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

Oshtemo Township Hall
7275 West Main Street

Wednesday
June 12, 2019
12:00 p.m.

AGENDA

1. Call to Order
2. Election of Officers
3. Approval of Minutes – September 26, 2018
4. Public Comment
5. Treasurer's Report
 - a. 2018 Year End
 - b. 2019 through May 31st
6. Drake Road Path
 - a. Update from Public Works
7. Budget Discussion
 - a. Memorandum of Understanding
 - b. 2020 Draft Budget
8. Public Act 57 of 2018 Overview/Discussion
 - a. Schedule two Informational Sessions
9. Adjournment

**THE CHARTER TOWNSHIP OF OSHTEMO
SOUTH DRAKE ROAD CORRIDOR IMPROVEMENT AUTHORITY (SoDA)**

**DRAFT MINUTES
September 26, 2018**

SoDA Board meeting was held at the Township Hall. The meeting was called to order by Chair Ashley at 12:03 p.m.

MEMBERS PRESENT:

Corey Ashley, Chair
Kelly Bringman
Joe Gesmundo
Libby Heiny-Cogswell
Cheri Jodoin, Vice Chair
Dennis Patzer, Treasurer
Galen Rike
Dale Shugars (arrived at 12:11 pm)

MEMBERS ABSENT:

Theresa Spurr

Also present were Planning Director Julie Johnston, Township Attorney James Porter, and Public Works Technical Specialist Jamie Baker.

ELECTION OF OFFICERS

Director Johnston indicated that the Board needed to hold elections for the position of Secretary. She asked Mr. Patzer if he would be willing to hold a dual roll of Secretary and Treasurer, and he has agreed. However, the Board should see if there are any other nominations. Hearing none, Ms. Jodoin made a motion to elect Mr. Patzer as the Board Secretary. Mr. Gesmundo seconded the motion. The motion was approved with a vote of 7 to 0, with two absent.

MINUTES

Chair Ashley asked if there were any additions, deletions or corrections to the minutes of June 27, 2018. Hearing none, he asked for motion to approve the minutes.

Mr. Gesmundo made a motion to approve the minutes of June 27, 2018 as presented. Mr. Patzer seconded the motion. The motion was approved with a vote of 7 to 0, with two absent.

Chair Ashley had a question concerning Mr. Shugars comment in the July minutes related to the Board considering creative revenue generation. He asked if Mr. Shugars meant the SoDA Board or the Township Board. Attorney Porter clarified that under the current State statute, the SoDA Board had the ability to generate revenue in other ways outside of Tax Increment Financing, if they wished.

PUBLIC COMMENT

Hearing none, the Chair moved to the next agenda item.

TREASURER'S REPORT

Chair Ashley asked for the Treasurer's report. Director Johnston indicated that tax revenue was collected since the last Board meeting. A total of \$30,265.25 in revenue was received with interest earned of \$183. This was about \$2,200 less than expected. Also, the \$30,000 budget amendment approved at the June meeting was completed so the \$60,000 payment to the Township can occur.

Chair Ashley asked if we anticipated having costs outside of the \$60,000 payment to the Township for the Drake Road Path. Director Johnston indicated that Technical Specialist Baker will provide more information on the Path later in the meeting, but she didn't anticipate any additional costs for the Path this year.

Ms. Jodoin made a motion to approve the Treasurer's Report. Mr. Gesmundo seconded the motion. The motion was approved with a vote of 7 to 0, with two absent.

DRAKE ROAD PATH UPDATE

Memorandum of Understanding

Director Johnston indicated that updates were made to the Memorandum of Understanding based on input at the June SoDA meeting. If the Board is satisfied with the changes, a motion would be needed allowing Chair Ashley to sign the document. Then staff would place the document on the Township Board's agenda for review.

Chair Ashley asked if there were any comments on the document.

Mr. Gesmundo indicated he heard Costco was appealing their taxes, which Attorney Porter confirmed, indicating they are petitioning to lower the taxable value of their property.

Mr. Shugars asked if maintenance of Drake Road Path should be included in the Memorandum. Director Johnston indicated she did not include that in the Memo, but if the Board was interested, it could be added. Chair Ashley indicated that if the Board has decided they would maintain the path, including snow removal, we should consider putting language in the Memo.

Attorney Porter suggested that the SoDA Board should make that determination through their budget each year and not include it in this Memorandum of Understanding, which is more about reimbursing the Township for the cost of the Drake Road Path.

Chair Ashley indicated some additional changes he would like the Board to consider. He stated that "overtime" should be two words and would like to add "and other" to "based on revenue considerations" to read "based on revenue and other considerations."

Mr. Shugars made a motion to approve the Memorandum of Understanding with the changes requested and to allow Chair Ashley to sign the document for the SoDA Board. Chair Ashley seconded the motion. The motion was approved 8 to 0, with one absent.

Director Johnston asked if Chair Ashley should sign the document before it is sent to the Township Board. Ms. Heiny-Cogswell asked what would happen if the Township Board wished to make changes to the document. Attorney Porter indicated that Chair Ashley should sign the document before it goes to the Township Board. If the Township Board wishes to make changes, it should come back to the SoDA Board for review as it is their funding in question.

Chair Ashley moved on to the next agenda item, which is an update on the Drake Road Path from Public Works.

Drake Road Path Update

Jamie Baker from the Township's Public Works Department provided an update.

He indicated that there is good news and bad news on the Drake Road Path. The good news is that the north section of the Path (West Main Street to Green Meadow) has been bid and it came in approximately \$50,000 under the expected budget, which is 7% less. The contract is being awarded to Kamminga and Roodvoets (K&R). That section of the path should start in the Spring of 2019. The plan is to have a resident meeting likely in March to provide a timeline for construction.

The bad news is that the Path from Green Meadow to Stadium Drive is currently on hold. MDOT and Amtrak are in discussion about environmental responsibilities and liabilities, which is affecting the development of the path. Mr. Baker stated his understanding is that Amtrak told MDOT they want them to assume all environmental liabilities in perpetuity. MDOT stated they cannot take on those liabilities and pulled out of the agreement between the two entities so no road work can occur which involve railroad tracks. As the Drake Road Path crosses an Amtrak right-of-way it has placed a hold on our project. At this time, there is no understanding of how long it will take MDOT and Amtrak to come to an agreement.

Mr. Baker indicated the Township is in talks with MDOT to see if we can initiate the Safety Grant to allow us to complete the Path from Green Meadow to at least KL Avenue. The full Drake Road Path 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

This request is still under discussion.

There was further discussion of the impact of Amtrak's decision regarding liabilities. Mr. Shugars suggested all local municipalities with projects that are impacted by this decision work together to try and resolve this issue. Ms. Heiny-Cogswell indicated that State legislatures have been informed. MDOT executives made the decision to delay all projects while negotiations with Amtrak are underway, stating that attorneys from MDOT

and Amtrak were involved with the decision. Ms. Heiny-Cogswell went on to state that MDOT thought it would take three to five years to resolve this issue.

Chair Ashley asked if there was anything that the SoDA Board could do to assist. Ms. Heiny-Cogswell indicated that the Board could pass the same resolution that the Township Board intends to pass. Attorney Porter suggested in lieu of a resolution the Board could allow the Chair to sign a letter of support of the Township's resolution. Chair Ashley indicated he thought it was important for the SoDA Board to review any letter or resolution before he signs.

It was determined that the resolution adopted by the Township Board, which should outline the impacts of the policy conflicts between Amtrak and MDOT, would be framed as a request from the SoDA Board who is a partner in the development of the Drake Road Path.

Chair Ashley asked for a motion to request the Township Board to pass this resolution. Mr. Gesmundo made a motion to request the Township Board pass a resolution related to the Amtrak/MDOT conflict. Mr. Shugars seconded the motion. The motion was approved 8 to 0, with one absent.

ANY OTHER BUSINESS

Continuation of June discussion on amending SoDA Plan

Attorney Porter stated he reviewed the Public Act for the Corridor Improvement Authority to see if changes can be made to the SoDA Plan. He continued that we could modify the Tax Increment Financing (TIF) Plan if the County made a change to their policy regarding funding levels. This would not reset the TIF Plan causing the tax increment to start over. It would just modify the amount the County contributes to the tax revenue.

There was further discussion related to who should approach the County to consider changing their TIF policies. It was determined that the request might be better received if it came from a neutral party, not local government or other Authorities who benefit from the tax revenue. Mr. Gesmundo suggested Southwest Michigan First as the intermediary. Mr. Shugars cautioned working with them as they have many other interests. He went on to recommended waiting until the new County Board begins after elections. It was determined to tread cautiously and review trends in policy changes from the new County Board to see if they would be receptive.

There being no further business, the meeting was adjourned at approximately 1:05 p.m.

Minutes prepared:
May 31, 2019

Minutes approved:



May 30, 2019

To: SoDA Board

From: Denny Patzer

Re: Treasurer's Report

Attached you will find the Treasurer's Report for 2018-year end and through May 31st for 2019, unaudited.

The main activities that occurred in 2018 were a budget adjustment and a payment to the Township for the Drake Road Path. The budget increase of \$30,000 from the SoDA fund balance was to cover the 2017 annual payment, which was not made during that fiscal year. A total of \$60,000 was paid to the Township in 2018.

For 2019, revenue is the main activity to discuss. SoDA received \$73,207 in tax revenue, \$40,707 more than anticipated. This is great news for the Authority as revenues are beginning to align with the SoDA Tax Increment Financing Plan, which indicates we should be collecting around \$76,655 in 2019.

No expenditures have occurred yet in 2019.

Attachment: Treasurer's Report 2018 Year End
Treasurer's Report through May 2019

SOUTH DRAKE ROAD CORRIDOR IMPROVEMENT AUTHORITY
Treasurer's Report - 2018 Year End

| REVENUES | 2018 Orginal | Previous Activity | Activity this Period | Available Balance | Percent of Budget |
|---------------------------|---------------------|--------------------------|-----------------------------|--------------------------|--------------------------|
| Carryover | \$600.00 | \$0.00 | \$30,000.00 | \$30,600.00 | 46.23% |
| Current Real Property Tax | \$32,500 | \$0.00 | \$34,921.06 | \$34,921.06 | 52.76% |
| Miscellaneous | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0.00% |
| Interest Earned | \$200.00 | \$0.00 | \$670.92 | \$670.92 | 1.01% |
| TOTAL REVENUES | \$33,300.00 | \$0.00 | \$65,591.98 | \$66,191.98 | 100.00% |

| 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 | \$60,000.00 | \$0.00 | \$60,000.00 | \$60,000.00 | \$0.00 | 100.00% |
| Capital Outlay/Land Acquisition | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0.00% |
| TOTAL EXPENDITURES | \$63,300.00 | \$0.00 | \$60,000.00 | \$60,000.00 | \$3,300.00 | 94.79% |

| | |
|-------------------------------|--------------------|
| 2018 REVENUES | \$35,591.98 |
| 2017 CARRYOVER | \$30,600.00 |
| 2018 EXPENDITURES | \$60,000.00 |
| 2018 REMAINING BALANCE | \$6,191.98 |

ACCOUNT FUND BALANCE: \$16,253.39

SOUTH DRAKE ROAD CORRIDOR IMPROVEMENT AUTHORITY
Treasurer's Report - Through May 31, 2019

| REVENUES | 2019 Orginal | Previous Activity | Activity this Period | Available Balance | Percent of Budget |
|---------------------------|---------------------|--------------------------|-----------------------------|--------------------------|--------------------------|
| Carryover | \$5,300.00 | \$0.00 | \$5,300.00 | \$5,300.00 | 6.75% |
| Current Real Property Tax | \$32,500.00 | \$0.00 | \$73,193.37 | \$73,193.37 | 93.23% |
| Miscellaneous | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0.00% |
| Interest Earned | \$0.00 | \$0.00 | \$14.26 | \$14.26 | 0.02% |
| TOTAL REVENUES | \$37,800.00 | \$0.00 | \$78,507.63 | \$78,507.63 | 100.00% |

| EXPENDITURES | 2019 | 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 | \$7,500.00 | \$0.00 | \$0.00 | \$0.00 | \$7,500.00 | 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 | \$37,800.00 | \$0.00 | \$0.00 | \$0.00 | \$37,800.00 | 0.00% |

| | |
|-------------------------------|--------------------|
| 2019 REVENUES | \$73,193.37 |
| 2018 CARRYOVER | \$5,300.00 |
| 2019 EXPENDITURES | \$0.00 |
| 2019 REMAINING BALANCE | \$78,507.63 |

ACCOUNT FUND BALANCE: \$89,446.76

June 4, 2019



Mtg Date: June 12, 2019

To: South Drake Road Corridor Improvement Authority

From: Julie Johnston, AICP
Planning Director

RE: Drake Road Path Update

At the June 12th meeting, Public Works Director Marc Elliott will be in attendance to provide an update on the Drake Road Path project.

In addition, at the September 26, 2018 meeting there were two items of discussion that staff wanted to provide updates to the SoDA Board.

The first is concerning the resolution the SoDA Board requested the Township Board approve related to the conflicts between Amtrak and MDOT, which is stalling portions of the Drake Road Path project. Township staff contacted Congressman Fred Upton's office to discuss this issue. His Chief of Staff indicated that this is a problem affecting multi-million-dollar projects throughout their district. He went on to indicate there was no need for the resolution because they are already working diligently on trying to resolve this issue.

The second item was in relation to the Safety Grant (Green Meadow south to Michigan Avenue) and the Township's desire to complete the Drake Road Path to at least KL Avenue while MDOT and Amtrak resolve their issues. MDOT indicated the Township could move forward with this section of the path, but that no grant monies would be available for the remainder of the Safety Grant path (KL Avenue to Michigan Ave). The Township determined that waiting until a resolution could be reached related to the Amtrak right-of-way was a better solution than losing the grant funding. The railroad crossing is a costly item and grant funding will be needed for this section of the path.

June 4, 2019



Mtg Date: June 12, 2019

To: South Drake Road Corridor Improvement Authority

From: Julie Johnston, AICP
Planning Director

RE: 2020 Draft Budget / Memorandum of Understanding

Memorandum of Understanding

Last year, the SoDA drafted a Memorandum of Understanding between the Board and the Township regarding repayment of the Drake Road Path. The Board reviewed the Memorandum at their June and September meetings. Shortly after the September meeting, the Township Board was in budget discussions and there was some interest in possibly bonding the Drake Road Path costs. In the end, this did not happen but it delayed the signing of the Memorandum of Understanding.

The taxes for 2019 exceeded our expectations by over \$40,000 for a revenue of \$73,193. Based on this increase, staff is recommending the SoDA Board reconsider the table in the Memorandum of Understanding with the Township Board. Originally, SoDA planned for a slower payoff to the Township for the Drake Road Path based on 2018 revenues. The new TIF revenue numbers will allow the SoDA to increase the annual payment and reimburse the Township at a quicker rate. The initial Memorandum of Understanding had SoDA paying the Township until 2043 for a total of \$1.1 million, which is less than the expected expenditure. The revised Memorandum of Understanding for SoDA's consideration has a payoff at 2035, covering the total costs for the project, which are expected to be approximately \$1.3 million (total projects costs equals approximately 2.1 million).

The attached document is the most recent Memorandum after Board discussions last September. In addition, staff has offered a revised draft repayment schedule based on the increased revenue collected in 2019. Further discussion will be needed on these suggested changes. New language is shown in **red** and language to be removed is ~~struck through~~.

After the Board is satisfied with the changes, a motion will be needed allowing the SoDA Chair to sign the document. Then staff would place the document on the Township Board's agenda for review and the request to authorize Supervisor Heiny-Cogswell to sign.

2020 DRAFT Budget

The recommended revenue number for the 2020 budget is \$75,000 in TIF and \$200 in interest for a \$75,200 total.

On the expenditure side, the SoDA generally has three expenses; Drake Road Path payment to the Township, Drake Road Path maintenance, and accounting and auditing fees. As stated, staff is suggesting an increase in the Drake Road Path payment to \$65,000 for 2020. This is up \$35,000 from 2019. Additionally, maintenance costs should be increased to ensure snow removal in 2020. Staff is suggesting a total of \$9,900 in the repairs/maintenance line item. Finally, \$300 is needed for the accounting and auditing fees for a total expenditure of \$75,200.

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

Attachments: Revised Memorandum of Understanding
Draft 2020 Budget

**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 as tax revenues are collected. The intent is for the SoDA to meet or exceed this repayment schedule over time, as follows:

| Years | Payment Per Year | Total |
|------------------------------------------------|------------------------------|------------------------------------|
| 2017 – 2021 2018 | \$30,000 | \$150,000 \$60,000 |
| 2022 2019 – 2026 2023 | \$35,000 \$65,000 | \$175,000 \$325,000 |
| 2027 2024 – 2031 2028 | \$40,000 \$70,000 | \$200,000 \$350,000 |
| 2032 2029 – 2036 2035 | \$45,000 \$75,000 | \$225,000 \$600,000 |
| 2037 – 2043 | \$50,000 | \$350,000 |
| TOTAL: | | \$1,100,000 \$1,335,000 |

SoDA will have an opportunity each year during the budgeting process to approve a different

payment to the Township than outlined above based on revenue **and other** considerations. 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 may 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 binds 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

SUGGESTED BUDGET FOR 2019

| GL NUMBER | DESCRIPTION | 2018 APPROVED BUDGET | 2018 <i>ACTUAL</i> | 2019 APPROVED BUDGET | 2020 REQUESTED BUDGET |
|-----------|-------------|----------------------------|-----------------------|----------------------------|-----------------------------|
|-----------|-------------|----------------------------|-----------------------|----------------------------|-----------------------------|

Fund 247 - TAX INCREMENT FINANCE AUTHORITY (SoDA)

ESTIMATED REVENUES

Dept 001-Revenue

| | | | | | |
|---------------------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|
| 247-001-40100 | Carryover | \$ 30,600.00 | \$ 30,600.00 | \$ 5,300.00 | \$ - |
| 247-001-40300 | Current Real Property Tax | \$ 32,500.00 | \$ 34,921.06 | \$ 32,500.00 | \$ 75,000.00 |
| 247-001-47500 | Miscellaneous | \$ - | \$ - | \$ - | \$ - |
| 247-001-66500 | Interest Earned | \$ 200.00 | \$ 670.92 | \$ - | \$ 200.00 |
| TOTAL ESTIMATED REVENUES | | \$ 63,300.00 | \$ 66,191.98 | \$ 37,800.00 | \$ 75,200.00 |

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 | \$ 300.00 |
| 247-728-82600 | Legal Fees | \$ - | \$ - | \$ - | \$ - |
| 247-728-90300 | Legal Notices | \$ - | \$ - | \$ - | \$ - |
| 247-728-93300 | Repairs/Maintenance | \$ 3,000.00 | \$ - | \$ 7,500.00 | \$ 9,900.00 |
| 247-728-97500 | Capital Outlay/Obligated Projects | \$ 60,000.00 | \$ 60,000.00 | \$ 30,000.00 | \$ 65,000.00 |
| 247-728-97600 | Capital Outlay/Land Acquisition | \$ - | \$ - | \$ - | \$ - |
| TOTAL APPROPRIATIONS | | \$ 63,000.00 | \$ 60,000.00 | \$ 37,800.00 | \$ 75,200.00 |



May 30, 2019

Mtg Date: June 12, 2019

To: South Drake Road Corridor Improvement Authority

From: Julie Johnston, AICP
Planning Director

RE: Public Act 57 of 2018

In 2018, former Governor Snyder signed the Recodified Tax Increment Financing Act, 2018 PA 57 (Act 57). It consolidated the legislative authority to create and operate tax increment authorities (other than brownfield redevelopment authorities) into a single statute and repealed the following acts:

- Downtown Development Authority Act (1975 PA 197)
- Tax Increment Finance Authority Act (1980 PA 450)
- Local Development Finance Authority Act (1986 PA 281)
- Nonprofit Street Railway Act (1867 PA 35)
- Corridor Improvement Authority Act (2005 PA 280)
- Water Resource Improvement Tax Increment Finance Authority Act (2008 PA 94)
- Neighborhood Improvement Authority Act (2007 PA 61)

The new Act requires some additional documentation to the State, website updates of SoDA's activities, and at least two annual informational meetings. Attached is a document development by Michigan Downtown Association that outlines the new requirements. While this document focuses on Downtown Development Authorities, the requirements are the same for Corridor Improvement Authorities. In fact, all tax increment authorities must meet these requirements.

Many of the website requirements are already being met, although not on a single SoDA webpage. Staff will be working with the Clerk's office to find ways to consolidate the required information on to a single SoDA webpage.

SoDA will also need to discuss the two informational meetings that are required. We will need to select dates so the meetings can be publicized. These meeting do not have to be official Board meetings, but can be meetings designed to inform the public of the goals of the Board and the projects SoDA is financing.

**Tax Increment Financing Act- Act 57 of 2018
Reporting Requirements and Timeline**

TIMELINE

January 1, 2019: [2018 PA 57](#) takes effect.

March 1, 2019: Department of Treasury must publish form to be used for reporting by authorities.

April 1, 2019: Deadline for authorities to provide a copy, or a hyperlink to a copy, of the currently adopted TIF plan (or development plan/TIF plan if a combined single document) to the Department of Treasury.

Send information to:

Treas-StateSharePropTaxes@michigan.gov

180 days after authority's Fiscal Year 2019 ends: Post on a municipal or authority website, (or if no website, maintained in a physical location within the municipality that is open to the public) all items listed in [Sec. 910 \(1\)](#). See column to the right.

180 days after authority's Fiscal Year 2019 ends: Submit to the Department of Treasury, the governing body of the municipality, and the governing body of a taxing unit whose taxes are capture by the authority a report including all items listed in [Sec. 911 \(1\)](#). See back of this page.

Semi-annually beginning January 1, 2019: Authorities must hold two "informational meetings." Informational meetings are meetings for the purpose of informing the public of the goals and direction of the authority, including projects to be undertaken in the coming year. They are not for the purpose of voting on policy, budgets or other operational matters. Please reference [PA 57, Sec. 910](#) for guidelines regarding public notice.

DETAILS

Visit www.michigan.gov/TIF for more information.

[Sec. 910 \(1\)](#).

- ◇ Minutes of all board meetings
- ◇ Annual budget, including encumbered and unencumbered fund balances
- ◇ Annual audits
- ◇ Currently adopted development plan, if not included in a tax increment financing plan
- ◇ Currently adopted tax increment finance plan, if currently capturing tax increment revenues
- ◇ Current authority staff contact information
- ◇ A listing of current contracts with a description of those contracts and other documents related to management of the authority and services provided to the authority
- ◇ An updated annual synopsis of activities of the authority
 - ◇ For any tax increment revenues described in the annual audit that are not expended within 5 years of their receipt, a description that provides:
 - ◇ The reasons for accumulating those funds & uses for which those funds will be expended
 - ◇ A time frame when the fund will be expended
 - ◇ If any funds have not been expended within 10 years of their receipt:
 - ◇ The amount of those funds
 - ◇ A written explanation of why those funds have not been expended
- ◇ List of authority accomplishments, including progress made on development plan and tax increment finance plan goals and objectives for the immediately preceding fiscal year.
- ◇ List of authority projects and investments, including active and completed projects for the immediately preceding fiscal year
- ◇ List of authority events and promotional campaigns for the immediately preceding fiscal year



DETAILS

Sec. 911.

Annually, an authority that is capturing tax increment revenues must submit to Treasury the form Treasury provides. The authority **must also** submit to the governing body of the municipality and the governing body of a taxing unit levying taxes subject to capture by an authority, Treasury's form **OR** electronically may submit a report that includes all of the following:

- ◇ Name of authority
- ◇ Date authority was formed, date tax increment financing (TIF) plan is set to expire or terminate, and whether the TIF plan expired during the immediately preceding fiscal year
- ◇ Date authority began capturing tax increment revenues
- ◇ Current base year taxable value of the TIF district
- ◇ Unencumbered fund balance for the immediately preceding fiscal year
- ◇ Encumbered fund balance for the immediately preceding fiscal year
- ◇ Amount and source of revenue in the account, including the amount of revenue from each taxing jurisdiction
- ◇ Amount in any bond reserve account
- ◇ Amount and purpose of expenditures from account
- ◇ Amount of principal and interest on any outstanding bonded indebtedness
- ◇ Initial assessed value of the development area or authority district by property tax classification
- ◇ Captured assessed value retained by the authority by property tax classification
- ◇ Tax increment revenues received for the immediately preceding fiscal year
- ◇ Whether the authority amended its development plan or TIF plan within the immediately preceding fiscal year and if the authority amended either plan, a link to the current development plan or TIF plan that was amended

The MDA thanks you for your support of our on-going Legislative and Advocacy Fund

The Legislative and Advocacy Fund allows representatives from the MDA the opportunity to help shape laws directly affecting downtowns and TIFAs across the state. Your support also helps our organization disseminate timely and accurate information regarding TIF legislation. For more information regarding the

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