



MEETING MINUTES - DRAFT

AD HOC DDA PUBLIC INFRASTRUCTURE FUND COMMITTEE

Thursday March 13, 2025

5:30 PM

Village Hall – 21 East Church Street, Lake Orion, MI 48362

(248) 693-8391 ext. 102

ADDRESSING THE COMMITTEE: Each person wishing to address the village council shall be afforded an opportunity to do so. If you wish to comment, please stand or raise a hand to indicate that you wish to speak. When recognized, give your name and address and direct your comments to the Chair.

1. Call to Order

The March 13, 2025 Council/DDA Public Infrastructure Fund Ad Hoc Committee Meeting was called to order at 5:34pm by Chairman/Recording Secretary Dandalides.

Chairman Dandalides thanked the committee for the spirit of cooperation, collaboration, and teamwork that has gone into the work accomplished thus far. He went on to inform the committee that a proposal was made and supported by the Village Council at its March 10th meeting to expand the scope of the committee to include the Administrative Services Agreement between the Village and the DDA. This had unanimous support at Council and is planned to be presented for support by the DDA and its March 18th meeting.

2. Roll Call and Determination of Quorum

PRESENT:

Council member Michael Lamb
Council member George Dandalides
Council member Stan Ford
DDA Board member Matt Shell
DDA Board member Sam Caruso
DDA Board Member Lorant
DDA Executive Director Matt Gibb
Village Manager McClary

STAFF PRESENT:

Police Chief Mark Amundson
DDA Board President Debbie Burgess
DDA Assistant Director Janet Bloom

There were no residents in attendance:

3. Call to the Public

There were no public comments

4. Approval of Agenda

Motion: Motion made by Committee Member Lamb, supported by Village Manager McClary to approve the agenda with the re-addition of Topic 8, Agreement Between the Village and DDA for the Execution of the 2022 Resolution(s).

Motion carried by (8) Yes, (0) No.

5. Approval of the Minutes from the February 27, 2025 Committee Meeting

Motion: Motion made by Village Manager McClary, supported by Committee Member Lamb to approve the minutes of the February 27, 2025 committee meeting as presented.

Motion carried by (8) Yes, (0) No.

6. Reconsideration of Method of Calculation of Annual DDA Public Infrastructure Fund Contributions

Village Manager McClary reviewed the contents of his Memorandum to the Committee dated March 10, 2025, identifying his concerns with using actual tax revenue collected. Based on this analysis, the Village Manager is recommending using the amount billed by the Oakland County Assessor to taxpayers and that contributions be made by June 15th of each year for the then current fiscal year. Calculation based on actual tax revenue collected would be inaccurate, and require repeated recalculations and tracking. The Manager's Memorandum is included as part of the minutes as Attachment 1.

Motion: Motion made by DDA Executive Director Gibb, supported by Committee Member Lamb to reconsider the previously proposed method of calculation using actual tax revenue to what is now recommended by the Village Manager using the amount billed by the Oakland County Assessor to taxpayers. The new "catch-up" amount is calculated at \$142,453.

Motion carried by (8) Yes, (0) No.

7. Infrastructure Fund Calculations for Fiscal Years 2023 through 2026

Based on the discussion of calculation method and motion passed in Topic 6. above, the "catch up" amount is \$142,453 and includes Fiscal Years 2023-2024 and 2024-2025. The calculation for Fiscal Year 2025-2026 will be done in May 2025 as part of the budget process. The "catch up" calculation is included in the minutes in Attachment 2, Exhibit A.

8. Agreement Between the Village and DDA for the Execution of the 2022 Resolution(s)

A proposed agreement was reviewed by the committee for recommendation. This proposed agreement was drafted by the Village Manager, the DDA Executive Director, and members of the committee. The proposed agreement is included as part of the minutes as Attachment 2.

Motion: Motion to approve the agreement as presented was made by Village Manager McClary, supported by Committee Member Lorant.

Motion carried by (8) Yes, (0) No.

9. Call to the Public

There were no public comments

10. Next Meeting

The initial assignment of the committee has been completed and the recommendations of the committee will be taken back to the Village Council and DDA Board for discussion and approval. The committee recommendations include:

- The committee recommends that the “catch up” funding to be used for the completion of the sidewalk gaps and Paint Creek bank stabilization.
- The committee recommends that the method of calculation of the infrastructure fund be based on the amount billed by the Oakland County Assessor to taxpayers. The “catch-up” amount is calculated at \$142,453.
- The committee recommends that the Agreement Between the Village and DDA Regarding Responsibilities and Cost Allocation for Capital Improvement Projects Within the Downtown Development District as included as Attachment 2 of these minutes be adopted by the Village and the DDA.

A follow up meeting will be scheduled by Chairman Dandalides if the expansion of the committee is supported by the DDA when presented at their March 18th meeting.

11. Committee Comments

There were no additional committee comments

12. Adjournment

Motion: Motion made to adjourn made by Committee Member Lorant, supported by DDA Executive Director Gibb.

Motion carried by (8) Yes, (0) No.

The meeting was adjourned by Committee Chairman Dandalides at 6:52 PM.

George Dandalides
Committee Chairman

George Dandalides
Committee Recording Secretary

In the spirit of compliance with the Americans with Disabilities Act, individuals with a disability should feel free to contact the Village, at least three (3) business days in advance of the meeting, if requesting accommodations. The Village of Lake Orion will provide foreign language or hearing impaired interpretation services for those individuals who contact the village to request such services at least seven (7) days prior to the meeting.

En el espíritu de la observancia de la Ley de Estadounidenses con Discapacidades, las personas con discapacidad debe sentirse libre para ponerse en contacto con el pueblo, por lo menos tres (3) días hábiles de antelación a la fecha de la reunión, si se solicitan alojamiento. El municipio de Lake Orion proporcionará idioma extranjero o personas con problemas de audición servicios de interpretación para las personas que se ponen en contacto con el pueblo de solicitar dichos servicios con no menos de siete (7) días antes de la reunión.

ATTACHMENT 1

DRAFT



Memorandum

Office of the Village Manager

TO: DDA Public Infrastructure Fund Committee
FROM: Darwin D. P. McClary, Village Manager
DATE: March 10, 2025

RE: **RECOMMENDATION ON CALCULATION OF DDA PUBLIC INFRASTRUCTURE FUND CONTRIBUTIONS**

Based upon a review of the Oakland County Assessing Office's billed taxes for the DDA, the Annual Reports on Status of Tax Increment Financing Plan, and annual audit reports for the DDA for the past several years, it is my recommendation that the actual annual contributions from the DDA to the DDA Public Infrastructure Fund be based upon the amount billed by the Oakland County Assessor to taxpayers and that contributions be made by June 15 of each year for the then current fiscal year.

This recommendation deviates from the motion adopted by the Committee at its February 27, 2025, meeting in that the Committee approved a calculation each year based on the tax revenue actually collected by the DDA for that year. It is my finding that such a method would be inaccurate and would require repeated recalculations and tracking to be accurate. As is illustrated in the various reports attached to this memo, the audited tax collections appear to reflect fluctuations in collections for previously delinquent taxes. The most accurate method of calculating the annual amount of the contribution would be based on the July 1 and December 1 tax billings from the County Assessor each year.

Estimates for the ensuing fiscal year should be based on the post-Board of Review taxable values and estimated captured millage rates.

Attached please find my calculation sheets based on actual billed taxes for the fiscal years 2022-23, 2023-24, and 2024-25, as well as the estimated 2025-26 contribution based on pre-Board of Review taxable values for the DDA District and anticipated captured millage rates.

A reconsideration of the motion adopted on February 27 will be necessary if the Committee agrees with my recommendations.

I have discussed my findings with DDA Executive Director Gibb and look forward to discussing them with the Committee at your March 13, 2025, meeting.

ATTACHMENT 2

DRAFT

AGREEMENT BETWEEN THE VILLAGE OF LAKE ORION AND THE LAKE ORION DOWNTOWN DEVELOPMENT AUTHORITY REGARDING RESPONSIBILITIES AND COST ALLOCATION FOR CAPITAL IMPROVEMENT PROJECTS WITHIN THE DOWNTOWN DEVELOPMENT DISTRICT

This Agreement is made and entered this _____ day of _____, 2025 by and between the Village of Lake Orion, a Michigan municipal corporation, whose address is 21 E. Church Street, Lake Orion, MI 48362, ("Village"), and the Lake Orion Downtown Development Authority, organized and existing pursuant to the authority of Part 2, of the Recodified Tax Increment Financing Act, Public Act 57 of 2018, being MCL 125.4201, et seq, whose address is 118 N. Broadway St. Lake Orion MI 48362, ("DDA"), for the purpose of fixing the rights and obligations of the parties relative to the construction of "public facilities" improvements ("Projects") within the boundaries of the Downtown Development District.

Whereas, the Village and the DDA have passed and certified Resolutions, attached as Exhibit B, designating that a portion of the annual Tax Increment Finance Plan (TIFP) revenue, derived from the approved Tax Increment Finance Plan Amendment No. 4, shall be provided as funding support for capital improvement Projects that qualify as "public facilities" improvements under MCL 125.4201 et seq and as described in the TIFP; and

Whereas, the Village and the DDA have reached an understanding with each other regarding their respective responsibilities for an annual appropriation of TIFP revenue to a dedicated Capital Improvement Project Fund ("Fund"), the administration of Project management and cost, financing and reimbursement to the Village, and desire to enter into this Agreement to memorialize that understanding.

THEREFORE, in consideration of the premises, the mutual understandings of the parties and in conformity with applicable law, the Village and the DDA agree as follows:

1. **Incorporation of Enabling Resolutions.** Each Resolution for Designation of Tax Increment Revenues from the DDA TIF Capture to be Dedicated for Public Facility Infrastructure in the DDA District, which were adopted and certified by the Village on November 28, 2022 and the DDA on December 13, 2022, is hereby incorporated and made a part of this Agreement.
2. **Capital Improvement Project Fund.** The DDA shall create the Fund within its annual budget, to hold and appropriate seventy-five percent (75%) of all future

captured revenue deriving from the annual increase in ad valorem value within the Downtown District. The calculation methodology of the appropriations to the Fund are included in Exhibit A.

The Parties shall mutually account for the annual contribution into the Fund, including the review and approval of any necessary audit, equalization or related revenue support. The contribution shall be budgeted and transferred to the Fund not less than quarterly, with a report provided to the Village Council and DDA Board by their respective representatives.

3. **Identification and Selection of Project(s)**. The Village and the DDA shall undertake and complete the identification and selection of Project(s) to construct, renovate, repair, remodel, rehabilitate, restore, preserve or reconstruct “public facilities” as defined by MCL 125.4201, et seq, within the DDA District, restricting such Project(s) to those necessary and appropriate to the execution of the TIFP no later than February 28 of each calendar year.
4. **Project Management**. The Village will enter into, and be solely responsible for, any necessary contracts with any and all contractors, suppliers, professionals, or material providers, for the Project(s). The Village will administer and manage all contracts and related work necessary for the completion of the Project(s). In all contracts, agreements, work orders, or similar instruments used for the planning, development and completion of selected Project(s), the Village shall require that the contracted party indemnify the DDA for any claims or lawsuits by third parties arising from the work and must require the contracted party to name the DDA as additionally insured on a general liability insurance policy(s).
5. **Project Reimbursement**. The DDA is responsible for funding, by invoiced reimbursement, its identified share of the Project(s) in accordance with the following;
 - a. The Village, prior to initiating a selected Project, shall submitted to the DDA a Project plan, estimated total cost, proposed timeline, proposed DDA share of cost, whereupon the DDA shall timely review and approve the project.
 - b. The Village shall provide financing for the project as defined in the Project Plans and be responsible to pay all Project expenses in a timely fashion.
 - c. Upon completion of the Project, or at another time as set forth in the Project plan, the Village will invoice the DDA for its share of the Project costs, as authorized in the approved Project plan, The DDA will remit said funds within thirty (30) days of receipt of an invoice from the Village.
 - d. The parties agree that management and contracting of the Project will be the sole responsibility the Village.
 - e. The Project cost allocated to the DDA, as set forth in an approved Project Plan, is fixed and binding between the parties and cannot be changed except by written

Amendment to the Project Plan and re-approval of the amended plan.

6. **Miscellaneous.**

- a. This Agreement constitutes the complete agreement between the parties on the subjects contained herein and there are no other agreements between the parties concerning these subjects.
- b. Any prior agreements on the matters addressed in this Agreement are hereby rescinded, revoked or terminated.
- c. Other than as specifically set forth herein, this Agreement may be modified or amended only by a written agreement approved by the governing body of each of the Parties.
- d. The headings in the Agreement are for convenience only, and shall not be considered as a part of the Agreement but the Recitals are an integral part of the Agreement.
- e. This Agreement shall be governed by the laws of the State of Michigan and shall be interpreted in a manner consistent with applicable law.
- f. If any portion is held to be illegal, invalid, or unenforceable, the remainder of the Agreement shall be deemed severable and shall remain in full force and effect.
- g. Nothing in the Agreement shall be construed as a waiver of governmental immunity or other defenses to liability of either party or any officer or employee of either party.
- h. The Agreement does not create a separate legal entity, a public body corporate, or a joint venture.

IN WITNESS WHEREOF, both Parties have caused this Agreement to be executed as of the date first written above, pursuant to a resolution of its governing body.

VILLAGE OF LAKE ORION,
A Michigan municipal corporation

LAKE ORION DOWNTOWN
DEVELOPMENT AUTHORITY

By: Darwin McClary
Its: Manager

By: Matthew Gibb
Its: Executive Director

EXHIBIT A
FORMULA FOR ANNUAL CAPITAL IMPROVEMENT ALLOCATION

Calculating 75% of the captured revenue

Reported Revenue:

2022 Tax Capture Billed Revenue	\$896,788
2023 Tax Capture Billed Revenue	\$963,680
2024 Tax Capture Billed Revenue	\$1,019,833

Allocating 75% of increased TIF revenue capture:

2023 Reported Revenue	\$963,680
Base Annual Revenue Capture	<u>\$896,788</u>
2023 CIF Due	\$ 66,892 x .75 = \$50,169
2024 Reported Revenue	\$1,019,833
Base Annual Revenue Capture	<u>\$896,788</u>
2024 CIF Due	\$ 123,045 x .75 = \$92,284

“CATCH UP” FUND TRANSFER AMOUNT - \$142,453

EXHIBIT B
ADOPTED AND CERTIFIED ENABLING RESOLUTIONS