

TROY DOWNTOWN DEVELOPMENT AUTHORITY

Reschedule of the Regular Meeting Agenda

July 24, 2013
7:30 AM in the Lower Level Conference Room
Troy City Hall
500 West Big Beaver Road, Troy, MI 48084
(248) 524-3330

- I. Call to Order
- II. Roll Call
- III. Approval of Minutes from May 15, 2013 and June 19, 2013
- IV. Old Business
- V. New Business
 - A. Resolution Approving Estimate of Anticipated Tax Increment Revenue
 - B. Notice of Public Hearing Regarding Approval of 2013 Amendments to Development Plan and Tax Increment Financing Plan of the Downtown Development Authority of the City of Troy
 - C. Planning and Development Report
 - D. Tree Lighting Update
- VI. Public Comment
- VII. Adjourn

The next regular meeting of the Troy Downtown Development Authority is scheduled for August 21, 2013.

Mark F. Miller

Executive Director

A meeting of the Downtown Development Authority was held on Wednesday, May 15, 2013 in the Lower Level Conference room, City Hall, 500 W. Big Beaver, Troy, Michigan. Kiriluk called the meeting to order at 7:30 AM.

Present:	Dennis Bostick	
	Arkan Jonna	
	Larry Keisling	
	Allan Kiriluk	
	Dan MacLeish	
	Ward Randol	
	Ernest Reschke	
	Douglas Schroeder	
	Mayor Dane Slater	
Absent:	David Hay	
	P. Terry Knight	
	Albert Papa	
	Earle VanDyke	
Also Present:	Lori Bluhm	
	Tom Darling	
	Brian Kischnick	
	Glenn Lapin	
	Nino Licari	
	Mark Miller	
	R. Brent Savidant	

Minutes

Resolution: DDA-2013-05-03

Moved by: MacLeish

Seconded by: Bostick

RESOLVED, That the Minutes of the April 17, 2013 regular meeting be approved.

Yeas: All

Absent: David Hay, P. Terry Knight, Albert Papa, Earle VanDyke

New Business – Troy Downtown Development Authority Improvement Plan

City Manager Brian Kischnick presented a bond concept plan. The presentation showed that the tax capture does not meet debt requirements. The plan created a tax capture by restructuring the district and issues a new debt under the city.

The presentation reviewed the DDA History of the Ordinance and included a summary of the borrowing of insurance.

This new plan would eliminate more parcels and would not need a short term cash infusion (parking structure).

Included in the presentation was a safety net of the parking structure and the ability to levy two mills. It is necessary to amend the plan by eliminating parcels. This amendment would lower the base value in order to achieve greater capture. The plan would issue a new debt within 20 years.

Under review were the cash flow projections including capture and bond parts. Additionally, the process to amend the plan was under review, including a discussion with the County, OCCC, and the Council.

The process to amend the plan will take an estimated 100 days. It will concurrently take 90-100 days to issue debt.

There was a discussion on the consequences of new construction such as the possibility of losing capture. It can come back if accepted by the County: OCCC.

There was also a discussion on the possibility of lower interest rates.

Kiriluk reviewed the process. Suggestions:

- a) Review plan
- b) DDA approve plan
- c) Go through amending plan
- d) Re-issue debt

Jonna questioned the on viability of a 1% increase in property values.

Recommend Plan to City Council as recommended by Brian Kischnick.

Resolution: DDA-2013-05-04

Moved by: Reschke
Seconded by: MacLeish

RESOLVED, That the Bond Plan be presented to City Council as recommended by Brian Kischnick.

Yeas: All
Absent: David Hay, P. Terry Knight, Albert Papa, Earle VanDyke

New Business – Approval of the 2013-14 Budget

Resolution: DDA-2013-05-05

Moved by: Randol
Seconded by: Bostick

RESOLVED, That the Troy Downtown Development Authority approves the Budget for Fiscal Year 2013-14.

Yeas: All
Absent: David Hay, P. Terry Knight, Albert Papa, Earle VanDyke

Public Comment

None

Member Comment

None

Closed Session

None

This meeting was adjourned at 8:19 AM.

A meeting of the Downtown Development Authority was held on Wednesday, June 19, 2013 in the Lower Level Conference room, City Hall, 500 W. Big Beaver, Troy, Michigan. Kiriluk called the meeting to order at 7:30 AM.

Present:	Bostick, Dennis	
	Hay, David	
	Keisling, Larry	
	Kiriluk, Allan	
	Knight, P. Terry	
	MacLeish, Dan	
	Schroeder, Douglas	
	Slater, Mayor Dane	
Absent:	Jonna, Arkan	
	Randol, Ward	
	Reschke, Ernest	
	Papa, Albert	
	VanDyke, Earle	
Also Present:	Bluhm, Lori	
	Kischnick, Brian	
	Lapin, Glenn	
	Licari, Nino	
	Miller, Mark	
	Savidant, R. Brent	

Minutes

~~Resolution: DDA-2013-06-06~~

Moved by:

Seconded by:

RESOLVED, That the Minutes of the May 15, 2013 regular meeting be approved.

Yeas:

Absent:

No action taken, Minutes will be re-submitted at the next meeting.

New Business – Troy Downtown Development Authority Bond Repayment Proposal and Resolution Approving 2013 Amendments to Development Plan and Tax Increment Financing Plan

Mr. Kischnick presented the Bond Repayment Proposal, including Troy City Council approval, June 17, 2012, Notice of Intent to Issue Bonds.

Members of the Troy Downtown Development Authority discussed in detail the proposal and amendment of the Development Plan and Tax Increment Financing Plan.

Mr. Donnelly presented the amendment to the Development Plan, Tax Increment Financing Plan and Development area, including the proposed resolution.

Resolution: DDA-2013-06-06

At a regular meeting of the Downtown Development Authority of the City of Troy, Oakland County, Michigan, held on June 19, 2013.

PRESENT:

Bostick, Dennis
Hay, David
Keisling, Larry
Kiriluk, Allan
Knight, P. Terry
MacLeish, Dan
Schroeder, Douglas
Slater, Mayor Dane

ABSENT:

Jonna, Arkan
Randol, Ward
Reschke, Ernest
Papa, Albert
VanDyke, Earle

The following resolution was moved by Douglas Schroeder and seconded by Dennis Bostick:

RESOLUTION APPROVING 2013 AMENDMENTS TO DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN

WHEREAS, the Downtown Development Authority of the City of Troy (the “DDA”) has been requested to consider additional amendments to the DDA’s Development Plan and Tax Increment Financing Plan (collectively, the “Plan”); and

WHEREAS, the proposed amendments, if adopted, are expected to enable the DDA to avoid a default on bonds issued by the DDA in 2001, 2002 and 2003 (the “DDA Bonds”) to finance a portion of the cost of the improvements identified in the Development Plan, which DDA Bonds are secured solely by tax increment revenues to be received by the DDA pursuant to the Plan; and

WHEREAS, the proposed amendments provide for (i) 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 refunding the outstanding DDA Bonds, (ii) extending the existence of the Plan to December, 2033, and (iii) revising the Development Area for the Plan by removing therefrom certain specified properties, with the result that the DDA will be projected to be able to capture sufficient tax increments to pay the principal of and interest on the City Bonds; and

WHEREAS, the tax increment revenues received by the DDA pursuant to the proposed amended Plan will be 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 Bonds; and

WHEREAS, the DDA finds that the proposed amendments to the Plan are necessary and appropriate for approval by the DDA.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The 2013 Amendments to Development Plan and Tax Increment Financing Plan (the “2013 Amendments”), in the form presented to this meeting, are hereby approved.
2. The DDA recommends approval of the 2013 Amendments by the Troy City Council, and the Secretary is directed to submit the 2013 Amendments to the Troy City Council for approval as provided in Section 14 of Act 197, Public Acts of Michigan, 1975, as amended (“Act 197”).
3. In the event that that projected tax increment revenues to be received by the DDA pursuant to the Plan, as amended by the 2013 Amendments, are not sufficient to pay the principal of and interest on the City Bonds when due, it is the intent of the DDA to request the City, at the time

any such shortfall arises, to use additional sources of revenue available to the DDA (i.e. levy of the 2 mill tax on all property in the Downtown District of the DDA pursuant to Section 12 of Act 197 and the payment to be received in connection with the parking garage for Somerset North) to pay such principal and interest.

4. All resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.

RESOLUTION DECLARED ADOPTED.

Yes:

Bostick, Dennis
Hay, David
Keisling, Larry
Kiriluk, Allan
Knight, P. Terry
MacLeish, Dan
Schroeder, Douglas
Slater, Mayor Dane

Absent:

Jonna, Arkan
Randol, Ward
Reschke, Ernest
Papa, Albert
VanDyke, Earle

Abstain: NONE

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted at a regular meeting of the Downtown Development Authority of the City of Troy, Oakland County, Michigan, held on June 19, 2013, the original of which resolution is on file in my office. I further certify that notice of said meeting was given in accordance with the provisions of the Open Meetings Act, Act 267 of the Public Acts of Michigan of 1976, as amended (MCL 15.261 et. seq.).

Secretary, Downtown Development Authority
of the City of Troy

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New Business – Planning Department Development Report

Mr. Savidant presented the Planning Department report.

Public Comment

None

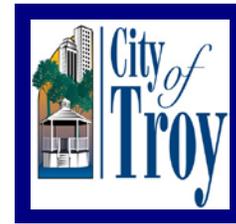
Member Comment

General discussion regarding Car Jam, August 4, 2013, future TDDA role, Tree lighting and blue spruce disease.

Closed Session

None

This meeting was adjourned at 8:27AM.



Date: July 12, 2013

To: Troy Downtown Development Authority

From: Brian K. Kischnick, City Manager
Lori Grigg Bluhm, City Attorney
Mark F. Miller, Director of Economic & Community Development
Nino Licari, City Assessor

Subject: Resolution Approving Estimate of Anticipated Tax Increment Revenues

On June 19, 2013 the DDA of the City of Troy approved additional amendments to the Development Plan and Tax Increment Financing Plan and recommended approval of the 2013 Plan Amendments to the City Council of the City of Troy. If City Council approves the Plan Amendments, they would provide for the following:

1. The issuance of general obligation bonds by the City of Troy to finance a portion of the cost of the Plan and in connection with the refund of outstanding bonds issued by the TDDA in 2001, 2002, and 2003.
2. Extending the duration of the Plan to December 2033.
3. Revising the Development Area for the Plan by removing certain specified properties, with the result that the TDDA will be projected to be able to capture sufficient tax increments to pay the principal of, and interest on the City Bonds.

The tax increment revenues received by the TDDA provided by the Plan, as amended by the 2013 Plan Amendments, will be the first source of payment of the City Bonds and the limited tax full faith and credit pledge of the City and will be the secondary security for the City Bonds.

The City Council scheduled a Public Hearing for August 12, 2013, 7:30 P.M. at City Hall, to consider the Plan Amendments and is expected to approve the Plan Amendments. Prior to that time, the TDDA must approve the estimate of the anticipated tax increment revenues.

City Administration recommends the TDDA approve the attached resolution. This resolution does the following:

1. Approves the estimate of the anticipated tax increment revenues to be received by the TDDA after the approval of the 2013 Plan Amendments and to be available to pay the principal of, and interest on the City Bonds, as set forth in attached Exhibit A.
2. Directs the Secretary of the TDDA to submit such estimate of tax increment revenues to City Council.

C: Robert Bendzinski, Municipal Financial Advisor
Terry Donnely, Bond Counsel

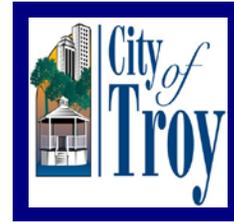


EXHIBIT A

Estimate of Anticipated Tax Increment Revenues

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Amount</u>
2015	\$1,023,834
2016	978,617
2017	894,896
2018	895,059
2019	895,227
2020	954,541
2021	1,014,449
2022	1,074,956
2023	1,136,068
2024	1,197,791
2025	1,322,472
2026	1,449,646
2027	1,579,364
2028	1,711,677
2029	1,846,635
2030	1,984,293
2031	2,124,703
2032	2,267,922
2033	2,414,006
2034	2,563,011

At a regular meeting of the Downtown Development Authority of the City of Troy, Oakland County, Michigan, held on July 17, 2013.

PRESENT: _____

ABSENT: _____

The following resolution was moved by _____ and seconded by _____:

**RESOLUTION APPROVING ESTIMATE OF ANTICIPATED
TAX INCREMENT REVENUES**

WHEREAS, by resolution adopted on June 19, 2013, the Downtown Development Authority of the City of Troy (the “DDA”) approved additional amendments (the “2013 Plan Amendments”) to the DDA’s Development Plan and Tax Increment Financing Plan (collectively, the “Plan”) and recommended approval of the 2013 Plan Amendments to the City Council of the City of Troy as provided in Section 14 of Act 197, Public Acts of Michigan, 1975, as amended (“Act 197”); and

WHEREAS, the 2013 Plan Amendments, if approved by the City Council, would provide for (i) 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 refund certain outstanding bonds issued by the DDA for such purpose in 2001, 2002 and 2003, (ii) extending the duration of the Plan to December, 2033, and (iii) revising the Development Area for the Plan by removing therefrom certain specified properties, with the result that the DDA will be projected to be able to capture sufficient tax increments to pay the principal of and interest on the City Bonds; and

WHEREAS, the tax increment revenues received by the DDA pursuant to the Plan, as amended by the 2013 Plan Amendments, will be 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 Bonds; and

WHEREAS, the City Council of the City is expected to approve the 2013 Plan Amendments and to authorize the issuance of the City Bonds at its regular meeting on August 12, 2013, and before the City Council may adopt a resolution authorizing the issuance of the City Bonds, the DDA is required by Section 16(1) of Act 197 to submit to the City Council an estimate of the anticipated tax increment revenues and other revenue available under Section 11 of Act 197 to be available to pay the principal of and interest on the City Bonds.

NOW, THEREFORE, BE IT RESOLVED, that:

1. The estimate of the anticipated tax increment revenues to be received by the DDA after the approval of the 2013 Plan Amendments and to be available to pay the principal of and interest on the City Bonds, as set forth in attached Exhibit A, is hereby approved. The DDA does not presently anticipate that any other revenue will be available under Section 11 of Act 197 to pay such principal and interest.

2. The Secretary is directed to submit such estimate of tax increment revenues to the City Council as provided in Section 16(1) of Act 197.

3. All resolutions or parts of resolutions insofar as they conflict with the provisions of this resolution be and the same are rescinded.

RESOLUTION DECLARED ADOPTED.

Yes: _____

Absent: _____

Abstain: _____

STATE OF MICHIGAN)
)ss
COUNTY OF OAKLAND)

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted at a regular meeting of the Downtown Development Authority of the City of Troy, Oakland County, Michigan, held on July 17, 2013, the original of which resolution is on file in my office. I further certify that notice of said meeting was given in accordance with the provisions of the Open Meetings Act, Act 267 of the Public Acts of Michigan of 1976, as amended (MCL 15.261 et. seq.).

Secretary, Downtown Development Authority
of the City of Troy

EXHIBIT A

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2031	2,124,703
2032	2,267,922
2033	2,414,006
2034	2,563,011

**CITY OF TROY
OAKLAND COUNTY, MICHIGAN**

**NOTICE OF PUBLIC HEARING REGARDING APPROVAL OF 2013
AMENDMENTS TO DEVELOPMENT PLAN AND TAX INCREMENT
FINANCING PLAN OF THE DOWNTOWN DEVELOPMENT AUTHORITY
OF THE CITY OF TROY**

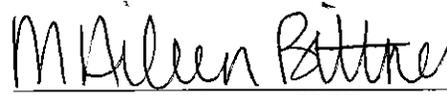
PLEASE TAKE NOTICE that the Troy City Council will hold a public hearing on Monday, August 12, 2013, at 7:30 p.m. local time, or as soon as possible thereafter, at the Troy City Hall, 500 W. Big Beaver Road in the City. The hearing is to consider public opinion and comment on proposed amendments (the "2013 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 2013 Plan Amendments include (a) the extension of the duration of the Plan to December, 2033, (b) the removal of certain properties from the Development Area for the Plan, and (c) the issuance of bonds by the City of Troy to finance a portion of the cost of the development program of the Tax Increment Financing Plan included in the Plan, and in connection therewith refund bonds previously issued by the DDA for such purpose.

All aspects of the 2013 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 2013 Plan Amendments. Written comments should be addressed to the Troy City Clerk, 500 W. Big Beaver Road, Troy, Michigan 48084, or sent by email to bittnera@troymi.gov, and should be received no later than August 9, 2013.

A copy of the 2013 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 Bittner, CMC
Troy City Clerk