

1929 Hopedale Dr.
Troy, MI 48085-3346

February 2, 2005

Marla Braun, legislative aide
Office of State Representative Robert Gosselin

Dear Ms. Braun,

I am asking for a thorough audit of all the TDDA's annual reports. More specifically, to verify that only the proper amount of tax increment revenues were captured. The TDDA has been collecting tax increment revenues from the **entire** TDDA district since its creation and **not** from just the development areas. In their first two Development/TIF plans, they specified development areas that were only portions of the district. However, the TDDA collected TIF revenues from the entire district and not just from the development areas.

In 1999, during the discussions of Development/TIF Plan #3, I brought my concerns to the attention of the Troy City Council and the TDDA that they were violating the law by collecting tax increment revenues from property that was located outside the specified development areas but still within the TDDA district. The result was a change in the development area boundaries, retroactively, to be the same as the entire TDDA district boundaries. They then **falsely** stated in Development/TIF Plans #4 & #5 that:

At the time the TDDA was created, the Development Area and the Tax Increment Financing Area were established as coterminous with the boundaries of the Authority.

Development/TIF Plan #1 states the following:

DEVELOPMENT AREA BOUNDARIES

The development area is situated within the Downtown Development District. More specifically, the development area is centered on the right-of-way of Big Beaver Road and extending between Cunningham on the west and Civic Center drive on the east, a length of approximately 1.8 miles. The development area also includes Coolidge Highway improvements north and south of Big Beaver Road from Golfview through the Cunningham intersection. Also included within the area is an enclosed parking structure to serve the Somerset Collection (North) and the structure is located south of Cunningham Drive between Coolidge Highway and Lakeview Drive in the southwest quarter of the southwest quarter of Section 20 of the City of Troy. (Please see the attached drawing which is Exhibit #1.)

A review of Exhibit #1 in Development/TIF Plan #1 will show that the TDDA has made false statements to cover up their violations of Act 197 of 1975.

My concerns may be laid to rest if the following three questions were to be answered.

Question 1. What constitutes a development area for a DDA Development Plan when the project area only involves a small portion of the DDA District?

Question 2. Can a DDA collect tax increment revenues outside of the development area specified in the Development Plan?

Question 3. Can a DDA legally change the development area size (**retroactively** or hence forward) for a Development Plan after April 14, 1998?

Respectfully,

Victor Lenivov