

Referral

6-4-19

**BUDGET,
FINANCE, AND
AUDIT STANDING
COMMITTEE**



May 29, 2019

Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1340
Detroit, MI 48226

RE: DOWNTOWN DEVELOPMENT AUTHORITY FY 2019-2020 BUDGET

Dear Honorable Body:

Pursuant to Section 228(1) of Public Act 57 of 2018, we have prepared the attached FY 2019-2020 Downtown Development Authority's (the "DDA") General Fund Budget for your approval prior to its adoption by DDA.

The amount of funds available from the one mill tax for FY 2019-20 has been estimated at \$1,050,000.00, net of collection delinquencies and reserves for tax settlements representing an increase of \$100,000.00 from 2018-19 due to an increase in property valuations. Transfer from the DDA's Tax Increment Fund will remain unchanged from the 2018-19 budgeted allocation of \$750,000.00.

The FY 2019-20 budget reflects revenues of \$800,000.00 to be generated from the parking operations, representing a reduction of \$700,000.00 in parking revenues from the FY 2018-19 budget due to the sale of DDA surface lots for the Monroe Block project. It should be noted that these parking lots were always intended to be a temporary revenue source until they would be included in a development. Other/Events Center Revenues are estimated at \$15,000.00, representing a reduction of \$28,000.00 from FY 2018-19 due to the completion of arena building activities. A Fund balance of \$350,000 represents an expected excess of expenses over revenues.

On the appropriations side, contractual services of \$1,940,000.00, reflects a \$2,000.00 increase from FY 2018-19 due to an anticipated increase in audit expense. The budgeted amount of \$550,000.00 for professional services and fees, inclusive of a \$10,000.00 expense for Computer Support, representing an increase of \$20,000.00 from FY 2018-19 due to an anticipated increase in insurance premiums. There is a \$75,000.00 budgeted expense related to parking operations for FY 2019-20, this represents a \$50,000.00 decrease from FY 2018-2019 due to a decrease in the amount of lots owned by DDA requiring maintenance and security. Finally, \$500,000.00 of allocated funds for Special Projects and Contingencies for FY 2019-20 indicates no increase from last year.



We respectfully request City Council's approval of the attached budget at its June 11, 2019 formal meeting. A waiver of reconsideration is requested.

Should any member of the Council have any questions, please contact me at 483-4150.

Sincerely,

Jennifer Kanalos
Authorized Agent

cc: City Clerk
Irvin Corley, Jr.
F. Thomas Lewand
Glen Long, Jr.
John Naglick
Tanya Stoudemire
Stephanie Washington

p:\general\dda\finance\budget\dda budget 2019-20 transmittal ltr to cc.docx

**RESOLUTION OF THE DETROIT CITY COUNCIL
APPROVING THE CITY OF DETROIT
DOWNTOWN DEVELOPMENT AUTHORITY
BUDGET FOR FY 2019-2020**

WHEREAS, Act 57, Public Acts of Michigan, 2018 (“Act 57”) provides that the Downtown Development Authority (the “DDA”) shall prepare and submit a budget for the operation of the DDA for each ensuing fiscal year to the City Council of the City of Detroit (“City Council”) for approval before such budget is adopted by the DDA Board; and

WHEREAS, the DDA has submitted the budget attached hereto as Exhibit A for its fiscal year 2019-2020 for the review and approval by the City Council and the City Council has reviewed the same.

NOW, THEREFORE, BE IT RESOLVED THAT:

The budget of the City of Detroit Downtown Development Authority for its fiscal year 2019-2020 is hereby approved by the City Council for the City of Detroit in the form attached hereto as Exhibit A.

Yeas: _____

Nays: _____

Waiver of reconsideration is requested.

**DOWNTOWN DEVELOPMENT AUTHORITY
BUDGET
2019-2020**

	2018-19 BUDGET	2018-2019 PROJECTED ACTUAL	DIFFERENCE	2019-20 BUDGET
REVENUES:				
Current taxes - one mil	\$ 950,000	\$ 1,058,766	\$ 108,766	\$ 1,050,000
Earnings on investments	40,000	95,202	55,202	100,000
Transfer from Tax Increment Fund	750,000	750,000	-	750,000
Parking Operations	1,500,000	1,228,723	(271,277)	800,000
Other/Event Center	43,000	40,008	(2,992)	15,000
From/(To) prior year balance	(190,000)	(244,215)	(54,215)	350,000
TOTAL REVENUES	\$ 3,093,000	\$ 2,928,484	\$ (164,516)	\$ 3,065,000
EXPENSES:				
Contractual Services				
Detroit Economic Growth Corp	\$ 1,900,000	\$ 1,900,000	\$ -	\$ 1,900,000
Annual Audit	38,000	38,000	\$ -	40,000
Sub-Total	\$ 1,938,000	\$ 1,938,000	\$ -	\$ 1,940,000
Professional Service Fees				
Legal Services	\$ 200,000	\$ 192,178	\$ 7,822	\$ 200,000
Insurance	305,000	316,948	\$ (11,948)	325,000
Advertising/Marketing	15,000	10,167	\$ 4,833	15,000
Computer Support	10,000	10,000	\$ -	10,000
Sub-Total	\$ 530,000	\$ 529,293	\$ 707	\$ 550,000
Parking Lots Management	\$ 125,000	\$ 81,249	\$ 43,751	\$ 75,000
Special Projects & Contingencies	\$ 500,000	\$ 379,942	\$ 120,058	\$ 500,000
TOTAL EXPENSES	\$ 3,093,000	\$ 2,928,484	\$ 164,516	\$ 3,065,000



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OFFICE OF THE
DETROIT CITY CLERK

2019 MAY 28 A 10:52

May 24, 2019

Ms. Cathy M. Garrett
Wayne County Clerk
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 211
Detroit, Michigan 48226

Re: City of Detroit Downtown Development Authority 2019 Tax Rate Request

Dear Ms. Garrett:

Pursuant to Section 212 (1) of Public Act 57 of 2018, the City of Detroit Downtown Development Authority (the "DDA") is allowed to levy one (1) mill on real and personal property in the DDA district.

Submitted herewith is the executed City of Detroit DDA 2019 tax rate request.

Please feel free to contact me with any questions.

Sincerely,

Jennifer Kanalos
Authorized Agent

c: Ms. Janice Winfrey, City of Detroit Clerk
Ms. Christa McLellan, City of Detroit Deputy CFO/Treasurer
Mr. Scott Vandemergel, Wayne County Director of Assessment & Equalization
Mr. Charles Ericson, MMAO, City of Detroit Board of Assessors
Mr. Alvin Hohrn, City of Detroit Deputy CFO Assessor's Office
Mr. Glen Long Jr., Detroit Economic Growth Corporation CFO and Executive VP of Administration

2019 Tax Rate Request (This form must be completed and submitted on or before September 30, 2019)
MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory; Penalty applies.

County(ies) Where the Local Government Unit Levies Taxes
WAYNE

2019 Taxable Value of ALL Properties in the Unit as of 5-28-19
\$1,214,983,886

Local Government Unit Requesting Millage Levy
DETROIT DOWNTOWN DEVELOPMENT AUTHORITY

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2019 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2018 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2019 Current Year "Headlee" Millage Reduction Fraction	(7) 2019 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
PA 57	DDA	N/A	1.0000	.9887	1.0000	.9887	1.0000	.9887	.9887		N/A
2018											

Prepared by
Jennifer Kanalos

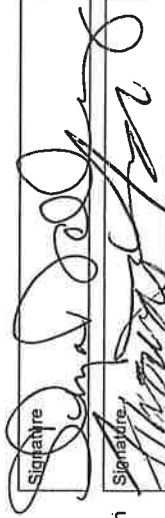
Telephone Number
(313) 483-4150

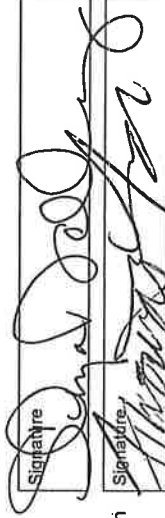
Title of Preparer
Authorized Agent

Date
5/22/19

CERTIFICATION: As the representatives for the local government unit named above, we certify that these requested tax levy rates have been reduced, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 380.1211(3).

Clerk
 Secretary
 Chairperson
 President

Signature: 
Print Name: **Sonya Delley**
Date: **5/22/19**

Signature: 
Print Name: **F. Thomas Lewand, Sr.**
Date: **5/22/19**

* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

** **IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

Local School District Use Only. Complete if requesting millage to be levied. See STC Bulletin 3 of 2019 for instructions on completing this section.

Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	
For Commercial Personal	
For all Other	



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May 29, 2019

Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1340
Detroit, MI 48226

RE: City of Detroit Eight Mile/Woodward Corridor Improvement Authority
Budget for Fiscal Year 2019-20

Dear Honorable Body:

Enclosed please find a copy of the City of Detroit Eight Mile/Woodward Corridor Improvement Authority (the "EMWCIA") budget for Fiscal Year 2019-20. Under the provisions of Act 57, Public Acts of Michigan, 2018, the EMWCIA shall prepare and submit to the City Council a budget for the operation of the EMWCIA for each fiscal year prior to such budget being adopted by the EMWCIA Board of Directors.

The enclosed budget for the EMWCIA's Fiscal Year 2019-20 is forwarded to your Honorable Body. EMWCIA respectfully requests that you review and approve the proposed budget in the form submitted, with waiver of reconsideration.

Sincerely,

Jennifer Kanalos
Authorized Agent

JK/gh

Enclosure

cc: City Clerk
Irvin Corley, Jr.
Glen Long, Jr.
Tanya Stoudemire
Stephanie Washington

P:\general\corridor improvement authority\cia budget\city council re 2019-20 EMWCIA budget

CITY CLERK 2019 MAY 29 PM 3:02

**RESOLUTION OF THE DETROIT CITY COUNCIL
APPROVING THE CITY OF DETROIT
EIGHT MILE/WOODWARD CORRIDOR IMPROVEMENT AUTHORITY
BUDGET FOR FY 2019-20**

WHEREAS, Act 57, Public Acts of Michigan, 2018 ("Act 57"), provides that the Director of the City of Detroit Eight Mile/Woodward Corridor Improvement Authority (the "EMWCIA") shall prepare and submit a budget for the operation of the EMWCIA for each ensuing fiscal year to the City Council of the City of Detroit ("City Council") before such budget is adopted by the EMWCIA Board; and

WHEREAS, the EMWCIA has submitted the budget attached hereto as Exhibit A for its fiscal year 2019-20 for the review and approval by the City Council and the City Council has reviewed same.

NOW THEREFORE BE IT RESOLVED THAT:

The budget of the EMWCIA for its fiscal year 2019-20 is hereby approved by the City Council in the form attached hereto as Exhibit A.

Yeas: _____

Nays: _____

Waiver of reconsideration is requested.

**EIGHT MILE WOODWARD COORIDOR IMPROVEMENT AUTHORITY
OPERATING BUDGET
JULY 1, 2019 TO JUNE 30, 2020**

	Projected Total June 30, 2019	Budget June 30, 2019	Variance	Proposed Budget June 30, 2020
<u>REVENUE</u>				
TIF OPERATING REVENUE	100,000	100,000	0	100,000
INTEREST/OTHER INCOME	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUE	<u>100,000</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>
<u>EXPENSES</u>				
DETROIT ECONOMIC GROWTH CORPORATION	50,000	50,000	0	50,000
LEGAL	10,000	15,000	5,000	15,000
AUDIT	10,000	10,000	0	10,000
INSURANCE	13,010	20,000	6,990	20,000
OTHER EXPENSES	<u>4,014</u>	<u>5,000</u>	<u>986</u>	<u>5,000</u>
TOTAL EXPENSES	<u>87,024</u>	<u>100,000</u>	<u>12,976</u>	<u>100,000</u>
Operating Surplus/(Shortfall)	12,976	0	12,976	0
(Increase)/Decrease in Reserve	<u>(12,976)</u>	<u>0</u>	<u>(12,976)</u>	<u>0</u>
NET SURPLUS/(SHORTFALL)	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>



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May 29, 2019

Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1340
Detroit, MI 48226

Re: City of Detroit Local Development Finance Authority
Budget for Fiscal Year 2019-2020

Dear Honorable Body:

Enclosed please find a copy of the City of Detroit Local Development Finance Authority budget for Fiscal Year 2019-2020. Under the provisions of Act 57, Public Acts of Michigan, 2018, the Director of the Local Development Finance Authority (the "LDFA") shall prepare and submit to the City Council a budget for the operation of the LDFA for each fiscal year prior to such budget being adopted by the LDFA Board of Directors.

The enclosed budget for the City of Detroit Local Development Finance Authority's Fiscal Year 2019-2020 is forwarded to your Honorable Body. LDFA respectfully requests that you review and approve the proposed budget in the form submitted, with waiver of reconsideration.

Respectfully,

Jennifer Kanalos
Director

JK/gh

Enclosure

cc: City Clerk
Irvin Corley, Jr.
Glen Long, Jr.
Tanya Stoudemire
Stephanie Washington

P:\general\LDFA\finance\budget\city council re LDFA budget for FY 2019-20C

CITY CLERK 2019 MAY 30 AM 9:52



**RESOLUTION OF THE DETROIT CITY COUNCIL
APPROVING THE CITY OF DETROIT
LOCAL DEVELOPMENT FINANCE AUTHORITY
BUDGET FOR FY 2019-2020**

WHEREAS, Act 57, Public Acts of Michigan, 2018 (“Act 57”), provides that the Director of the Local Development Finance Authority (the “LDFA”) shall prepare and submit a budget for the operation of the LDFA for each ensuing fiscal year to the City Council of the City of Detroit (“City Council”) before such budget is adopted by the LDFA Board; and

WHEREAS, the LDFA has submitted the budget attached hereto as Exhibit A for its fiscal year 2019-2020 for the review and approval by the City Council and the City Council has reviewed the same.

NOW, THEREFORE, BE IT RESOLVED THAT:

The budget of the City of Detroit Local Development Finance Authority for its fiscal year 2019-2020 is hereby approved by the City Council for the City of Detroit in the form attached hereto as Exhibit A.

Yeas: _____

Nays: _____

Waiver of reconsideration is requested.

**LOCAL DEVELOPMENT FINANCE AUTHORITY
OPERATING BUDGET
JULY 1, 2019 TO JUNE 30, 2020**

	Budget June 30, 2019	Proposed Budget June 30, 2020
<u>REVENUE</u>		
REVENUES RELEASED CURRENT YEAR	150,000	0
CITY REIMBURSEMENT	0	0
INTEREST/OTHER INCOME	5,000	10,000
	<hr/>	<hr/>
TOTAL OPERATING REVENUE	155,000	10,000
Transfer (to) from Prior Year Operating Fund Balances	0	150,000
	<hr/>	<hr/>
TOTAL TRANSFERS (TO) FROM FUND BALANCES	0	150,000
	<hr/>	<hr/>
TOTAL REVENUE	<u>155,000</u>	<u>160,000</u>
<u>EXPENSES</u>		
DETROIT ECONOMIC GROWTH CORPORATION	125,000	125,000
MAINTENANCE/OTHER	30,000	35,000
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	155,000	160,000
Operating Surplus/(Shortfall)	0	0
(Increase)/Decrease in Reserve	0	0
	<hr/>	<hr/>
NET SURPLUS/(SHORTFALL)	<u>0</u>	<u>0</u>



City of Detroit

COUNCILMAN SCOTT R. BENSON

CITY CLERK 2019 MAY 28 PM12:34

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MEMORANDUM

TO: Assessor's Office, Alvin Horhn
Hon. James Tate Jr. Chair, P&DD Standing Committee
Hon. Janee Ayers, Chair, BF&A Standing Committee

FROM: **Hon. Scott Benson, City Council District 3**

CC: Hon. Janice Winfrey, City Clerk
David Whitaker, Director, LPD
David Massaron, CFO
Stephanie Washington, City Council Liaison

VIA: **Hon. Brenda Jones, City Council President**

DATE: 28 May 2019

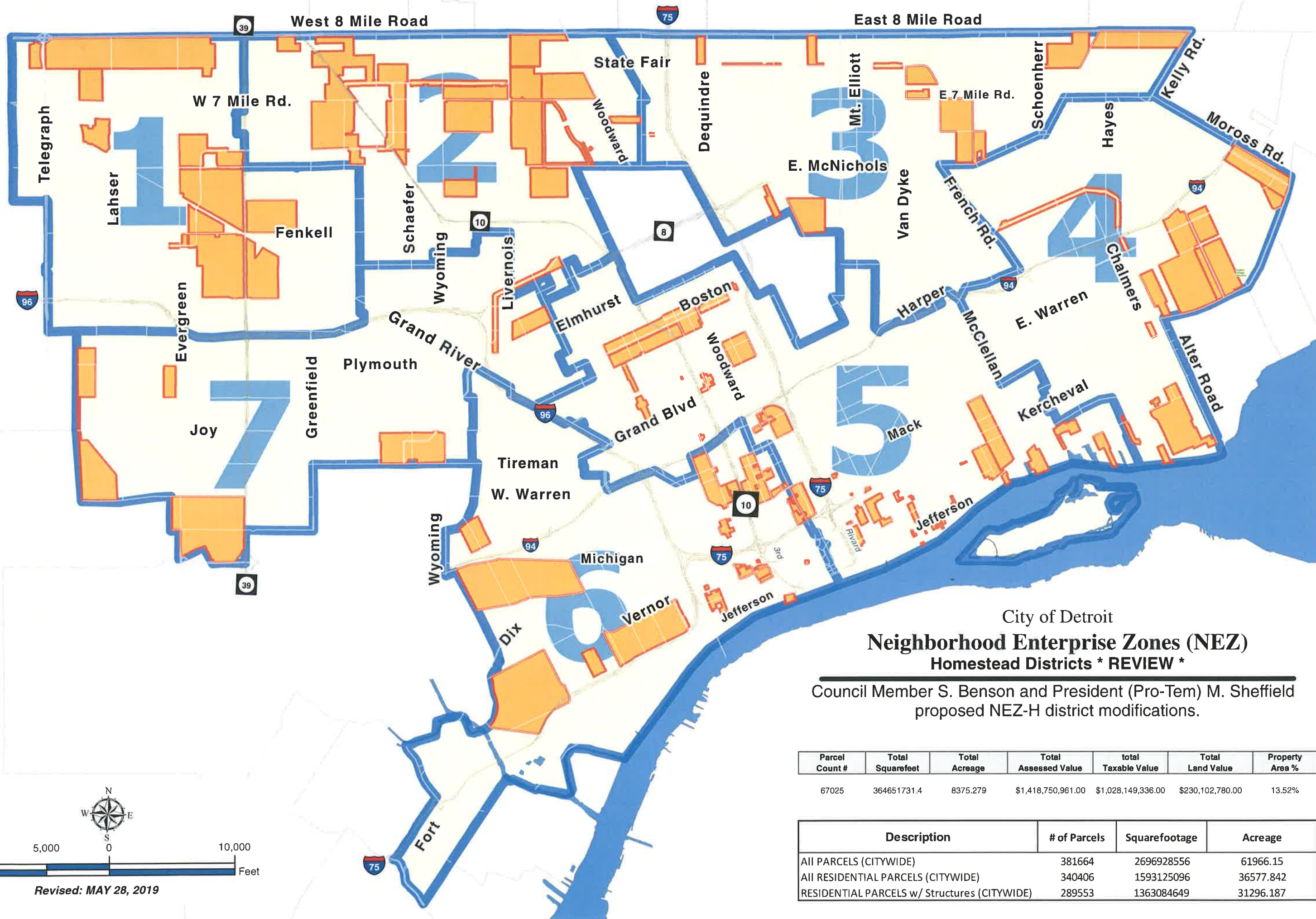
RE: NEZ HOMESTEAD (NEZH) UPDATED PROPOSED MODIFICATIONS

Find attached the NEZh map, dtd. May 28, 2019, which identifies the proposed modifications of Council Member Scott Benson and Council President Pro-Tem Mary Sheffield.

Each council member is encouraged to review and consider the proposed modifications when making changes to their respective districts. Please keep in mind that NEZ Homesteads were created to stabilize neighborhoods and facilitate investment in single-family homes in our city. This is a powerful tool capable of both assisting in the revitalization of Detroit's middle class and retaining residency.

As individual council members, you are best positioned to know the nuances of the city within your specific council district and to take a broader view where necessary. I continue to urge council members to review the proposed changes and to accept or modify the suggestions accordingly.

SRB

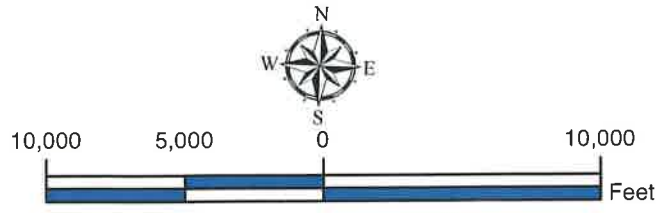


City of Detroit
Neighborhood Enterprise Zones (NEZ)
Homestead Districts * REVIEW *

Council Member S. Benson and President (Pro-Tem) M. Sheffield proposed NEZ-H district modifications.

Parcel Count #	Total Squarefeet	Total Acreage	Total Assessed Value	total Taxable Value	Total Land Value	Property Area %
67025	364651731.4	8375.279	\$1,418,750,961.00	\$1,028,149,336.00	\$230,102,780.00	13.52%

Description	# of Parcels	Squarefootage	Acreage
All PARCELS (CITYWIDE)	381664	2696928556	61966.15
All RESIDENTIAL PARCELS (CITYWIDE)	340406	1593125096	36577.842
RESIDENTIAL PARCELS w/ Structures (CITYWIDE)	289553	1363084649	31296.187



Revised: MAY 28, 2019