

Fact or Fiction

I first became curious with the Troy Downtown Development Authority (TDDA) last year. What was this entity? It was mentioned at city council meetings. It was mentioned in discussions I had with individuals outside of city council meetings. Questions were raised as to its legality. Questions were raised as to its function and use of tax payers dollars. Not having a good understanding of what it was, I began to ask questions. First to understand its taxing authority. How was it financed? Then I read in the Troy Civic Center Master Plan that it was considered to play an important role in the plans implementation. Wanting to better understand it and how it could play such an important role, I began looking into what it was.

First I looked into its legal being. I read the Michigan Compiled laws that related to it. This made me wonder how such an entity could have legally been created in Troy. Not that Troy may not have had some deteriorating business areas. But that the area selected, the Big Beaver corridor, legally met the criteria for the creation of such an entity.

As I looked into it further, the more I became convinced that the facts did not justify its' creation. In fact, there was more fiction than facts that led to its' creation. The people at city hall know that I have been looking into this matter.

The city clerks office has shown me some of the ordinances that deal with the TDDA. Did you know that the TDDA is violating ordinance #80 of 1993 concerning the audit report it is to create on an annual basis. Section 7 that deals with creating an annual report within 90 days of the end of the fiscal year, specifies not only that the council is to get a copy of this report, but it is supposed to be printed in its entirety in a newspaper of general circulation. Has this ever occurred? No one remembers this having been done. Is this the responsibility of the city attorneys office to enforce this ordinance. Why hasn't it been enforced? Is it necessary for me to contact the Oakland County prosecutors office since the city attorney's office may have a conflict of interest?

The building department knows I've been looking into this matter. I was curious as to when certain buildings were built in the area under the TDDA jurisdiction. If this was truly a deteriorating business district, I shouldn't see many new buildings or new construction occurring. Boy was I surprised. There was a lot of new construction in the years just prior to the TDDA creation.

This led me to contact the city assessing department. Surely they would have done some preliminary work that would LEGALLY justify the creation of the TDDA. I was curious as to the assessed value of the property in the TDDA area to determine if in fact it was deteriorating. They pulled out a thick hanging file folder on the TDDA. Unfortunately, as we looked through the information, it was concerned with assessing information after the fact. The gentleman was sure that there had to be something that was presented to the city council. He left and after a short while, came back with one

item. It was an item dealing with Economic Trends. It contained economic trend information for the area in question and for Troy city wide. Guess what? After reviewing the information, the data does not support the creation of the TDDA To be honest, there wasn't much data there. What there was does not support what was created. If I was the Oakland county executive, I would be requesting a refund of all county tax dollars sent to the TDDA. This entity was created illegally. The attorney general for the State of Michigan should be conducting an investigation into its creation. The TDDA was created in order to help fund and build a parking structure for the use by Somersett North and to expand Big Beaver without having to account to the residents of Troy for the money used in the expansion. These are harsh statements. Let me show you the facts behind these statements. Facts taken from the same report used to create the TDDA.

Fact: The report showed that there was a decrease in the office occupancy rate in the offices located within the TDDA's proposed jurisdiction. It was comparing 1991 levels with 1993 levels. I believe this was about the time there was a general office glut in southeast Michigan. Lower occupancy rates were the norm throughout the area. But in providing this information, they also showed when the offices were built. They showed the rates for 43 office buildings. The earliest one built in 1971, the last in 1991. Since 1984, just 9 years prior to the TDDA's creation, 28 new office buildings were built. Yes, 65% of the office buildings built since 1971 were built in the prior 9 years. 42% were built since 1987, just 6 years prior. Does this represent a deteriorating business district? No. Chalk up deteriorating business district to Fiction.

Fact or Fiction: Decreasing property values

There was a page showing that if it weren't for two new buildings, the area would have a decreasing real property SEV for the years from 1990 to 1993. The law doesn't say you can remove recent construction to show decreasing values. When you look at the SEV for the entire area without removing the new buildings, the areas SEV increased each year from 1990 to 1993.

But why were only the years for 1991-1993 addressed.

There was a page showing the City of Troy Tax Base. They stated that the 1986-1990 set a new record for 5 year growth at an average of 13.51% increase. Why didn't they show the SEV for the TDDA area for the years 1986-1990. Were they afraid to show a double digit increasing SEV for the area. Remember I mentioned all the new office buildings built recently. In the 1986-1990 time period there were 2 built in 1986, 8 built in 1987, 6 built in 1988 and 2 in 1989. A total of 18 new office buildings were built in that 5 year span.

Back to the city wide record SEV increases. In 1991, the increase dropped to 5.18%, in 1992 it increased 1.89% and in 1993, there was a 2.64% increase. The TDDA area increase in 1992 was greater than the city wide SEV increase and it increased each of the years. It only showed a decrease if you removed the adjustment reductions (these reductions were due to lower occupancy levels) but the overall picture for that time period was an increasing SEV.

Some data was shown that might indicate a decreasing SEV for the area. They stated that 58 of the 219 properties in the area had declined in value. 26% of the properties had declined in value. That means 161 properties had increasing or steady property values. Yes 74% were not declining. It's even more revealing that the 58 properties that had declining values only represented 8.5% of the total assessed value. That's right, 8.5%. That means 91.5% of the total assessed value was steady or increasing in value. The question I would ask is why did the 58 properties have decreasing SEV's. Was it due to a tax tribunal decision lowering the SEV? Was it do to the reductions allowed for not having full occupancy?

It was interesting that they showed the projected increase in traffic flow on Big Beaver from 1990 to the year 2000. Why in the world would traffic be increasing in an area that is deteriorating? They even discussed the plans developed in 1988 for expanding Big Beaver.

I have only begun to look into the creation of the TDDA. What I have seen so far has only confirmed that there is an odor emanating from the creation of the TDDA. There is an old saying, where there is smoke, there is fire. There is another saying, when something gives off an odor, something rotten is causing it.

Do NOT, I repeat Do NOT have the TDDA involved with the Troy Civic Center Master Plan. I strongly believe that it was created illegally and its creation should be investigated by the Attorney General for the State of Michigan.

As councilwoman Shilling was quoted as saying:

"The way we came to this kind of design is as a way to pay for things that the public might not want to pay for,".

I would add to this comment:

"and to pay for building structures that private developers don't want to pay for."