Downtown District is not coterminous with the Development Area in that some properties were removed from the Development Area in the 2013 Plan Amendments. The Development Area is shown on Exhibit #1.

B. LOCATION AND EXTENT OF PROPOSED PUBLIC AND PRIVATE LAND USES

When the Troy City Council created the Troy Downtown Development District and Authority, it was envisioned that the Authority would use an integration of public and private land uses as a means of enhancing, strengthening, and expanding the entire economic base of the DDA District.

C. EXISTING IMPROVEMENTS IN THE DEVELOPMENT AREA TO BE DEMOLISHED, REPAIRED OR ALTERED AND TIME REQUIRED FOR COMPLETION

The 2021 Amendment would allow for landscaping and other integrated improvements to the publicly owned property, as well as incentivizing integrated elements on privately owned property. The incorporation of the QDI Program provides financial support for publicly accessed area improvements to private facilities.

D. THE LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF IMPROVEMENTS INCLUDING REHABILITATION FOR THE DEVELOPMENT AREA

The Authority will prioritize the repayment of the City's outstanding bond obligations as its top responsibility, and is obligated to retain an amount in reserve that is acceptable to the Troy City Council, in light of the Authority's financial condition and predicted tax increment capture. The City's Chief Financial Officer will annually review this information, and may recommend a modification to the reserve amounts. Additional detail, including the estimated costs of any additional expenditures, shall be incorporated into the annual

budget process.

E. STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION

It is expected that the work on the Development Plan, including a landscaping design plan, will commence upon the adoption of this amendment to the Plan, and will continue through the duration of the Authority, which is enabled through the collection of taxes levied through December of 2033.

F. DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS AND UTILITIES

No zoning changes are anticipated. However, there may be changes in the streets, intersections, and utilities to facilitate an integrated plan and enhance pedestrian accessibility.

G. ESTIMATE OF THE COST OF THE DEVELOPMENT, PROPOSED METHOD OF FINANCING AND ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING

Financing for the project would be provided through funds generated by the Tax Increment Financing Plan induced by annual increases in property valuations from new construction within the Downtown District.

H. DESIGNATION OF PERSON OR PERSONS, NATURAL OR CORPORATE, TO WHOM ALL OR A PORTION OF THE DEVELOPMENT IS TO BE LEASED, SOLD, OR CONVEYED IN ANY MANNER AND FOR WHOSE BENEFIT THE PROJECT IS BEING UNDERTAKEN IF THAT INFORMATION IS AVAILABLE TO THE AUTHORITY

The QDI Program could provide financial support for strategically placed publicly accessed area improvements to private facilities. These improvements will immediately benefit the private property owner and/or tenant, but will also benefit the public, surrounding businesses and neighbors by aiding in the economic growth of the Downtown District. An upgraded landscaping plan is also expected to benefit the entire District area.

I. ESTIMATE OF THE NUMBER OF PERSONS RESIDING IN THE DEVELOPMENT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED

As a result of newly constructed apartments, it is expected that there will be over 100 new residents in the District, starting in approximately July 2021. It is not anticipated that there will be a displacement of individuals and families within the Development Area. As a result, a plan for compliance of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended does not need to be addressed. Should it become necessary to address relocation at some future date, the TDDA shall abide by requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

J. PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA

The 2021 Plan Amendment does not anticipate the displacement of individuals and families, and as a result, a plan for compliance of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended need not be addressed. Should it become necessary to address relocation at some future date, the TDDA shall abide by requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

K. PROVISION FOR THE COSTS OF RELOCATING PERSONS DISPLACED BY THE DEVELOPMENT. AND FINANCIAL ASSISTANCE AND

**REIMBURSEMENT OF EXPENSES, INCLUDING LITIGATION EXPENSES
AND EXPENSES INCIDENT TO THE TRANSFER OF TITLE IN
ACCORDANCE WITH THE STANDARDS AND PROVISIONS OF THE
FEDERAL UNIFORM RELOCATION ASSISTANCE AND REAL
PROPERTY ACQUISITION POLICIES ACT OF 1970**

The 2021 Plan Amendment does not anticipate that there will be any displacement of individuals and families. As a result, a plan for compliance of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended need not be addressed. Should it become necessary to address relocation at some future date, the DDA shall abide by requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Act 227 of Public Acts of 1972, as amended.

**L. PLAN FOR COMPLIANCE WITH THE FEDERAL UNIFORM
RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION
POLICIES ACT OF 1970 AND ACT 227 OF THE PUBLIC ACTS OF 1972
AS AMENDED**

Act 227 of Public Acts of 1972, as amended, is an Act to provide financial assistance, advisory services and reimbursement of certain expenses to persons displaced from real property or deprived of certain rights in real property. This Act requires procedures and policies comparable to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. Since the 2021 Plan Amendment does not require the acquisition of residential property and displacement of persons, a plan for compliance with Act 227 is not addressed.

TAX INCREMENT FINANCING PLAN- Eighth Amendment

1. DEFINITIONS USED IN THIS PLAN

- A. **Captured Assessed Value**-- (CAV) means the amount in any one (1) year by which the current assessed value, as equalized, of the eligible property identified in the Tax Increment Financing Plan, including the current assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in Subdivision (c) exceeds the Initial Assessed Value. The State Tax Commission shall prescribe the method for calculating Captured Assessed Value.
- B. **Initial Assessed Value** – (IAV) means the assessed value, as equalized, of the eligible property identified in the Tax Increment Financing Plan at the time the Resolution establishing the Tax Increment Financing Plan is approved as shown by the most recent assessment roll for which equalization has been completed at the time the Resolution is adopted. Property exempt from taxation at the time of the determination of the Initial Assessed Value shall be included as zero. Property for which a specific local tax is paid in lieu of property tax shall not be considered exempt from taxation. The Initial Assessed Value of property for which a specific local tax was paid in lieu of property tax shall be determined as provided in Subdivision (c).

“Assessed value” means one of the following:

1. For valuations made before January 1, 1996, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.
 2. For valuations made after December 31, 1994, the taxable value as determined under section 27a of the General P r o p e r t y Tax Act, 1893 PA 206, MCL 211.27a.
- C. **Specific Local Tax** – means a tax levied under Act 198 of the Public Acts of 1974, being sections 207.551 to 207.571 of the Michigan Compiled Laws, the Commercial Redevelopment Act, Act No. 255 of the Public Acts of 1978, being Section 207.651 to 207.668 of the Michigan Compiled Laws, the Enterprise Zone Act, Act No. 2424 of the Public Acts of 1985, being Sections 125.2101 to 125.2122 of the Michigan Compiled Laws, and the Technology Park Development Act, Act No. 285 of the Public Acts of 1984, being Sections 207.701 to 207.718 of the Michigan Compiled Laws. The Initial Assessed Value or Current Assessed Value of property subject to specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate.

2. PURPOSE OF THE TAX INCREMENT FINANCING PLAN

The City of Troy's Downtown Development Area wishes to avoid deterioration of its property values. In order to avoid property tax value deterioration and to continue to increase property tax valuations and facilitate the overall economic growth of its Business District, it is deemed to be beneficial and necessary to create and provide for the operation of a Downtown Development Authority in the city under the provisions of Act 197 Public Acts of Michigan, 1975 as amended (the "Act").

The Authority has determined that a Tax Increment Financing Plan is necessary for the achievement of the purposes of the Act and it is authorized to prepare and submit said Plan to the Governing Body. The Tax Increment Financing Plan (the "Plan"), set forth herein shall include a Development Plan, a detailed explanation of the Tax Increment procedure, the maximum amount of bonded indebtedness to be incurred, the duration of the program, the impact of Tax Increment Financing on the assessed values of all taxing jurisdictions in which the Development Area is located and a statement of the portion of the Captured Assessed Value to be used by the Authority.

3. EXPLANATION OF THE TAX INCREMENT PROCEDURE

The theory of Tax Increment Financing holds that investment is necessary and capital improvements in a designated area within a Municipality will result in greater property tax revenues from that area than would otherwise occur if no special development were undertaken. This section is intended to explain the Tax Increment procedure.

A. In order to provide a Downtown Development Authority with the means of financing development proposals, the Act affords the opportunity to undertake Tax Increment Financing or Development Programs. These programs must be identified in a Tax Increment Financing Plan, which has been approved by the Governing Body of a Municipality. Tax Increment Financing permits the Authority to capture incremental tax revenues attributable to increases in value of Real and Personal Property located within an approved Development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alterations, additions or any other factors, which cause growth in value.

B. At the time the Resolution establishing a Tax Increment Financing Plan is approved, the sum of the most recently assessed values, as equalized, of those taxable properties located within the Development Area is established as the "Initial Assessed Value." Property exempt from taxation at the time of determination of the Initial Assessed Value is included as zero. In each subsequent year, the total Real and Personal Property within the District, including abated property on separate rolls is established as the "Current Assessed Value."

C. The amount by which the Total Assessed Value exceeds the IAV is the

CAV. During the period in which a Tax Increment financing Plan is in effect, local taxing jurisdictions continue to receive ad valorem taxes based on the IAV. Property taxes paid on a predetermined portion of the CAV in years subsequent to the adoption of a Tax Increment Financing Plan, however, are payable to an Authority for the purposes established in the Tax Increment Financing Plan.

4. TAXING JURISDICTION AGREEMENTS

Tax increment revenues for the Downtown Development authority result from the application of the general tax rates of the incorporated municipalities and all other political subdivisions, which levy taxes in the Development Area to the Captured Assessed Value. Since the Plan may provide for the use of all or part of the captured tax increment revenue, the Downtown Development authority may enter into agreements which any of the taxing units to share a portion of the revenue of the District.

The Authority intends to utilize all captured revenue from the District for projects identified under its Work Program for the duration of this Development Plan and TIF Plan.

5. PROPERTY VALUATIONS AND CAPTURED REVENUE

The property valuation on which incremental tax revenues will be captured is the difference between the Initial Assessed Valuation and the Captured Assessed Valuation. The purpose of this section is to set forth the Initial Assessed Valuation, the projected Captured Assessed Valuation and the anticipated increment revenues to be received by the Authority from the Local Taxing Jurisdictions including the City of Troy, the and any other authorities or special tax districts that may be eligible to levy property taxes within the boundaries of the Downtown Development authority, herein collectively referred to as the "Local Taxing Jurisdictions."

- a) The Initial Assessed Valuation entails that previously established through Tax Increment Financing Plan #1. It is based on the 1993 State Equalized Valuations on Real and Personal Property on all non-exempt parcels within the Development Area. The Initial Assessed Valuation is detailed below:

Total Real Property	\$342,342,400
Total Personal Property	<u>\$ 86,936,130</u>
Initial Assessed Valuation	\$429,278,530

- b) The anticipated Captured Assessed Value is equivalent to the annual total assessed value within the Authority Boundaries less the Initial Assessed Value as described above. The CAV then becomes the basis for the property tax levy on which incremental taxes are collected. The CAV is projected based on a number of factors including historical growth

patterns, recent construction trends, economic indicators and the impact of certain development projects anticipated to be undertaken by the Downtown Development Authority. For projection purposes, the inflationary growth factor applied to annual valuation is 1.0%.

- c) The Authority will receive that portion of the tax levy of all taxing jurisdictions paid each year on the Captured Assessed Value of the eligible property included in the Development Area). Provided the captured tax increment revenues are not directed back to the local taxing jurisdictions by agreement, the Authority may use the revenues for any legal purpose as is established under the Act. Millage specifically levied for the payment of principal of and interest on obligations approved by the Electors or obligations pledging the unlimited taxing power of the Local Governmental Unit shall be captured but reimbursed to the appropriate taxing jurisdictions.

For instance, if the tax rate is 60.00 mills per \$1,000 of assessed valuation, the tax increment will be 60.00 mills applied to the total Captured Assessed Valuation unless tax abatements have been granted to specific industries whereby the tax increment may be collected on a lower millage amount.

The City Treasurer will collect the general property taxes from property owners in the Downtown Area. After taxes are collected, the Treasurer will deduct that portion of the total tax that is captured assessed value of the Downtown Development Authority and distribute them to the authority to use for purposes outlined in the Development Plan.

A review of the 2001 millage rates for all Local Taxing Jurisdictions in the Development Area is as set forth in Table #1 TDDA □ Tax Increment Revenue.

6. MAXIMUM INDEBTEDNESS

Changes to Tax Increment Financing imposed through approval of Proposal A in March 1994 prohibit the use of such revenues for reimbursement of bond indebtedness in projects established after December 31, 1993. The state legislature amended Proposal A to allow for non-school revenues to be used by Downtown Development Authorities to issue bonds.

Effective upon the retirement, redemption or other defeasance of all Outstanding Bonds, the provisions of Section 14(2) of the Plan #1 are amended to conform with the statutory provisions of Act 197, as amended, in effect at the time of the issuance of any future indebtedness of the City, the TDDA or both. The more restrictive provisions in Plan #1 or Plan #2 of the TDDA including, but not limited to, limitations set for the in Section 14(2) of Plan #1 on the percentage and/or amount of TDDA tax increment revenues that may be pledged and restrictions on the total aggregate amount of

borrowing of the TDDA shall be of no further force and effect with respect to such future indebtedness.

7. USE OF CAPTURED REVENUES

Revenues captured through this Tax Increment Finance Plan will be used to finance Work Program Activities outlined in Section 6 of the Development Plan. Captured revenues will be used to pay for costs associated with the operation of this Development Plan.

8. DURATION OF THE PROGRAM

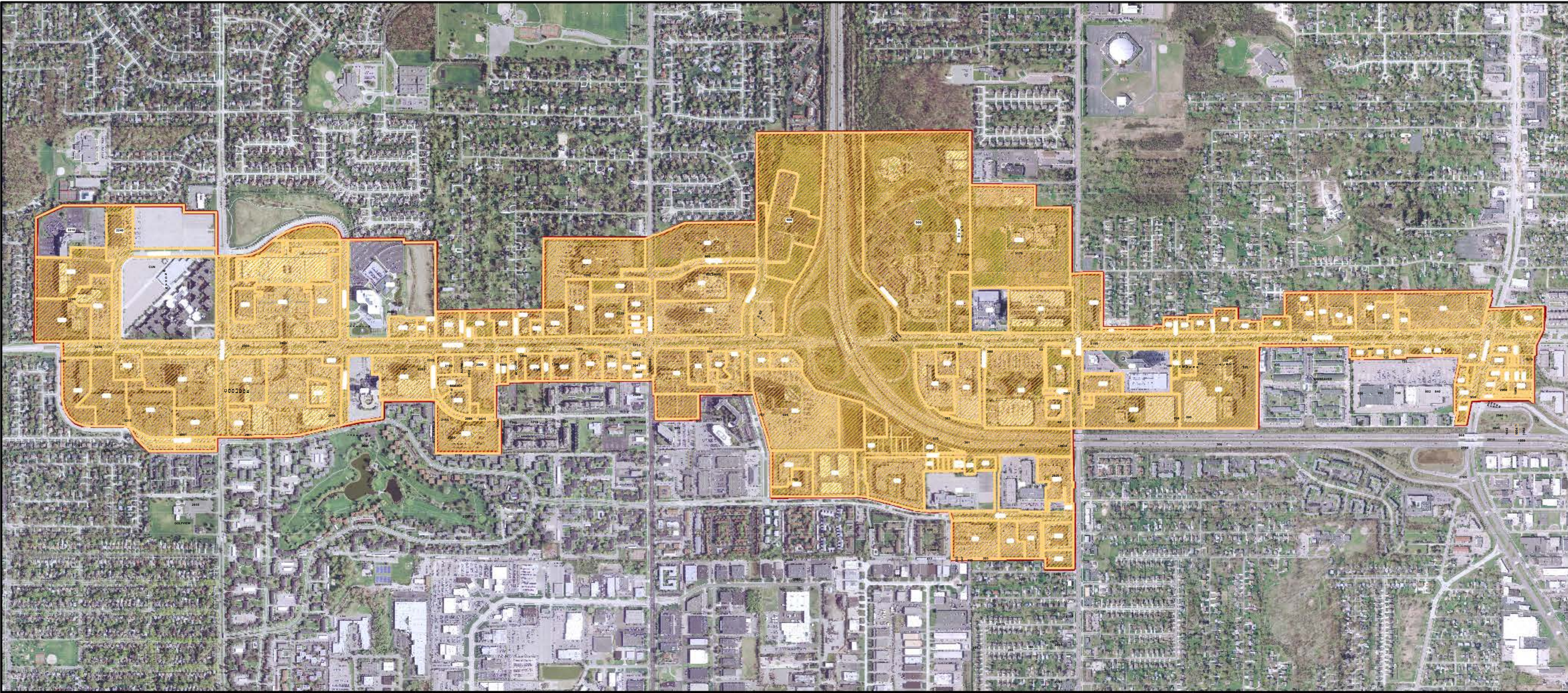
The duration of the Development Plan shall extend through the collection of taxes levied through December of 2033.

9. PLAN IMPACT ON LOCAL TAXING JURISDICTIONS

The Authority recognizes that future development in the city's business district cannot be fully achieved in the absence of Tax Increment Financing. The authority also recognizes that enhancement of the value of nearby property will indirectly benefit all Local Governmental Units included in this Plan. It is expected that the effected Local Taxing Jurisdictions will experience some loss of property tax revenues during the Plan but should also realize increased property tax revenues as a result of Capital Improvements financed by the Plan. Such future benefits cannot be accurately quantified at this time.

10. RELEASE OF CAPTURED REVENUES

When the Development and Financing Plans have been accomplished, the captured revenue shall be released and the Local Taxing Jurisdictions shall receive their revenue share due following the date of release.



Legend

- Parcel
- Development Area
- DDA Boundary

Revised Development Area

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An electronic public meeting of the Troy Downtown Development Authority was held on Wednesday, April 21, 2021. Chair Alan Kiriluk called the meeting to order at 9:16 AM.

Chair Alan Kiriluk warmly welcomed new DDA member David Stone of Trion Solutions. Chair Alan Kiriluk also recognized and thanked Ward Randol for his years of service to the DDA. Mr. Randol has moved out of the City and has resigned from the board.

Present:	Kiriluk, Alan (Chair)	
	Blair, Tim (Vice Chair)	
	Baker, Mayor Ethan	
	Keisling, Larry	
	Knollenberg, Martin	
	Koza, Kenny	
	MacLeish, Dan	
	Stone, David	
	Tomcsik-Husak, Tara	Arrived 9:45 am
Absent:	Bush, Cheryl	
	Reschke, Ernest	
	Schroeder, Douglas	
Also Present:	Miller, Mark F., <i>Executive Director</i>	
	Bluhm, Lori	
	Bovensiep, Kurt	
	Lapin, Glenn	
	Licari, Nino	
	Maleszyk, Robert, <i>Secretary/Treasurer</i>	
	Michalik, David, <i>Troy IT Dept.</i>	
	Savidant, Brent	

Resolution to Conduct Electronic Meeting

Resolution: DDA-2021-04-01

Moved by: MacLeish
Seconded by: Knollenberg

RESOLVED, that the Troy Downtown Development Authority (DDA) hereby allows all members to participate in public meetings by electronic means as allowed under the Open Meetings Act, based on the Troy City Council's Emergency Declaration of April 12, 2021, since an in person meeting could detrimentally increase exposure of board members and the general public to COVID-19, and would also be difficult to facilitate in light of the Michigan Department of Health and Human Services epidemic orders protecting public health and safety.

Members participating electronically will be considered present and in attendance at the meeting and may participate in the meeting as if physically present. However, members must avoid using email, texting, instant messaging, and other such electronic forms of communication to make a decision or deliberate toward a decision.

RESOLVED, that the Troy Downtown Development Authority hereby establishes public participation rules to provide for two methods by which members of the public can be heard by others during meetings. Email sent to economicdevelopment@troymi.gov and received by 4:00 pm on the day prior to the meeting will be read during the public comment period of the meeting. Voicemail left at 248.524.3314 and received by 4:00 pm on the day prior to the meeting will be played during the public comment period of the meeting. Both email and voicemail public comments will be limited to three minutes each.

Yeas: 9
Absent: 3

Approval of Minutes – January 20, 2021

Resolution: DDA-2021-04-02

Moved by: Knollenberg
Seconded by: MacLeish

RESOLVED, the Troy Downtown Development Authority approves meeting minutes from the January 20, 2021 meeting.

Yeas: 9
Absent: 3

Old Business – None

New Business

- A. Approval of 2021-22 Budget (Presented by Mark F. Miller, Executive Director and Rob Maleszyk, Secretary/Treasurer)

Resolution: DDA-2021-04-03

Moved by: MacLeish
Seconded by: Knollenberg

RESOLVED, the Troy Downtown Development Authority approves the 2021-22 Budget as presented.

Yeas: 9
Absent: 3

- B. DDA Landscaping & I-75/Big Beaver Interchange Improvements

Executive Director Mark F. Miller and Public Works Director Kurt Bovensiep provided an overview. Proposed MDOT landscaping around the Big Beaver and I-75 interchange appears to be inadequate and not up to the standards and image of this prime location. The DDA has expressed a desire to develop a landscape plan for the area, and city management is proceeding in that direction. City management is drafting a Request for Qualifications for a landscape architecture firm to develop a landscape design plan for Big Beaver and the interchange at I-75.

Chair Alan Kiriluk has a copy of the MDOT landscape plan and is able to share it upon request. Board Member Kenny Koza suggested that Orchard Lake Road between 14 Mile Road and Maple Road be looked at as an example of excellent landscaping along a major thoroughfare. Board Member Martin Knollenberg suggested seeking potential earmarks and other funding assistance as required.

- C. DDA Plan Amendments

Executive Director Mark F. Miller and City Attorney/Legal Advisor Lori Bluhm referred to the memo in the packet and provided an overview.

A proposed eighth amendment to the Development Plan and Tax Increment Finance Plan has been prepared for DDA Board consideration. This amendment incorporates the previous plans. This proposed amendment provides more flexibility, in the event that there are available funds that exceed the bond obligations, for a design and implementation of a new landscaping plan and other integrative elements that increase the value of the Downtown Development District.

The amendment also identifies that we expect over 100 residents will be located in the District on or about July 1, 2021. Prior to any action on the proposed amendments, there needs to be at least 20 days advance notice of a City Council public hearing, including notification in the district and in the newspaper.

Resolution: DDA-2021-04-04

Moved by: Knollenberg
Seconded by: Tomcsik-Husak

RESOLVED, the Troy Downtown Development Authority approves the proposed 2021 Amendments to Development Plan and Tax Increment Financing Plan as submitted and refers the action to Troy City Council for consideration.

Yeas: 8
Nays: 1 (Dan MacLeish)
Absent: 3

D. DDA Marketing Strategy

Chair Alan Kiriluk is scheduled to share his thoughts on a DDA Marketing Strategy to city management on April 23, 2021. The proposal will be shared with DDA Board Members as well at an upcoming meeting.

E. Planning and Development Update

Community Development Director Brent Savidant and Economic Development Specialist Glenn Lapin provided an overview of new and continuing development projects in the DDA district. City of Troy and DDA efforts over the past several years have led to a DDA district that contains a broader mix of land uses, puts underutilized surface parking areas into a more productive use and created a denser urban fabric. Future DDA projects currently being considered include the transformation of older, outmoded properties into multi-family housing and mixed uses.

The new owner of the Kelly Services property on W. Big Beaver Road at Crooks, A.F. Jonna Development, continues to work on mixed use plans for the site. A proposal for assistance

through the DDA's Quality Development Initiative to support the construction of a parking structure is expected.

Public Comment

None.

Chair Alan Kiriluk thanked City Assessor Nino Licari for his years of service to the City and to the DDA. Chair Alan Kiriluk wished Mr. Licari well during his retirement years.

The next regular meeting of the TDDA is scheduled for Wednesday October 20, 2021 at 7:30 AM.

Chair Alan Kiriluk



04-22-21

Glenn Lapin, Economic Development Specialist

**CITY OF TROY
OAKLAND COUNTY, MICHIGAN**

**NOTICE OF PUBLIC HEARING REGARDING APPROVAL OF 2021 AMENDMENTS
TO DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN OF THE
DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF TROY**

PLEASE TAKE NOTICE that the Troy City Council will hold a public hearing on Monday, June 28, 2021, at 7:30 p.m. local time, or as soon as possible thereafter, at the Troy City Hall, 500 W. Big Beaver Road in the City. The hearing is to consider public opinion and comment on proposed amendments (the "2021 Plan Amendments") to the Development Plan and Tax Increment Financing Plan (collectively, the "Plan") of the Downtown Development Authority of the City of Troy (the "DDA").

The proposed 2021 Plan Amendments provide more flexibility, in the event that there are available funds that exceed the bond obligations, for a design and implementation of a new landscaping plan and other integrative elements that increase the value of the Downtown Development District.

The plan calls for a reserve to be set aside, so that there is some comfort that there will be sufficient funds to pay off the bonds that the City has backed with its full faith and credit. The amendment also identifies that over 100 residents are expected to be located in the District around July of 2021.

All aspects of the 2021 Plan Amendments will be open for discussion at the public hearing. The Troy City Council will also receive and consider written communications from persons wishing to express an opinion on the 2021 Plan Amendments. Written comments should be addressed to the Troy City Clerk, 500 W. Big Beaver Road, Troy, Michigan 48084, and received by June 25, 2021, or sent by email to PublicComment@troymi.gov, received timely before the meeting.

Watch the Meeting: Anyone can listen to or watch the City Council meeting on the [City's YouTube channel](#) or through the normal cable television channels aired on: WOW (Channel 10), Comcast (Channel 17), or AT&T (Channel 99).

Public Comment: Those who wish to be heard during the public comment period of a regular City Council meeting may do so in one of the following ways: All public comments will be limited to three minutes each.

- **Email:** PublicComment@troymi.gov **received timely before the meeting.**
Timely emails will be read during the public comment period of the City Council meeting.

- **Voicemail:** Leave a voicemail at (248) 524-3302 **by 4:00 PM on the day of the meeting.** Voicemails will be played during the public comment period of the City Council meeting.
- **During the Meeting:** Those who prefer to comment during the City Council meeting may access the meeting *via* Zoom.us.

Zoomlink:

<https://zoom.us/j/93290942961?pwd=aYvL3FaS1pSUUZ6cGs5SkZ0MU03Zz09>

Passcode: 351071

Or Telephone: Dial (312) 626-6799 **Webinar ID:** 932 9094 2961

Passcode: 351071

International numbers available: <https://zoom.us/j/93290942961?pwd=aYvL3FaS1pSUUZ6cGs5SkZ0MU03Zz09>

You must enter your email address and your first and last names. Failure to do so may delay when you are recognized by the Chair to comment.

A copy of the 2021 Plan Amendments is available for public inspection at the office of the Troy City Clerk, Troy City Hall, 500 W. Big Beaver Road, Troy, Michigan, during regular business hours.

This notice is given pursuant to the direction of the City Council of the City of Troy.

M. Aileen Dickson, MMC, MiPMC II
Troy City Clerk

NOTICE: *Persons with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk by e-mail at clerk@troymi.gov or by calling (248) 524-3317 at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.*