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## **DDA ACTION SUMMARY SHEET**

**MEETING DATE:** February 18, 2025

**TOPIC** Village Capital Improvement Fund

**BACKGROUND BRIEF:**

On December 13, 2022 the DDA Board approved and certified a Resolution in mutual accord to the action of Village Council wherein each entity agreed to set aside an annual contribution to a line item account within the DDA Budget to focus on public facilities improvements with the DDA District. The Resolution provides insight into the intent of the plan, but no further action or direction was taken.

This agenda item seeks action on implementing the DDA obligations created by the Resolution, most commonly referred to as the 75-25 Plan.

The basic recommendation is to simplify the creation of the fund, standardize a means of accurately appropriating actual tax revenue amounts into the fund, and providing an Agreement setting forth the obligations of the Village and DDA. All of those documents are attached.

**FINANCIAL IMPACT:**

The Annual Reports filed by the DDA to the state of Michigan provide actual Tif revenue numbers that can be used to calculate the single month in 2022, and the annual revenue increases for 2023 and 2024. We have taken an approach to use actual revenue numbers, and NOT the revenue calculated from the projected assessed and billed model. This means the DDA will allocate to the fund 75% of the actual increases in revenue. Please note that this recommended approach calculates an annual revenue amount, and NOT a base year approach as sought by the Village Manager.

The calculations are shown on the attached worksheets

**RECOMMENDED MOTION:**

There are three items contained with the approval of the recommended Resolution. Therefore, the recommendation is to pass the following:

Motion to approve and adopt the Resolution REGARDING THE CREATION AND FUNDING OF THE VILLAGE CAPITAL IMPROVEMENT FUND as present.