



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Date: April 22, 2025

To: Frank Nastasi, City Manager



From: Robert J. Bruner, Deputy City Manager
Chris Wilson, Assistant City Manager
Robert Maleszyk, Chief Financial Officer
Mark Adams, Economic Development Manager and LDFA Treasurer

Subject: The Joint Local Development Finance Authority Troy Subcommittee (LDFA)
Proposed Fiscal Year 2025/26 and Three-Year Budget
(Introduced by: Robert Maleszyk - Chief Financial Officer and Kyle Vieth - Controller)

Background

The Joint Local Development Finance Authority Troy Subcommittee (LDFA) adopted its proposed 2025/26 and Three-Year Budget at the April 21, 2025 LDFA meeting.

Recommendation

City Management recommends that City Council approve the LDFA's proposed 2025/26 and Three – Year Budget.



Local Development Financing Authority

County of Oakland, State of Michigan

2025/26 through 2027/28 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 Actual	2025 Estimated	2025 Budget	2026 Budget	2027 Budget	2028 Budget
REVENUE						
Property Taxes	\$ 176,456	\$ 233,981	\$ 231,420	\$ 251,800	\$ 262,220	\$ 272,850
State Revenue Sharing-EMPP	52,935	28,399	40,000	20,000	20,000	20,000
Interest Income (loss)	7,948	8,000	100	2,000	2,000	2,000
Total Revenues	237,339	270,380	271,520	273,800	284,220	294,850
EXPENDITURES						
Automation Alley - Operations	109,094	144,859	145,512	146,743	152,892	159,102
Infrastructure	-	-	97,008	97,829	101,928	106,068
Tax Tribunals/Tax Refunds	-	-	-	-	-	-
Administrative Services	5,300	5,700	5,700	5,928	6,000	6,180
Marketing Costs (Membership)	20,000	20,000	20,000	20,000	20,000	20,000
Audit Fees	-	2,200	-	-	-	-
Other	7	1,049	3,300	3,300	3,400	3,500
TOTAL - EXPENDITURES	134,401	173,808	271,520	273,800	284,220	294,850
Change Before Other Financing	102,938	96,572	-	-	-	-
BEGINNING FUND BALANCE	95,581	198,519	198,519	295,091	295,091	295,091
ENDING FUND BALANCE	\$ 198,519	\$ 295,091	\$ 198,519	\$ 295,091	\$ 295,091	\$ 295,091

Captured Taxable Value

	2025/26 Taxable	2026/27 Taxable	2027/28 Taxable
Industrial Real Property			
Real Base Taxable Value	\$ 13,016,380	\$ 13,016,380	\$ 13,016,380
Real Taxable Value	19,629,530	20,022,121	20,422,563
Industrial Real Captured Value	6,613,150	7,005,741	7,406,183
Commercial Personal Property			
Personal Base Taxable Value	545,070	545,070	545,070
Personal Taxable Value	2,757,910	2,757,910	2,757,910
Commercial Personal Property Captured Value	2,212,840	2,212,840	2,212,840
Industrial Personal Property			
Personal Base Taxable Value	885,930	885,930	885,930
Personal Taxable Value	2,355,970	2,355,970	2,355,970
Industrial Personal Property Captured Value	1,470,040	1,470,040	1,470,040
Total Captured Value	\$ 10,296,030	\$ 10,688,621	\$ 11,089,063
Tax Revenues			
Industrial Real Revenues	\$ 175,530	\$ 185,950	\$ 196,580
Commercial Personal Revenues	48,480	48,480	48,480
Industrial Personal Revenues	27,790	27,790	27,790
Total Revenues	\$ 251,800	\$ 262,220	\$ 272,850



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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	4.8101	8.7252	0.9464	-	9.0000	1.5771	1.4836	-	26.5424
Commercial Personal	4.8101	8.7252	0.9464	3.0000	-	1.5771	1.4836	1.3647	21.9071
Industrial Personal	4.8101	8.7252	0.9464	-	-	1.5771	1.4836	1.3647	18.9071