



500 West Big Beaver  
Troy, MI 48084  
troymi.gov

## CITY COUNCIL AGENDA ITEM

Date: April 25, 2023



To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager  
Robert C. Maleszyk, Chief Financial Officer  
Mark Adams, Economic Development Manager

Subject: Approval of the Joint Local Development Finance Authority Troy Subcommittee  
Proposed Fiscal Year 2023/24 and Three-Year Budget

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The Joint Local Development Finance Authority Troy Subcommittee (LDFA) recommended approval of its proposed 2023/24 budget at the April 24, 2023 LDFA meeting.

City management recommends that City Council approve the LDFA's proposed 2023/24 and Three-Year Budget.



## *Local Development Financing Authority*

County of Oakland, State of Michigan

2023/24 through 2025/26 Budget

### Introduction

Troy's Local Development Finance Authority, as established by the Local Development Financing Act, Act 281 of 1986, Section 125.2151, and recodified as Act 57 of 2018, MCL 125.4401 et. seq., is composed of five members 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

### 2023/24 through 2025/26 Budget

	2022 Actual	2023 Estimated	2023 Budget	2024 Budget	2025 Budget	2026 Budget
<b>REVENUE</b>						
Property Taxes	\$ 146,517	\$ 150,002	\$ 184,280	\$ 182,160	\$ 209,860	\$ 233,120
State Revenue Sharing-EMPP	-	74,375	40,000	40,000	40,000	40,000
Interest Income (loss)	(7,115)	(5,000)	100	100	100	100
<b>Total Revenues</b>	<b>139,402</b>	<b>219,377</b>	<b>224,380</b>	<b>222,260</b>	<b>249,960</b>	<b>273,220</b>
<b>EXPENDITURES</b>						
Automation Alley - Operations	87,098	114,646	119,088	116,316	132,816	146,652
Infrastructure	85,166	76,431	79,392	77,544	88,544	97,768
Tax Tribunals/Tax Refunds	-	-	-	-	-	-
Administrative Services	5,100	5,100	5,200	5,200	5,300	5,400
Marketing Costs (Membership)	17,505	20,000	17,500	20,000	20,000	20,000
Audit Fees	-	2,200	2,200	2,200	2,300	2,400
Other	-	1,000	1,000	1,000	1,000	1,000
<b>TOTAL - EXPENDITURES</b>	<b>194,869</b>	<b>219,377</b>	<b>224,380</b>	<b>222,260</b>	<b>249,960</b>	<b>273,220</b>
<b>Change Before Other Financing</b>	<b>(55,467)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>BEGINNING FUND BALANCE</b>	<b>112,771</b>	<b>57,304</b>	<b>57,304</b>	<b>57,304</b>	<b>57,304</b>	<b>57,304</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 57,304</b>	<b>\$ 57,304</b>	<b>\$ 57,304</b>	<b>\$ 57,304</b>	<b>\$ 57,304</b>	<b>\$ 57,304</b>

### Captured Taxable Value

	2023/24 Taxable	2024/25 Taxable	2025/26 Taxable
<b>Industrial Real Property</b>			
Real Base Taxable Value	\$ 13,016,380	\$ 13,016,380	\$ 13,016,380
Real Taxable Value	18,096,180	19,000,989	19,761,029
<b>Industrial Real Captured Value</b>	<b>5,079,800</b>	<b>5,984,609</b>	<b>6,744,649</b>
<b>Commercial Personal Property</b>			
Personal Base Taxable Value	545,070	545,070	545,070
Personal Taxable Value	2,037,920	2,139,816	2,225,409
<b>Commercial Personal Property Captured Value</b>	<b>1,492,850</b>	<b>1,594,746</b>	<b>1,680,339</b>
<b>Industrial Personal Property</b>			
Personal Base Taxable Value	885,930	885,930	885,930
Personal Taxable Value	1,711,100	1,796,655	1,868,521
<b>Commercial Personal Property Captured Value</b>	<b>825,170</b>	<b>910,725</b>	<b>982,591</b>
<b>Total Captured Value</b>	<b>\$ 7,397,820</b>	<b>\$ 8,490,080</b>	<b>\$ 9,407,578</b>
<b>Tax Revenues</b>			
Industrial Real Revenues	\$ 133,890	\$ 157,740	\$ 177,770
Commercial Personal Revenues	32,680	34,910	36,790
Industrial Personal Revenues	15,590	17,210	18,560
<b>Total Revenues</b>	<b>\$ 182,160</b>	<b>\$ 209,860</b>	<b>\$ 233,120</b>



# Local Development Financing Authority

County of Oakland, State of Michigan

2023/24 through 2025/26 Budget

Millage Rates	Oakland County	City (Less Library)	Oakland Transit	School OP	1/2 School OP-12	1/2 ISD	Community College	1/2 Hold Harmless	Total
Industrial Real	4.5187	8.8170	0.9500	-	9.0000	1.5829	1.4891	-	26.3577
Commercial Personal	4.5187	8.8170	0.9500	3.0000	-	1.5829	1.4891	1.5346	21.8923
Industrial Personal	4.5187	8.8170	0.9500	-	-	1.5829	1.4891	1.5346	18.8923