



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Date: May 13, 2024

To: Mark F. Miller, City Manager



From: Robert J. Bruner, Deputy City Manager
Meg Schubert, 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 (LDFA) Proposed Fiscal Year 2024/25 and Three-Year Budget

Background

The Joint Local Development Finance Authority Troy Subcommittee (LDFA) adopted its proposed 2024/25 budget at the April 22, 2024 LDFA meeting.

Recommendation

City Management recommends that City Council approve the LDFA's proposed 2024/25 and Three-Year Budget.



Local Development Financing Authority

County of Oakland, State of Michigan

2024/25 through 2026/27 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.



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2024/25 through 2026/27 Budget

	2023	2024	2024	2025	2026	2027
	Actual	Estimated	Budget	Budget	Budget	Budget
REVENUE						
Property Taxes	\$ 146,534	\$ 181,822	\$ 182,160	\$ 231,420	\$ 241,420	\$ 251,630
State Revenue Sharing-EMPP	74,375	52,934	40,000	40,000	40,000	40,000
Interest Income (loss)	(5,471)	1,500	100	100	100	100
Total Revenues	215,438	236,256	222,260	271,520	281,520	291,730
EXPENDITURES						
Automation Alley - Operations	90,001	124,624	116,316	145,512	151,332	157,338
Infrastructure	59,092	83,083	77,544	97,008	100,888	104,892
Tax Tribunals/Tax Refunds	-	-	-	-	-	-
Administrative Services	5,200	5,300	5,200	5,700	5,900	6,000
Marketing Costs (Membership)	20,000	20,000	20,000	20,000	20,000	20,000
Audit Fees	2,200	2,200	2,200	2,300	2,400	2,500
Other	668	1,049	1,000	1,000	1,000	1,000
TOTAL - EXPENDITURES	177,161	236,256	222,260	271,520	281,520	291,730
Change Before Other Financing	38,277	-	-	-	-	-
BEGINNING FUND BALANCE	57,304	95,581	95,581	95,581	95,581	95,581
ENDING FUND BALANCE	\$ 95,581	\$ 95,581	\$ 95,581	\$ 95,581	\$ 95,581	\$ 95,581

Captured Taxable Value

	2024/25	2025/26	2026/27
	Taxable	Taxable	Taxable
Industrial Real Property			
Real Base Taxable Value	\$ 13,016,380	\$ 13,016,380	\$ 13,016,380
Real Taxable Value	19,000,950	19,380,969	19,768,588
Industrial Real Captured Value	5,984,570	6,364,589	6,752,208
Commercial Personal Property			
Personal Base Taxable Value	545,070	545,070	545,070
Personal Taxable Value	2,594,930	2,594,930	2,594,930
Commercial Personal Property Captured Value	2,049,860	2,049,860	2,049,860
Industrial Personal Property			
Personal Base Taxable Value	885,930	885,930	885,930
Personal Taxable Value	2,452,720	2,452,720	2,452,720
Commercial Personal Property Captured Value	1,566,790	1,566,790	1,566,790
Total Captured Value	\$ 9,601,220	\$ 9,981,239	\$ 10,368,858
Tax Revenues			
Industrial Real Revenues	\$ 157,570	\$ 167,570	\$ 177,780
Commercial Personal Revenues	44,520	44,520	44,520
Industrial Personal Revenues	29,330	29,330	29,330
Total Revenues	\$ 231,420	\$ 241,420	\$ 251,630



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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	8.7884	0.9500	-	9.0000	1.5829	1.4891	-	26.3291
Commercial Personal	4.5187	8.7884	0.9500	3.0000	-	1.5829	1.4891	1.3882	21.7173
Industrial Personal	4.5187	8.7884	0.9500	-	-	1.5829	1.4891	1.3882	18.7173