



7275 W. MAIN STREET, KALAMAZOO, MI 49009-9334
269-216-5220 Fax 375-7180 TDD 375-7198
www.oshtemo.org

**SOUTH DRAKE ROAD CORRIDOR IMPROVEMENT AUTHORITY
Board of Directors**

**Oshtemo Township Hall
7275 West Main Street**

Wednesday
June 27, 2018
12:00 p.m.

AGENDA

1. Call to Order
2. Election of Officers - 2018 Office of Chair, Vice-Chair, Secretary and Treasurer
3. Approval of Minutes – July 27, 2017
4. Public Comment
5. Treasurer's Report
6. Drake Road Path Update
 - a. Memorandum of Understanding
7. 2019 Draft Budget Discussion
8. Any Other Business
9. Adjournment

THE CHARTER TOWNSHIP OF OSHTEMO

DRAFT MINUTES

South Drake Road Corridor Improvement Authority (SoDA)

July 27, 2017

SoDA Board meeting was held at the Township Hall. The meeting was called to order by Chairperson Spurr at 12:02 p.m.

MEMBERS PRESENT:

Corey Ashley, Vice Chair
Kelly Bringman
Joe Gesmundo
Libby Heiny-Cogswell
Cheri Jodoin
Dale Shugars
Theresa Spurr, Chair
Dennis Patzer, Treasurer

MEMBERS ABSENT:

Galen Rike

Also present were Planning Director Julie Johnston and Public Works Technical Specialist Jamie Baker.

Election of Officers

Chairperson Spurr turned the meeting over to Director Johnston to assist with the election of 2017 Officers. Director Johnston indicated that the normal procedure was to nominate a person for a position, receive affirmation from that person that they wish to hold office, and then make a motion to approve that person for that office. Director Johnston reviewed the current officers and then asked for nominations.

Mr. Patzer asked if the current officers, outside of Deb Jung who functioned as the Secretary and is no longer with the Board, were willing to continue in their current position for another year. The current officers agreed.

Minutes

Chairperson Spurr asked if there were any additions, deletions or corrections to the minutes of July 20, 2016. Hearing none, she asked for motion to approve the minutes.

Mr. Gesmundo made a motion to approve the minutes of July 20, 2016 as presented. Mr. Ashley seconded the motion. The motion was approved unanimously.

Public Comment

None.

Treasurer's Report

Chairperson Spurr asked for the Treasurer's report. Director Johnston indicated that revenues received in 2017 were not as high as expected when the 2017 budget was developed. This is largely due to projects with the Corner@Drake project not being 100 percent on the tax rolls because construction was not complete. It was anticipated that SoDA would receive \$43,295 in revenue but taxes received totaled \$29,193 for 2017. No expenses have been applied to the budget as the Drake Road Path has not yet been built.

Chairperson Spurr requested a motion to accept the Treasurer's Report.

Drake Road Path Update

Jamie Baker from the Township's Public Works Department provided an update on the Drake Road Path.

The Township continues to work towards construction of the non-motorized path on the west side of Drake Road, between Stadium Drive and West Main Street. The asphalt path will be 10 feet in width between Stadium Drive and Driftwood Avenue. It will then change to concrete and reduce to 6 feet in width from Driftwood to West Main Street. This is a joint project between the Township, City of Kalamazoo and Road Commission of Kalamazoo County.

The project is now intended to be funded in three sections;

- Phase I (Federal Safety Grant) – Michigan Ave to Green Meadow Ave.
- Phase II (Transportation Alternatives Grant) – Stadium to Michigan.
- Phase III (Transportation Alternatives Grant) – Green Meadow to West Main.

Approximately 50 percent of the project is Township funded at \$719,000 with \$737,000 coming from Federal grant programs, for a total of \$1,456,000. All three sections are intended to be constructed in 2018. The engineering design for the project and easement acquisition is nearly complete.

2018 Draft Budget Discussion

Ms. Johnston gave a summary of the memo provided in the agenda packet and presented the proposed budget for 2018.

Ms. Johnston informed the Authority that the Township Clerk requested funds be provided for accounting and audit fees for 2018. The Clerk recommended between \$200 and \$300. The Authority discussed the budget numbers and recommended the following changes:

<u>Revenues</u>	
Carryover	\$ 600.00
Current Real Property Tax	\$ 32,500.00
Miscellaneous	\$ -
Interest Earned	\$ 200.00
TOTAL ESTIMATED REVENUES	\$ 33,300.00

<u>Expenditures</u>	\$ -
Accounting & Audit Fees	\$ 300.00
Repairs/Maintenance	\$ 3,000.00
<i>Contracted snow plowing Nov/Dec 2018</i>	
Capital Outlay/Obligated Projects	\$ 30,000.00
<i>Payment #2 to Township for South Drake Path/Safety Grant Match</i>	
TOTAL APPROPRIATIONS	\$ 33,300.00

Vice Chairperson Ashley requested the Contingency funds to help cover any unforeseen expenses in 2018. Discussion was had regarding what percentage of the budget the contingency should total. Attorney Porter recommended 5 percent because any funds not spent are shifted at the end of the year to the fund balance. Also, if a project comes up in the year that is not a capital outlay, the Board can always approve an amendment to the budget. The discussion then turned to the Fund Balance and how that essentially serves as a contingency fund, which can be accessed at any time with a budget amendment.

Mr. Patzer made a motion to approve the budget as amended. Mr. Gesmundo seconded the motion. The motion was approved unanimously.

Further discussion was had regarding the budget to pay back the Township for the Drake Road Non-Motorized Path. Mr. Patzer stated that it will be important to review the budget each year to determine how much SoDA can afford. Ms. Heiny-Cogswell indicated that a memorandum of understanding from the SoDA to the Township Board should be considered which spells out how SoDA plans to pay back the 40 percent of the project that is not covered by the grant. Mr. Patzer indicated that the annual discussion of budgets and revenues should be included in the Memorandum of Understanding.

Mr. Gesmundo made a motion to direct staff to prepare a Memorandum of Understanding to be reviewed by the SoDA and Township Board on paying back the Drake Road Non-Motorized Path costs not covered by grant funding. Mr. Ashley seconded the motion. The motion was approved unanimously.

Any Other Business

Director Johnston asked the Authority if they would like to establish quarterly meetings or continue to meet when new information needs to be provided to the Board. It was decided that staff would provide email updates and convene meetings when needed.

There being no further business, the meeting was adjourned at approximately 1:52 p.m.

Minutes prepared:
July 31, 2017

Minutes approved:



June 20, 2018

To: SoDA Board

From: Julie Johnston, AICP

Re: Treasurer's Report

Attached you will find the Treasurer's Report for both year-end for 2017 and to date for 2018, unaudited.

The main activity for 2017 was the \$30,000 payment to the Township for expenses incurred on the Drake Road Non-Motorized Path. This same payment is anticipated in 2018. As soon as tax revenues are collected for 2018, staff will ensure the 2nd \$30,000 payment is made.

Attachment: Treasurer's Report Year End, 2017
Treasurer's Report June, 2018

SOUTH DRAKE ROAD CORRIDOR IMPROVEMENT AUTHORITY
Treasurer's Report ENDING December 30, 2017
unaudited

REVENUES	2017 Budget	Previous Activity	Activity this Period	Available Balance	Percent of Budget
Carryover	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Current Real Property Tax	\$43,095	\$0.00	\$30,265.25	\$30,256.25	70.21%
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Interest Earned	\$200.00	\$0.00	\$194.35	\$194.35	0.00%
TOTAL REVENUES	\$43,295.00	\$0.00	\$30,459.60	\$30,450.60	70.33%

EXPENDITURES	2017	Previous Activity	Activity this Period	Total Activity	Available Balance per Original Budget	Percent Used
Salary-Staff	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Postage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Consultants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Accounting & Audit Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Legal Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Legal Notices	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Repairs/Maintenance	\$2,700.00	\$0.00	\$0.00	\$0.00	\$2,700.00	0.00%
Capital Outlay/Obligated Projects	\$40,595.00	\$0.00	\$30,000.00	\$30,000.00	\$10,595.00	73.90%
Capital Outlay/Land Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
TOTAL EXPENDITURES	\$43,295.00	\$0.00	\$30,000.00	\$30,000.00	\$13,295.00	69.29%

REVENUES 2017	\$30,450.60
EXPENDITURES 2017	\$30,000.00
NET BALANCE 2017	\$450.60

TOTAL FUND BALANCE: \$45,227.00

SOUTH DRAKE ROAD CORRIDOR IMPROVEMENT AUTHORITY
Treasurer's Report ENDING June 27, 2018
unaudited

REVENUES	2018	Previous Activity	Activity this Period	Available Balance	Percent of Budget
Carryover	\$600.00	\$0.00	\$600.00	\$0.00	0.00%
Current Real Property Tax	\$32,500	\$0.00	\$0.00	\$32,500.00	99.39%
Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Interest Earned	\$200.00	\$0.00	\$0.00	\$200.00	0.61%
TOTAL REVENUES	\$33,300.00	\$0.00	\$600.00	\$32,700.00	98.20%

EXPENDITURES	2018	Previous Activity	Activity this Period	Total Activity	Available Balance per Original Budget	Percent Used
Salary-Staff	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Supplies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Postage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Consultants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Accounting & Audit Fees	\$300.00	\$0.00	\$0.00	\$0.00	\$300.00	0.00%
Legal Fees	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Legal Notices	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Repairs/Maintenance	\$3,000.00	\$0.00	\$0.00	\$0.00	\$3,000.00	0.00%
Capital Outlay/Obligated Projects	\$30,000.00	\$0.00	\$0.00	\$0.00	\$30,000.00	0.00%
Capital Outlay/Land Acquisition	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
TOTAL EXPENDITURES	\$33,300.00	\$0.00	\$0.00	\$0.00	\$33,300.00	0.00%

REVENUES 2018	\$0.00
EXPENDITURES 2018	\$0.00
NET BALANCE 2018	\$0.00

TOTAL FUND BALANCE: \$45,677.00

June 20, 2018



Mtg Date: June 27, 2018

To: South Drake Road Corridor Improvement Authority

From: Julie Johnston, AICP
Planning Director

RE: Drake Road Path Update

The Township continues to work towards construction of the non-motorized path on the west side of Drake Road, between Stadium Drive and West Main Street. As a reminder, the asphalt path will be 10 feet in width between Stadium Drive and Driftwood Avenue. It will then change to concrete and reduce to 6 feet in width from Driftwood to West Main Street. This is a joint project between the Township, City of Kalamazoo and Road Commission of Kalamazoo County.

The project is intended to be funded in three phases;

- Phase I (Federal Safety Grant) – Michigan Ave to Green Meadow Ave.
- Phase II (Transportation Alternatives Program Grant) – Stadium to Michigan.
- Phase III (Transportation Alternatives Program Grant) – Green Meadow to West Main

Phase III has received MDOT approval for construction and the Township intends to bid the project in July. If all goes to plan, construction will likely occur in September. With the project broken into three phases, the total project costs are still in flux. However, the Public Works Director completed a “back of the envelop” estimate for the complete project, which he believes will come to around \$3 million. Total costs to the Township will be around \$2 million with a million in grant funding.

This is noticeably higher than originally planned when this project began over five years ago. The increase in costs relates to easement acquisition, unknown design and constructions costs like a required retaining wall, costs for Amtrak review and approval, etc. Jamie Baker, Public Works Technical Specialist, is planning to attend the meeting and answer any further questions you might have regarding the Drake Road path.

In addition to the update above, previous minutes of the SoDA indicate a desire to have a Memorandum of Understanding regarding a payment schedule on the Drake Road Non-Motorized Path. Staff has drafted a Memorandum of Understanding between SoDA and the Township Board for your review. This draft Memo utilizes the remaining years of the SoDA Tax Increment Financing Plan to assist with the costs of the path. The draft repayment schedule will need to be reviewed and discussed by the Board.

DRAKE ROAD PATH CONSTRUCTION COST REPAYMENT
BETWEEN THE
SOUTH DRAKE ROAD CORRIDOR IMPROVEMENT AUTHORITY
AND
OSHTEMO CHARTER TOWNSHIP
MEMORANDUM OF UNDERSTANDING

The purpose of this memorandum is to outline an understanding between the South Drake Road Corridor Improvement Authority (SoDA) and the Oshtemo Charter Township Board (Board) for the repayment of costs associated with the development of the Drake Road Non-Motorized Path. Through the collection of tax increment financing, the SoDA will assist with the construction costs of the Drake Road Non-Motorized Path. The payments made by the SoDA will go towards those costs incurred for the project and which are not covered through grants or other sources of funds not provided by the Township.

The parties agree that the payments made by SoDA to the Township toward the construction of the Drake Road Non-Motorized Path will occur over time as tax revenues are collected. The anticipated repayment schedule will be as follows:

Years	Payment Per Year	Total
2017 - 2021	\$30,000	\$150,000
2022 - 2026	\$35,000	\$175,000
2027 - 2031	\$40,000	\$200,000
2032 - 2036	\$45,000	\$225,000
2037 - 2043	\$50,000	\$350,000
TOTAL:		\$1,100,000

SoDA will have an opportunity each year during the budgeting process to approve a larger payment to the Township based on revenue considerations. If a larger payment is budgeted, the

repayment plan may shorten from the anticipated 26-year schedule. In addition, it is anticipated that final construction costs for the Drake Road Non-Motorized Path will likely be higher than the amount scheduled in the table above. If revenues allow, the SoDA will increase the amount of their payments to assist with covering the total Township costs for the Path.

The parties understand that this Memorandum of Understanding bounds both parties to the incremental repayment of the Drake Road Non-Motorized Path as outlined herein.

SOUTH DRAKE ROAD CORRIDOR IMPROVEMENT
AUTHORITY

OSHTEMO TOWNSHIP BOARD

By: _____

By: _____

Its: Chairperson

Its: Supervisor

Dated: _____, 2018

Dated: _____, 2018

DRAFT

June 20, 2018



Mtg Date: June 27, 2018

To: South Drake Road Corridor Improvement Authority

From: Julie Johnston, AICP
Planning Director

RE: 2019 Draft Budget

The taxes for 2018 have not yet been calculated for SoDA, so it is not known if we reached our projected revenue total of \$33,300 planned for 2018. With that said, the taxes collected in 2017 were quite a bit less than anticipated so the 2018 budget was reduced from \$43,095 in 2017 to \$33,300 in 2018. Some additional projects have been completed at Corner@Drake, for example Old National Bank and the Corner Shoppes, which may mean that 2018 revenues will exceed expectations.

Based on past increases in revenue and expectation of fully taxed parcels within Corner@Drake, staff is recommending a 15 percent increase in revenues from 2018. Projected taxes were determined by the value attached to the building permit for new construction, the value of the land, and that certain projects are expected to be 100 percent built in 2018 and therefore fully collected in 2019. Therefore, a conservative total tax revenue collection of \$37,375 is recommended. With the small amount of interest earned on the fund balance, this equals a budget of \$37,575.

At the June 8, 2016 meeting, a motion was approved to support the maintenance/snow removal for the Drake Road Non-Motorized Path once it is built. At the meeting, snow removal in the SoDA District was estimated at \$6,750. Unfortunately, the path was not completed in 2017 and therefore no funds were needed for maintenance. Funds were set aside in 2018, which will help with snow removal for Phase III of the Drake Road Path, which is expected to be constructed in the fall of this year. The final two phases of the project may be completed in 2019, so the Board may want to consider the full path snow removal costs, with a small percentage increase to cover inflation from 2016. Staff is recommending \$7,500 be set aside for this budget item.

In 2017, the Board decided to allocate \$30,000 a year to the Township for the Drake Road Path. This amount is expected to increase as collected tax revenues continue to grow. For 2019, staff is recommended another payment of \$30,000 to the Township. Based on the anticipated revenues outlined above, this leaves a balance of \$75 in the budget. One final budget item needs to be addressed and that is an allocation for accounting and audit fees. The Township requested approximately \$300 be budgeted for this line item in 2018. Staff is recommending the same amount for 2019. Based on this final allocation, a carryover from the fund balance of \$225 is needed for a total budget of \$37,800.

Please see the attached recommended draft budget for further discussion at the meeting.

SUGGESTED BUDGET FOR 2019

GL NUMBER	DESCRIPTION	2017 APPROVED BUDGET	2017 <i>ACTUAL</i>	2018 APPROVED BUDGET	2019 REQUESTED BUDGET
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Fund 247 - TAX INCREMENT FINANCE AUTHORITY (SoDA)

ESTIMATED REVENUES

Dept 001-Revenue

247-001-40100	Carryover	\$ -		\$ 300.00	\$ 225.00
247-001-40300	Current Real Property Tax	\$ 43,095.00	\$ 28,998.96	\$ 32,500.00	\$ 37,375.00
247-001-47500	Miscellaneous	\$ -	\$ -	\$ -	\$ -
247-001-66500	Interest Earned	\$ 200.00	\$ 194.35	\$ 200.00	\$ 200.00
TOTAL ESTIMATED REVENUES		\$ 43,295.00	\$ 29,193.31	\$ 33,000.00	\$ 37,800.00

APPROPRIATIONS

Dept 728-Economic Development

247-728-70300	Salary-Staff	\$ -	\$ -	\$ -	\$ -
247-728-72800	Supplies	\$ -	\$ -	\$ -	\$ -
247-728-73000	Postage	\$ -	\$ -	\$ -	\$ -
247-728-80800	Consultants	\$ -	\$ -	\$ -	\$ -
247-728-82500	Accounting & Audit Fees	\$ -	\$ -	\$ 300.00	\$ 300.00
247-728-82600	Legal Fees	\$ -	\$ -	\$ -	\$ -
247-728-90300	Legal Notices	\$ -	\$ -	\$ -	\$ -
247-728-93300	Repairs/Maintenance	\$ 2,700.00	\$ -	\$ 3,000.00	\$ 7,500.00
247-728-97500	Capital Outlay/Obligated Projects	\$ 40,595.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
247-728-97600	Capital Outlay/Land Acquisition	\$ -	\$ -	\$ -	\$ -
TOTAL APPROPRIATIONS		\$ 43,295.00	\$ 30,000.00	\$ 33,300.00	\$ 37,800.00