

**Commerce Township
Downtown Development Authority**

2006 Proposed Budget

Commerce Township Downtown Development Authority

Calendar Year 2006 Budget

| | 2003 Actual | 2004 Actual | 2005 Estimate | 2006 Proposed Budget |
|---|----------------------|----------------------|---------------------|----------------------|
| Revenues: | | | | |
| Captured Taxes | \$ 2,110,961 | \$ 1,872,029 | \$ 1,935,000 | \$ 2,053,000 |
| Interest income | 53,646 | 152,213 | 149,000 | 138,000 |
| Bond and land contract financing | 31,000,000 | 34,845,108 | - | 10,000,000 |
| Pinewood & Eldorado operating lease | 27,845 | 29,541 | 31,200 | 25,000 |
| Property sales | | - | - | 45,485,000 |
| Total revenues | 33,192,452 | 36,898,891 | 2,115,200 | 57,701,000 |
| Beginning Fund Balance | 2,298,095 | 13,201,825 | 21,775,600 | 8,124,630 |
| Total available to appropriate | 35,490,548 | 50,100,716 | 23,890,800 | 65,825,630 |
| Expenditures: | | | | |
| Director's compensation | 35,001 | 60,000 | 60,000 | 60,000 |
| Administrative assistant compensation | 12,004 | 21,106 | 20,000 | 20,500 |
| Township administrative charges | 55,000 | 57,200 | 67,000 | 68,675 |
| Other office expenses | | 16,093 | 5,500 | 5,638 |
| Legal | 268,335 | 290,171 | 350,000 | 359,000 |
| Accounting | 12,940 | 9,676 | 15,000 | 15,375 |
| Public relations | | 45,271 | 50,000 | 51,250 |
| Development projects: | | | | |
| Land appraisal | 17,550 | - | | |
| Property purchases | 20,533,977 | 15,129,658 | 11,827,962 | 200,000 |
| Road engineering & construction | 278,668 | 462,061 | 500,000 | 14,250,000 |
| Fire station construction | | | | 1,350,000 |
| Drainage improvements in DDA project area | | | | 3,000,000 |
| golf course maintenance and utilities | - | 5,373 | 80,000 | 25,000 |
| Transportation study | | 37,343 | 15,000 | 8,000 |
| Master plan (JJ&R) | | | | 65,000 |
| Form-based zoning ordinance | | | 113,000 | 37,000 |
| Vantage point 3d imaging | | | 78,500 | 125,000 |
| ERA | | | 40,000 | - |
| Other consultant fees | 23,796 | 22,836 | 10,000 | 10,250 |
| Community brochure donation | | | 20,000 | 10,000 |
| Township entry signs | 748 | 71,376 | 17,000 | 43,000 |
| Landscape enhancement | - | - | - | 20,000 |
| Capital outlay | 280,204 | 3,302 | 500,000 | 512,500 |
| Debt service | 770,500 | 1,383,984 | 1,997,208 | 2,057,689 |
| Land contract/ bond payoff | - | 10,709,666 | - | 23,535,159 |
| Contribution to Special assessm district | - | - | | 612,000 |
| Total expenditures | 22,288,722 | 28,325,116 | 15,766,170 | 46,441,036 |
| Ending Fund Balance | \$ 13,201,825 | \$ 21,775,600 | \$ 8,124,630 | \$ 19,384,594 |

Commerce Township Downtown Development Authority

Explanation of Budget Amounts

Captured taxes:10.7551

The 2006 tax capture is based on the 2005 total taxable value of \$238 billion for property within the DDA district, of which \$190 billion is subject to capture. The current millage rate is 10.7551 mills (no school taxes are captured, in accordance with Proposal A requirements), resulting in captured taxes of \$2,053,000.

Bond and Land Contract Financing

The 2006 bond financing is for a proposed special assessment bond to fund the Martin Road extension. The bond is likely to be sold in the name of the Township, and the proceeds provided to the DDA to engineer and construct the road.

Pinewood and El Dorado operating lease:

The DDA's contract with Oak Management for the Pinewood and El Dorado golf courses call for continued operation of the courses, but a substantial reduction in the building usage to pro shop and restrooms only.

Property sales:

This amount represents the following potential property sales in 2006:

| | | |
|--------------------------------------|------------------------------|--------------------------|
| School | 17 acres @250,000 | \$ 4,250,000 |
| Residential Developer (SW Quadrant) | 350 units @ 50,000; less SAD | 13,917,000 |
| Residential Developer (North Sector) | 350 units @ 50,000; less SAD | 13,917,000 |
| Maple Road | | <u>13,401,000</u> |
| Total Property Sales | | <u><u>45,485,000</u></u> |

Road engineering and construction:

This budget assumes the following road construction projects will occur during 2006:

| | |
|-------------------------------------|--------------------------|
| Richardson (Martin to Haggerty) | \$ 3,250,000 |
| Pontiac Trail (Welch to M-5) | 250,000 |
| Martin (Oakley Park to Richardson) | - |
| Martin (Oakley Park to M-5) | <u>10,750,000</u> |
| | <u><u>14,250,000</u></u> |

Explanation of Budget Amounts

Other Development projects:

This budget assumes that during 2006 the Downtown Development Authority will construct a Township fire station for approximately \$1,350,000; will construct drainage improvements within the DDA project area for approximately \$3,000,000; will complete a master zoning plan study for \$65,000, along with a form-based zoning ordinance for \$35,000; and will complete 3-D imaging for the Township for approximately \$125,000.

Land contract payoff:

The assumed land contract payoffs are all in connection with land sales (see note above). All the DDA land contracts include provisions calling for early payoff of the land contract if the property (or a portion of it) is sold. In addition, the budget assumes that the 200 DDA bond of \$13,000,000 will be paid off at the end of 2006, leaving only the 2004 bond of \$35,000,000 outstanding as of the December 31, 2006.