CELEBRATING 50 YEARS 1955-2005 City of Troy Michigan

Downtown Development Authority

Proposed Annual Budget
Fiscal Year July 1, 2005 - June 30, 2006

Members
Michael W. Culpepper
Stuart Frankel
David R. Hay
Michele Hodges
William Kennis
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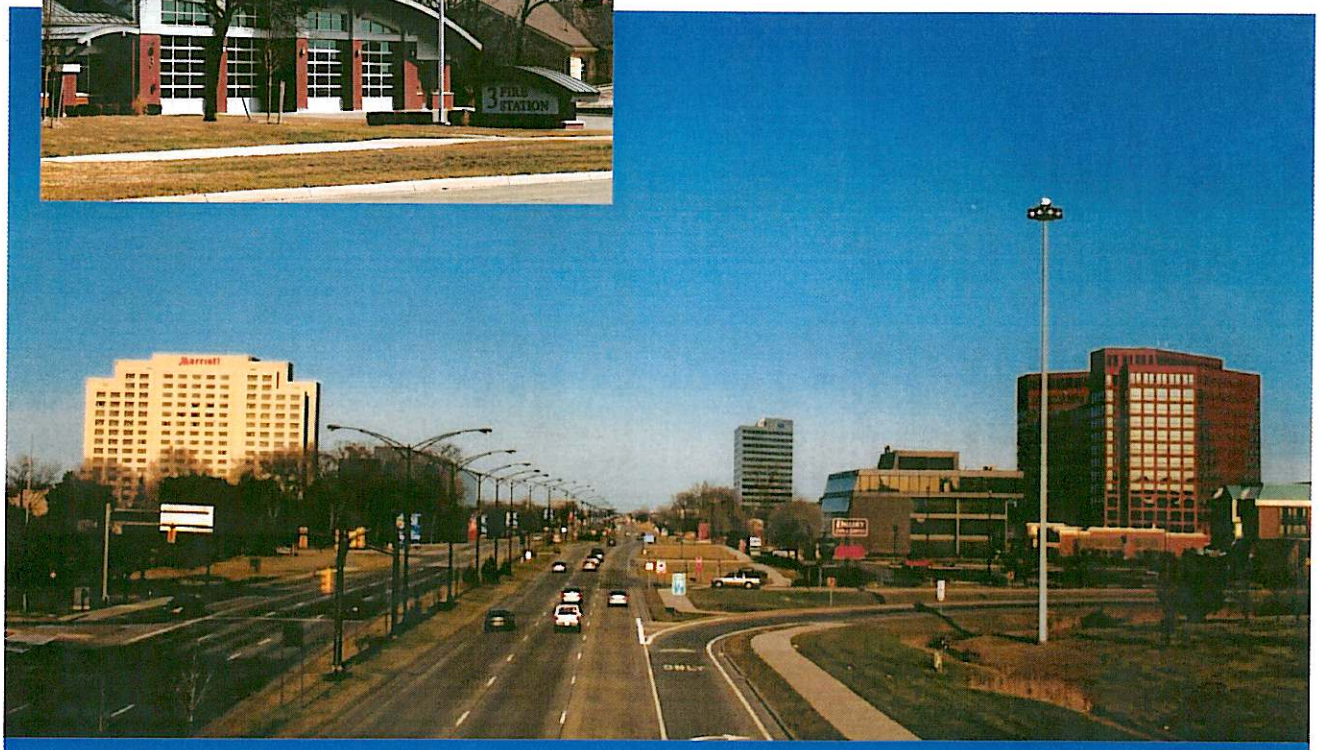
Executive Director
John Szerlag

Secretary/Treasurer
John M. Lamerato



INTRODUCTION

In order to prevent further deterioration and to encourage economic development of the Downtown District, the City of Troy established the Downtown Development Authority of the City of Troy (the DDA) pursuant to Act 197 of 1975 (Act 197) and an Ordinance adopted by the City Council of the City of Troy on July 12, 1993, and amended on September 28, 1998 and February 7, 2000.

The DDA has identified specific sources of funding to finance the implementation of a plan for physical improvements to the Downtown District identified in this plan as the Development Area.

The purpose of the Tax Increment Financing and Development Plan is to provide for the construction and financing of the necessary streets, sidewalks, street lighting, landscaping, parking garage and other facilities for the Development Area; Kmart and Civic Center projects; widening of Rochester Road and Big Beaver to improve traffic flow; provide and expand existing public facilities on the civic center site to serve the needs of the DDA businesses and the citizens of the City of Troy and to carry out the objectives of the DDA so as to prevent the further deterioration of the Development Area while preserving and promoting economic growth for the benefit of all taxing units located within and benefited by the Development Area.

CITY OF TROY
DOWNTOWN DEVELOPMENT AUTHORITY
2005-06
BUDGET

REVENUE

Property Taxes	$	3,697,000
Re-appropriation of Fund balance		130,520
Investment Income		150,000
Total Revenue	**$**	**3,977,520**

EXPENDITURES

Administrative Expenses	$	53,300
Operating Expenses		175,000
Debt Service - Big Beaver Phase 2 & 3		1,195,000
Debt Service - MTF Bonds (Roch. Rd.)		265,500
Debt Service - Refund 1995 Dev. Bonds Series A		823,000
Debt Service - Community Center		984,000
Street Island Maint.		381,720
Economic Development-MEGA Match		100,000
Total Expenditures	**$**	**3,977,520**

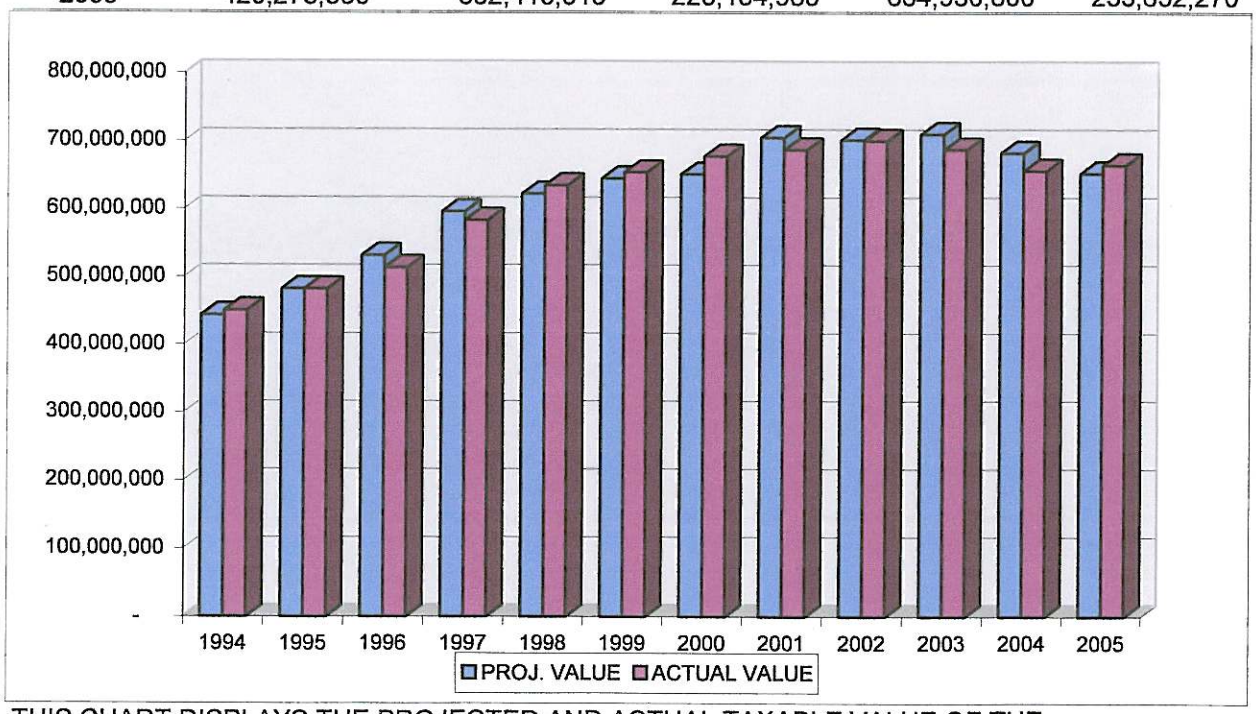
CAPTURED TAXABLE VALUE
2004-05

	Real Taxable	Personal Taxable	Total Taxable
1993 - Initial Value	342,342,400	86,936,130	429,278,530
2005 - Taxable Value	531,379,920	133,550,880	664,930,800
Captured Taxable Value	189,037,520	46,614,750	235,652,270

	Oakland County	Oakland Comm. College	City of Troy	Total
Millage Rates	$ 4.65	$ 1.59	$ 9.45	$ 15.69
Captured Yield				$ 3,697,000

CITY OF TROY DOWNTOWN DEVELOPMENT AUTHORITY
PROJECTED AND ACTUAL CAPTURED VALUATION
30-Mar-05

	TOTAL DDA BASE				
FISCAL YEAR	INITIAL VALUATION	PROJECTED VALUATIION	PROJECTED CAPTURED	ACTUAL VALUATION	ACTUAL CAPTURED
1994	429,278,530	443,579,055	14,300,525	450,682,090	21,403,560
1995	429,278,530	482,321,290	53,042,760	482,321,290	53,042,760
1996	429,278,530	531,054,797	101,776,267	513,251,790	83,973,260
1997	429,278,530	595,752,807	166,474,277	582,784,390	153,505,860
1998	429,278,530	622,051,685	192,773,155	634,117,140	204,838,610
1999	429,278,530	644,521,355	215,242,825	653,782,621	224,504,091
2000	429,278,530	650,903,679	221,625,149	677,550,840	248,272,310
2001	429,278,530	705,343,067	276,064,537	687,261,110	257,982,580
2002	429,278,530	702,063,909	272,785,379	700,292,970	271,014,440
2003	429,278,530	710,501,087	281,222,557	687,610,440	258,331,910
2004	429,278,530	682,725,921	253,447,391	656,443,260	227,164,730
2005	429,278,530	652,413,515	223,134,985	664,930,800	235,652,270



THIS CHART DISPLAYS THE PROJECTED AND ACTUAL TAXABLE VALUE OF THE ENTIRE DOWNTOWN DEVELOPMENT DISTRICT.

BOND DEBT SERVICE

Downtown Development Authority of the City of Troy
County of Oakland, State of Michigan
Development and Refunding Bonds, Series 2001
New Money
Final Pricing

Dated Date	07/19/2001
Delivery Date	07/19/2001

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/19/2001					
11/01/2001	605.000	4.000%	193,848.17	798,848.17	
05/01/2002			329,985.00	329,985.00	1,128,833.17
11/01/2002	545.000	4.000%	329,985.00	874,985.00	
05/01/2003			319,085.00	319,085.00	1,194,070.00
11/01/2003	565.000	4.000%	319,085.00	884,085.00	
05/01/2004			307,785.00	307,785.00	1,191,870.00
11/01/2004	590.000	4.000%	307,785.00	897,785.00	
05/01/2005			295,985.00	295,985.00	1,193,770.00
11/01/2005	615.000	4.000%	295,985.00	910,985.00	
05/01/2006			283,685.00	283,685.00	1,194,670.00
11/01/2006	640.000	5.000%	283,685.00	923,685.00	
05/01/2007			267,685.00	267,685.00	1,191,370.00
11/01/2007	670.000	4.000%	267,685.00	937,685.00	
05/01/2008			254,285.00	254,285.00	1,191,970.00
11/01/2008	700.000	4.100%	254,285.00	954,285.00	
05/01/2009			239,935.00	239,935.00	1,194,220.00
11/01/2009	730.000	5.000%	239,935.00	969,935.00	
05/01/2010			221,685.00	221,685.00	1,191,620.00
11/01/2010	770.000	5.000%	221,685.00	991,685.00	
05/01/2011			202,435.00	202,435.00	1,194,120.00
11/01/2011	805.000	4.400%	202,435.00	1,007,435.00	
05/01/2012			184,725.00	184,725.00	1,192,160.00
11/01/2012	850.000	5.500%	184,725.00	1,034,725.00	
05/01/2013			161,350.00	161,350.00	1,196,075.00
11/01/2013	895.000	5.500%	161,350.00	1,056,350.00	
05/01/2014			136,737.50	136,737.50	1,193,087.50
11/01/2014	945.000	5.500%	136,737.50	1,081,737.50	
05/01/2015			110,750.00	110,750.00	1,192,487.50
11/01/2015	1,000.000	5.500%	110,750.00	1,110,750.00	
05/01/2016			83,250.00	83,250.00	1,194,000.00
11/01/2016	1,055.000	5.000%	83,250.00	1,138,250.00	
05/01/2017			56,875.00	56,875.00	1,195,125.00
11/01/2017	1,110.000	5.000%	56,875.00	1,166,875.00	
05/01/2018			29,125.00	29,125.00	1,196,000.00
11/01/2018	1,165.000	5.000%	29,125.00	1,194,125.00	1,194,125.00
	14,255.000		7,164,573.17	21,419,573.17	21,419,573.17

BOND DEBT SERVICE

Downtown Development Authority of the City of Troy
County of Oakland, State of Michigan
Development and Refunding Bonds, Series 2001
Refunding of Callable 1995 DDA Bonds, Series A (Tax-Exempt)
Refunding Portion
Final Pricing

Dated Date	07/19/2001
Delivery Date	07/19/2001

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/19/2001					
11/01/2001	465,000	4.000%	132,448.42	597,448.42	
05/01/2002			224,432.50	224,432.50	821,880.92
11/01/2002	380,000	4.000%	224,432.50	604,432.50	
05/01/2003			216,832.50	216,832.50	821,265.00
11/01/2003	395,000	4.000%	216,832.50	611,832.50	
05/01/2004			208,932.50	208,932.50	820,765.00
11/01/2004	415,000	4.000%	208,932.50	623,932.50	
05/01/2005			200,632.50	200,632.50	824,565.00
11/01/2005	430,000	4.000%	200,632.50	630,632.50	
05/01/2006			192,032.50	192,032.50	822,665.00
11/01/2006	410,000	5.000%	192,032.50	602,032.50	
05/01/2007			181,782.50	181,782.50	783,815.00
11/01/2007	430,000	4.000%	181,782.50	611,782.50	
05/01/2008			173,182.50	173,182.50	784,965.00
11/01/2008	450,000	4.100%	173,182.50	623,182.50	
05/01/2009			163,957.50	163,957.50	787,140.00
11/01/2009	470,000	5.000%	163,957.50	633,957.50	
05/01/2010			152,207.50	152,207.50	786,165.00
11/01/2010	495,000	5.000%	152,207.50	647,207.50	
05/01/2011			139,832.50	139,832.50	787,040.00
11/01/2011	560,000	4.400%	139,832.50	699,832.50	
05/01/2012			127,512.50	127,512.50	827,345.00
11/01/2012	590,000	5.500%	127,512.50	717,512.50	
05/01/2013			111,287.50	111,287.50	828,800.00
11/01/2013	620,000	5.500%	111,287.50	731,287.50	
05/01/2014			94,237.50	94,237.50	825,525.00
11/01/2014	655,000	5.500%	94,237.50	749,237.50	
05/01/2015			76,225.00	76,225.00	825,462.50
11/01/2015	690,000	5.500%	76,225.00	766,225.00	
05/01/2016			57,250.00	57,250.00	823,475.00
11/01/2016	725,000	5.000%	57,250.00	782,250.00	
05/01/2017			39,125.00	39,125.00	821,375.00
11/01/2017	765,000	5.000%	39,125.00	804,125.00	
05/01/2018			20,000.00	20,000.00	824,125.00
11/01/2018	800,000	5.000%	20,000.00	820,000.00	820,000.00
	9,745,000		4,891,373.42	14,636,373.42	14,636,373.42

$5,600,000
CITY OF TROY
COUNTY OF OAKLAND, STATE OF MICHIGAN
MICHIGAN TRNSPORTATION FUND BONDS
(ROCHESTER ROAD)

SCHEDULE OF PRINCIPAL AND INTEREST REQUIRMENTS
on a fiscal year basis

Fiscal Year Bgn July 1	Interest Due November 1	Interest Rate	Prinicipal Due May 1, Next	Interest Due May 1, NEXT	Total
2000	$205,343.70	0.000%	$1,100,000	$136,893.75	$1,442,237.45
2001	110,768.75	4.750%	1,200,000	110,768.75	1,421,537.50
2002	82,268.75	4.750%	1,300,000	82,268.75	1,464,537.50
2003	51,718.75	4.700%	125,000	51,718.75	228,437.50
2004	48,718.75	4.800%	150,000	48,718.75	247,437.50
2005	45,043.75	4.900%	175,000	45,043.75	265,087.50
2006	40,668.75	5.000%	175,000	40,668.75	256,337.50
2007	36,293.75	5.000%	175,000	36,293.75	247,587.50
2008	31,918.75	5.000%	175,000	31,918.75	238,837.50
2009	27,456.25	5.100%	175,000	27,456.25	229,912.50
2010	22,950.00	5.150%	175,000	22,950.00	220,900.00
2011	18,356.25	5.250%	200,000	18,356.25	236,712.50
2012	13,006.25	5.350%	225,000	13,006.25	251,012.50
2013	6,875.00	5.450%	250,000	6,875.00	263,750.00
	$741,387.45		$5,600,000	$672,937.50	$7,014,324.95

Registrar/Transfer Agent - Old Kent Bank, Grand Rapids, Michigan

* Dated date, February 1, 2000, first interest payment due November 1, 2000 - 9 months.

$9,700,000
CITY OF TROY
DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF TROY
COUNTY OF OAKLAND, STATE OF MICHIGAN
COMMUNITY CENTER FACILITIES BONDS, SERIES 2002

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

On a Fiscal Year Basis

Fiscal Year Beginning July 1	Principal Due November 1	Interest Rate	Interest Due November 1	Interest Due NEXT May 1	Total Principal & Interest Requirements
2002	$0.00	0.000%	$0.00	$236,433.33 *	$236,433.33
2003	400,000.00	5.000%	177,325.00	167,325.00	744,650.00
2004	425,000.00	3.000%	167,325.00	160,950.00	753,275.00
2005	425,000.00	2.050%	160,950.00	156,593.75	742,543.75
2006	500,000.00	2.400%	156,593.75	150,593.75	807,187.50
2007	500,000.00	2.700%	150,593.75	143,843.75	794,437.50
2008	550,000.00	3.000%	143,843.75	135,593.75	829,437.50
2009	575,000.00	3.250%	135,593.75	126,250.00	836,843.75
2010	600,000.00	3.500%	126,250.00	115,750.00	842,000.00
2011	600,000.00	3.600%	115,750.00	104,950.00	820,700.00
2012	625,000.00	3.700%	104,950.00	93,387.50	823,337.50
2013	650,000.00	3.800%	93,387.50	81,037.50	824,425.00
2014	700,000.00	4.000%	81,037.50	67,037.50	848,075.00
2015	725,000.00	4.100%	67,037.50	52,175.00	844,212.50
2016	775,000.00	4.200%	52,175.00	35,900.00	863,075.00
2017	800,000.00	4.300%	35,900.00	18,700.00	854,600.00
2018	850,000.00	4.400%	18,700.00	0.00	868,700.00
	$9,700,000.00		$1,787,412.50	$1,846,520.83	$13,333,933.33

Registrar/Transfer Agent - Fifth Third Bank, Michigan, Grand Rapids, Michigan

$4,025,000
CITY OF TROY
DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF TROY
COUNTY OF OAKLAND, STATE OF MICHIGAN
COMMUNITY CENTER FACILITIES JUNIOR LIEN BONDS, SERIES 2003

SCHEDULE OF PRINCIPAL AND INTEREST REQUIREMENTS

On a Fiscal Year Basis

Fiscal Year Beginning July 1	Principal Due November 1	Interest Rate	Interest Due November 1	Interest Due NEXT May 1	Total Principal & Interest Requirements
2003	$0.00	0.000%	$59,984.38 *	$71,981.25	$131,965.63
2004	75,000.00	2.500%	71,981.25	71,043.75	218,025.00
2005	100,000.00	2.500%	71,043.75	69,793.75	240,837.50
2006	100,000.00	2.500%	69,793.75	68,543.75	238,337.50
2007	125,000.00	2.500%	68,543.75	66,981.25	260,525.00
2008	150,000.00	2.500%	66,981.25	65,106.25	282,087.50
2009	200,000.00	3.000%	65,106.25	62,106.25	327,212.50
2010	200,000.00	3.000%	62,106.25	59,106.25	321,212.50
2011	250,000.00	3.150%	59,106.25	55,168.75	364,275.00
2012	300,000.00	3.300%	55,168.75	50,218.75	405,387.50
2013	325,000.00	3.450%	50,218.75	44,612.50	419,831.25
2014	350,000.00	3.600%	44,612.50	38,312.50	432,925.00
2015	400,000.00	3.750%	38,312.50	30,812.50	469,125.00
2016	450,000.00	4.250%	30,812.50	21,250.00	502,062.50
2017	500,000.00	4.250%	21,250.00	10,625.00	531,875.00
2018	500,000.00	4.250%	10,625.00	0.00	510,625.00
	$4,025,000.00		$845,646.88	$785,662.50	$5,656,309.38

Registrar/Transfer Agent - Fifth Third Bank, Michigan, Grand Rapids, Michigan

* Dated date, June 1, 2003, first interest payment due November 1, 2003- 5 months.

TABLE 1
CITY OF TROY
COUNTY OF OAKLAND, STATE OF MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY BONDS

SCHEDULE OF PROJECTED STATE EQUALIZED *(TAXABLE 1994 +) VALUES
(Actual through 2005)

Year	Total Real	Total Personal	Total Real & Personal	Initial Assessed Value	Captured *State Taxable Value
1993	342,342,400	86,936,130	429,278,530	429,278,530	0
1994	338,797,800	111,884,290	450,682,090	429,278,530	21,403,560
1995	334,906,240	147,415,050	482,321,290	429,278,530	53,042,760
1996	366,197,830	147,053,960	513,251,790	429,278,530	83,973,260
1997	391,782,920	191,001,470	582,784,390	429,278,530	153,505,860
1998	430,125,100	203,992,040	634,117,140	429,278,530	204,838,610
1999	432,998,790	220,783,831	653,782,621	429,278,530	224,504,091
2000	469,734,570	207,816,270	677,550,840	429,278,530	248,272,310
2001	493,426,640	193,834,470	687,261,110	429,278,530	257,982,580
2002	520,281,770	180,011,200	700,292,970	429,278,530	271,014,440
2003	524,793,130	162,817,310	687,610,440	429,278,530	258,331,910
2004	522,118,430	134,324,830	656,443,260	429,278,530	227,164,730
2005	531,379,920	133,550,880	664,930,800	429,278,530	235,652,270
2006	539,350,619	129,544,354	668,894,972	429,278,530	239,616,442
2007	547,440,878	125,658,023	673,098,901	429,278,530	243,820,371
2008	555,652,491	121,888,282	677,540,774	429,278,530	248,262,244
2009	563,987,279	118,231,634	682,218,912	429,278,530	252,940,382
2010	572,447,088	114,684,685	687,131,773	429,278,530	257,853,243
2011	581,033,794	111,244,144	692,277,938	429,278,530	262,999,408
2012	589,749,301	107,906,820	697,656,121	429,278,530	268,377,591
2013	598,595,541	104,669,615	703,265,156	429,278,530	273,986,626
2014	607,574,474	101,529,527	709,104,001	429,278,530	279,825,471
2015	616,688,091	98,483,641	715,171,732	429,278,530	285,893,202
2016	625,938,412	95,529,132	721,467,544	429,278,530	292,189,014
2017	635,327,488	92,663,258	727,990,746	429,278,530	298,712,216
2018	644,857,401	89,883,360	734,740,761	429,278,530	305,462,231

2006 and beyond has a 1.5% increase in real, and a 3% decrease in Personal Property

TABLE 2

CITY OF TROY

COUNTY OF OAKLAND, STATE OF MICHIGAN

DOWNTOWN DEVELOPMENT AUTHORITY BONDS

***(Actual through 2005)**

SCHEDULE OF IMPACT ON TAXING JURISDICTIONS

Year	Projected SEV (T/V after 1994) in District		Initial Assessed Value		Captured SEV (T/V after 1994) in District		(2002) Oakland Community College 1.5900	(2002) County of Oakland 4.6500	(2002) City of Troy (9.48 < 2002) 9.4500	Total Annual Capture
1993	429,278,530	*	429,278,530	*	0	*	$ -	$ -	$ -	$ -
1994	450,682,090	*	429,278,530	*	21,403,560	*	34,246	99,527	202,906	336,678
1995	482,321,290	*	429,278,530	*	53,042,760	*	84,868	246,649	502,845	834,362
1996	513,251,790	*	429,278,530	*	83,973,260	*	134,357	390,476	796,067	1,320,899
1997	582,784,390	*	429,278,530	*	153,505,860	*	245,609	713,802	1,455,236	2,414,647
1998	634,117,140	*	429,278,530	*	204,838,610	*	327,742	952,500	1,941,870	3,222,112
1999	653,782,621	*	429,278,530	*	224,504,091	*	359,207	1,043,944	2,128,299	3,531,450
2000	677,550,840	*	429,278,530	*	248,272,310	*	397,236	1,154,466	2,353,621	3,905,324
2001	687,261,110	*	429,278,530	*	257,982,580	*	412,772	1,199,619	2,445,675	4,058,066
2002	700,292,970	*	429,278,530	*	271,014,440	*	433,623	1,260,217	2,561,086	4,254,927
2003	687,610,440	*	429,278,530	*	258,331,910	*	413,331	1,201,243	2,441,237	4,055,811
2004	656,443,260	*	429,278,530	*	227,164,730	*	363,464	1,056,316	2,146,707	3,566,487
2005	664,930,800	*	429,278,530	*	235,652,270	*	374,687	1,095,783	2,226,914	3,697,384
2006	668,894,972		429,278,530	*	239,616,442		380,990	1,114,216	2,264,375	3,759,582
2007	673,098,901		429,278,530	*	243,820,371		387,674	1,133,765	2,304,103	3,825,542
2008	677,540,774		429,278,530	*	248,262,244		394,737	1,154,419	2,346,078	3,895,235
2009	682,218,912		429,278,530	*	252,940,382		402,175	1,176,173	2,390,287	3,968,635
2010	687,131,773		429,278,530	*	257,853,243		409,987	1,199,018	2,436,713	4,045,717
2011	692,277,938		429,278,530	*	262,999,408		418,169	1,222,947	2,485,344	4,126,461
2012	697,656,121		429,278,530	*	268,377,591		426,720	1,247,956	2,536,168	4,210,844
2013	703,265,156		429,278,530	*	273,986,626		435,639	1,274,038	2,589,174	4,298,850
2014	709,104,001		429,278,530	*	279,825,471		444,922	1,301,188	2,644,351	4,390,462
2015	715,171,732		429,278,530	*	285,893,202		454,570	1,329,403	2,701,691	4,485,664
2016	721,467,544		429,278,530	*	292,189,014		464,581	1,358,679	2,761,186	4,584,446
2017	727,990,746		429,278,530	*	298,712,216		474,952	1,389,012	2,822,830	4,686,795
2018	734,740,761		429,278,530	*	305,462,231		485,685	1,420,399	2,886,618	4,792,702
							$ 9,161,944	$ 26,735,755	$ 54,371,380	$ 90,269,080

2006 and beyond has a 1.5% increase in real and a 3% decrease in Personal Property

CITY OF TROY - DOWNTOWN DEVELOPMENT AUTHORITY
FIVE YEAR BUDGET PROJECTION
3/30/2005

	2006-07	2007-08	2008-09	2009-10	2010-11
REVENUE					
PROPERTY TAXES	$ 3,760,000	$ 3,825,000	$ 3,895,000	$ 3,969,000	$ 4,045,000
RE-APPROPRIATION FUND BALANCE	-	-	-	-	-
INVESTMENT INCOME	175,000	180,000	190,000	200,000	200,000
TOTAL	**$ 3,935,000**	**$ 4,005,000**	**$ 4,085,000**	**$ 4,169,000**	**$ 4,245,000**
EXPENDITURES					
OPERATING EXPENSES	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
ST. ISLAND MAINTENANCE	393,000	405,000	417,000	430,000	442,000
DEBT SERVICE					
BIG BEAVER PHASE 2 & 3	1,192,000	1,193,000	1,195,000	1,192,000	1,195,000
MTF ROCHESTER RD.	257,000	248,000	240,000	231,000	222,000
REFUND SERIES 'A'	784,000	785,000	788,000	787,000	788,000
COMMUNITY CENTER	1,046,000	1,055,000	1,112,000	1,165,000	1,164,000
	3,279,000	3,281,000	3,335,000	3,375,000	3,369,000
AVAILABLE FOR PROJECTS	163,000	219,000	233,000	264,000	334,000
TOTAL	**$ 3,935,000**	**$ 4,005,000**	**$ 4,085,000**	**$ 4,169,000**	**$ 4,245,000**
CAPTURED TV	239,616,442	243,820,371	248,262,244	252,940,382	257,853,243
CAPTURED TAX RATE	**$ 15.69**	**$ 15.69**	**$ 15.69**	**$ 15.69**	**$ 15.69**
ESTIMATED FUND BALANCE	$ 5,990,000	$ 7,370,000	$ 7,370,000	$ 7,370,000	$ 7,370,000

BIG BEAVER - LIVERNOIS TO
ROCHESTER RD. ADVANCE
FUNDING REIMBURSEMENT
2004 $4,683,000
2007 $1,380,000

TAX INCREMENT PROCEDURE

Tax increment revenue to be transmitted to the DDA is generated when the current assessed value of all properties within a development area exceeds the initial assessed value of the properties. The initial assessed value is defined in Act 197 as the assessed value of all taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the ordinance is adopted. The current assessed value refers to the assessed value of all properties, real and personal, within the development area as established each year subsequent to the adoption of the tax increment financing plan. The amount in any one year by which the current assessed exceeds the initial assessed value, including real and personal property, is defined as the "captured assessed value." The tax increment revenue transmitted to the DDA results from applying the total tax levy of taxing units within the development area to the captured assessed value.

Increases in assessed values within a development area which result in the generation of tax increment revenues, can result from any of the following:

a. Construction of new developments occurring after the date establishing the "initial assessed value."

b. Construction of new rehabilitation, remodeling alterations, or additions accruing after the date establishing the "initial assessed value."

c. Increases in property values which occur for any other reason.

Tax increment revenues transmitted to the DDA can be pledged for debt service on general obligation tax increment bonds issued by the municipality or tax increment revenues bonds issued by the DDA.

If bonds are to be sold, the municipality may not pledge for annual debt service requirements in excess of 80% of the estimated tax increment revenue to be received from a development area for that year. In addition, the estimated annual debt service owed on bonds issued by the municipality may not exceed 80% of the estimated annual tax increment revenues. Should actual tax increment revenues fall below projections, any previously accumulated revenue would be devoted to retirement of the bonds. Any tax increment revenues collected in excess of the 80% measure described in Table 2 of the Development Plan will be used to pay current debt service on any bonds issued under the Plan. The bonds are subject to the Michigan Municipal Finance Act and may not mature in more than thirty years.

The DDA may expend tax increment revenues only in accordance with the tax increment financing plan; surplus revenues revert proportionally to the respective taxing jurisdictions. The tax increment financing plan may be modified upon approval of the governing body after notification and hearings as required by Act 197. When the governing body finds that the purposes for which the plan was established have been accomplished, they may abolish the plan.