

AUGUST 2, 2011

TO: LOCAL DEVELOPMENT FINANCE AUTHORITY

**FROM: TERRY CARROLL, DIRECTOR
PLANNING & ECONOMIC DEVELOPMENT**

RE: AUGUST 11, 2011 MEETING AGENDA

The LDFA budget for the upcoming year is usually considered in the late summer or fall of the preceding year. The attached proposed budget for FY2012 has been prepared by the Deputy Treasurer and offered for your review.

Overview

As you know, the current main focus of the Local Development Financing Act (LDFA) Board is to collect the tax capture of the tax increment finance district and use the proceeds to fund the debt that was incurred to make the public improvements to the district. In addition to the debt service there are minimal charges to the capture for the administrative costs that the Township incurs to administer the affairs of the Board.

The current year of 2011 is the first year that the LDFA experienced a steep decrease in tax increment capture due to the revaluing of Visteon as a result of their bankruptcy. Collected amounts that had totaled \$1.3 million in the past are now anticipated to be no more than \$400,000.

The largest expenditures anticipated for 2012 will be for the Bond Principal (\$120,000.00) and Interest Expense (\$833,753.00). The entire budget will require the use of \$499,228.00 of unrestricted fund balance in order to balance the budget.

Recommendation

It is the recommendation of the Administration that the LDFA Board approve the 2012 budget as presented. This will allow for the debt to be serviced and the business of the LDFA to be conducted for another year. There will still be approximately \$5 million of the settlement left to cover future budget deficits.

I would be happy to discuss any questions or comments you may have regarding any of this information.