

Payoff

	No Brownfield	With Brownfield
Property Purchase	\$31,500,000	\$31,500,000
Developer cost to cleanup site (1)	\$15,000,000	\$0
Baseline tax to City of Livonia (2)	\$181,283	\$181,283
Full Taxes at buildout (3)	\$11,463,767	\$11,463,767
Livonia City tax at buildout (4)	\$2,877,500	\$2,877,500

Bond Calculator	
15 Years	
4.25% Rate	
\$15,000,000 Bond Amount	
-\$1,372,806	Annual payment

Year #	Tax Year		Taxes paid to Livonia City, no brownfield	Taxes paid to Livonia City, with brownfield	Incremental City tax as development proceeds	Annual Interest + Principal	Incremental taxes less annual bond Payment (5)	Cumulative increment benefit to City	Commercial build out (6)	Residential build out (7)
1	2009	0% developed end of 2009	\$181,283	\$181,283	\$0	-\$1,372,806	-\$1,372,806	-\$1,372,806	0%	0%
2	2010	6% developed end of 2010	\$353,933	\$181,283	\$172,650	-\$1,372,806	-\$1,200,156	-\$2,572,963	12%	0%
3	2011	10% developed end of 2011	\$469,033	\$181,283	\$287,750	-\$1,372,806	-\$1,085,056	-\$3,658,019	20%	0%
4	2012	13% developed end of 2012	\$540,970	\$181,283	\$359,688	-\$1,372,806	-\$1,013,119	-\$4,671,138	20%	5%
5	2013	15% developed end of 2013	\$612,908	\$181,283	\$431,625	-\$1,372,806	-\$941,181	-\$5,612,319	25%	5%
6	2014	18% developed end of 2014	\$684,845	\$181,283	\$503,563	-\$1,372,806	-\$869,244	-\$6,481,563	30%	5%
7	2015	23% developed end of 2015	\$828,720	\$181,283	\$647,438	-\$1,372,806	-\$725,369	-\$7,206,932	35%	10%
8	2016	28% developed end of 2016	\$972,595	\$181,283	\$791,313	-\$1,372,806	-\$581,494	-\$7,788,426	40%	15%
9	2017	33% developed end of 2017	\$1,116,470	\$181,283	\$935,188	-\$1,372,806	-\$437,619	-\$8,226,045	45%	20%
10	2018	38% developed end of 2018	\$1,260,345	\$181,283	\$1,079,063	-\$1,372,806	-\$293,744	-\$8,519,789	50%	25%
11	2019	43% developed end of 2019	\$1,404,220	\$181,283	\$1,222,938	-\$1,372,806	-\$149,869	-\$8,669,658	55%	30%
12	2020	48% developed end of 2020	\$1,548,095	\$181,283	\$1,366,813	-\$1,372,806	-\$5,994	-\$8,675,652	60%	35%
13	2021	53% developed end of 2021	\$1,691,970	\$181,283	\$1,510,688	-\$1,372,806	\$137,881	-\$8,537,770	65%	40%
14	2022	60% developed end of 2022	\$1,907,783	\$181,283	\$1,726,500	-\$1,372,806	\$353,694	-\$8,184,077	70%	50%
15	2023	68% developed end of 2023	\$2,123,595	\$181,283	\$1,942,313	-\$1,372,806	\$569,506	-\$7,614,571	75%	60%
16	2024	75% developed end of 2024	\$2,339,408	\$181,283	\$2,158,125	\$0	\$2,158,125	-\$5,456,446	80%	70%
17	2025	83% developed end of 2025	\$2,555,220	\$181,283	\$2,373,938	\$0	\$2,373,938	-\$3,082,508	85%	80%
18	2026	90% developed end of 2026	\$2,771,033	\$181,283	\$2,589,750	\$0	\$2,589,750	-\$492,758	90%	90%
19	2027	100% developed end of 2027	\$3,058,783	\$3,058,783	\$2,877,500	\$0	\$2,877,500	\$2,384,742	100%	100%
Total			\$26,421,205	\$6,321,868						

Note: City lost \$20 million in revenue (Principal and interest to repay bond)

Payoff

1)	Brownfield requested from Northville Twp	\$15,000,000
2)	Purchase price	\$31,500,000
	SEV (½ purchase price)	\$15,750,000
	Total tax rate (mills)	51.82
	Total annual taxes	\$816,209

	Livonia City tax (mills)	11.51
	Livonia City taxes 2009	\$181,283

3)	Project mix	Percent	Value	
	Total project value (from developer)		\$500,000,000	
	Commercial (estimated)	50%	\$250,000,000	
	Residential (estimated)	50%	\$250,000,000	
	No homestead (est)	33%		\$83,333,333
	With homestead (est)	67%		\$166,666,667

4)	Taxes at buildout				
	SEV	Mills	\$250,000,000		
		Mills	SEV	Total Tax	Livonia City Tax
	2007/2008 Livonia Commercial	51.83	\$125,000,000	\$6,478,450	\$1,438,750
	2007/2008 Livonia Res No Homestead	51.83	\$41,666,667	\$2,159,483	\$479,583
	2007/2008 Livonia Res Homestead	33.91	\$83,333,333	\$2,825,833	\$959,167
	Totals at buildout		\$250,000,000	\$11,463,767	\$2,877,500

- 5) Brownfield bond retired from City revenues only (all school taxes omitted)
- 6) Commercial completion based on 2 million square feet; 1st store at 250,000 ft, succeeding ones smaller than the first.
- 7) Residential build out rate reflects current (2008) housing market

Prepared by Citizens to Stop Annexation
www.stopannexation.com