



COUNCIL ACTION SUMMARY SHEET

MEETING DATE: October 13, 2025

TOPIC Review of Village Infrastructure Funding and DDA Tax Increment Tax Capture

BACKGROUND BRIEF:

The Problem:

The Village residents are suffering under a financial burden which continues to grow each year from the unplanned rapid increases in sewer and water bills due to the bond borrowing and anticipated special assessing for road repairs, totaling over \$20+ million. This is estimated at \$15,000 average per parcel not including financing and interest costs.

The current policy, approved by the Village Council, is to increase water and sewer rates and charge special assessments to pay for these projects.

The Village Budget reports indicate that there are adequate current tax revenue coming to the Village to continue general operations and maintain the "status quo". Some excess tax revenues are available which are slowly increasing our general fund balances due to the general upswing in property values in Oakland County and increased residential development on the lake shore. Our Police Fund is low and not increasing due to lack of revenue. Regular transfers are made from the General Fund to finance our Police.

There are no current proposals on the table to obtain funding for these projects, or increase revenue for the Police Fund. Funding of these items is a policy issue left up to the Village Council to decide.

How can the Village Council ease the burden on the residents pay for their bills?

The available methods to pay for municipal activity are tax revenues, special assessments and free money (grants, state revenue sharing, etc.) *Raising taxes and special assessments are what we have defined as the problem and free money has been obtained in very limited amounts.*

Currently, the only available funds to pay for these projects are tax funds used elsewhere in the Village.

The Solution:

Elimination of the Tax Increment Financing Plan would allow these current and projected tax revenues to pay a large portion of our infrastructure funding.

-Yearend 2025 the Village Total Tax Revenue from the General Millage and Police Millage was \$2,393,334. The Tax Increment Finance Plan captured 522,411 of this total. (Approx. 22%)

-The Village Total Tax Revenue is expected to grow a minimum 3% per year over the next 5 years to \$2,615,261. While the TIFP Village Tax capture is projected to double due to new development already approved to \$1,044,822. (Approx. 40%) Total TIFP capture would exceed \$2,000,000

-With the current DDA bond annual debt payment of \$420,000 being assumed by the Village this would leave a net gain to the Village of \$624,822 to fund approximately \$7,000,000 in bonds.

-Alternatively, these funds could fully fund our road improvement program without borrowing any funds.

-Other ways to spend the money to the advantage of the community can be discussed along the way.

Collateral Damage:

-The DDA would lose their current source of funding.

-The Village would have to assume the DDA Bond Debt. However, the Village effectively currently pays the DDA bond debt as the current Village Tax Capture exceeds the bond debt payments and the Village is the actual guarantor of the General Obligation Municipal Bonds.

Positive Outcomes:

-The DDA would not be dissolved as it is organized under a separate Ordinance than the TIFP.

-The DDA would be funded through June of 2026 under the current tax capture and would have a remaining fund balance in excess of \$2,000,000 to complete or continue its operations should the Village Council choose to fund future operations. The DDA Board is not compensated.

-The Lumberyard project would continue regardless of any outcome. Should the Village or DDA decide to discontinue the DDA function the Village Manager and consultants have the expertise to complete the project. Currently the project has insufficient funds to be completed by the DDA or the Village without an outside private partner or purchaser.

-Currently, there is no defined plan, engineering, architecture or budget for the Lumberyard. This change could provide the DDA board the opportunity to fully focus their efforts on organizing the project toward a successful outcome.

-Village Staff has reported they would have no problems maintaining the Downtown signs, flowers benches and other appurtenances that keep our Village looking smart and attractive at minimal cost.

-The Lake Orion Chamber of Commerce has recently moved into town and was formed to provide business support. This would be an appropriate time for the local business to get more closely integrated into their organization.

SUMMARY OF PREVIOUS COUNCIL ACTION:

None

FINANCIAL IMPACT:

Significant gain in Village Tax Revenue for the benefit of the Community

RECOMMENDED MOTION:

Resolution No. [XXXX]

Village of Lake Orion, Michigan

Resolution to Provide for Payment of Bonds from General Obligation Pledge and Termination of Tax Increment Financing Plan

WHEREAS, the Village of Lake Orion previously issued its 2023 Downtown Development Bonds (the “Bonds”) dated April 1, 2023, in the original principal amount of \$5,000,000, secured by a pledge of tax increment revenues derived from the Tax Increment Financing Plan (the “TIF Plan”), and further secured by the full faith and credit of the Village of Lake Orion; and

WHEREAS, the Village of Lake Orion desires to terminate the TIF Plan, thereby releasing the pledge of tax increment revenues; and

WHEREAS, the Bonds shall remain outstanding and are payable from the full faith and credit and taxing power of the Village of Lake Orion, which pledge shall remain in full force and effect until all Bonds are paid in full;

NOW, THEREFORE, BE IT RESOLVED:

1. **Termination of TIF Capture.** Effective [date], the Village of Lake Orion shall no longer capture tax increment revenues under the TIF Plan, and the pledge of such revenues to the Bonds is hereby released.
2. **Confirmation of GO Pledge.** The Village of Lake Orion hereby affirms its full faith and credit and ad valorem tax pledge as security for the Bonds, as provided in the original Bond Resolution. Debt service shall henceforth be paid from general revenues or tax levies as necessary.
3. **Direction to Treasurer.** The Treasurer/Clerk is authorized and directed to budget and provide for payment of principal and interest on the Bonds from the general funds of the Village of Lake Orion.
4. **Notification.** The Clerk shall notify all affected taxing jurisdictions and the Michigan Department of Treasury of the termination of the TIF Plan, and shall provide notice to the bond trustee in accordance with the Bond Resolution.
5. **Authorization of Officers.** The officers of the Village of Lake Orion are authorized and directed to take all actions necessary to implement this Resolution.

Adopted this [day] of [month], [year].

Signed,
Teresa Rutt, President

ATTACHMENTS:



COUNCIL ACTION SUMMARY SHEET

MEETING DATE: October 13, 2025

TOPIC Review of DDA Downtown District Boundaries

BACKGROUND BRIEF:

Review of the Village Infrastructure Funding and DDA Tax Increment Tax Capture has brought forward how might we provide for the continuation of the DDA with a reduced financial impact to the Village at large.

The reduction of financial impact to the Village might best be accomplished by a consolidation and reduction of the Downtown Development Authority Downtown District.

Section 125.4203 states: *(5) The governing body of the municipality may alter or amend the boundaries of the downtown district to include or exclude lands from the downtown district pursuant to the same requirements for adopting the ordinance creating the authority.*

Consequently, the Village Council may direct the Village Manager to begin this process by a simple Resolution.

SUMMARY OF PREVIOUS COUNCIL ACTION:

None

FINANCIAL IMPACT:

Significant gain in Village Tax Revenue for the benefit of the Community

ATTACHMENTS:

Proposed consolidated DDA District Parcel Map and List of properties to be included in the reduced district.

RECOMMENDED MOTION:

- 1) The Village Council hereby resolves to change the boundaries of the Downtown District and directs the Village Manager to take the necessary steps to begin the process.
- 2) To schedule a special meeting of the Village Council to confirm the properties to be contained in the revised Downtown District.

Revised DDA District Assessment Rolland Calculations.xlsx

PARCEL	ADDRESS	PROPERTY CLASS	BASE VALUE	2025 TV	2025 CAPTURE
OL-09-02-330-008	CEMETARY	401	0	0	0
OL-09-02-401-002	315 N PARK BLVD	401	0	0	0
OL-09-02-401-003	465 N PARK BLVD	201	24,000	85,040	61,040
OL-09-02-401-004	425 N PARK BLVD	201	41,600	385,420	343,820
OL-09-02-403-013	450 N PARK BLVD	201	48,300	986,580	938,280
OL-09-02-403-017	180 W CHURCH ST	201	41,800	750,440	708,640
OL-09-02-403-018	350 N PARK BLVD	201	36,700	959,900	923,200
OL-09-02-405-001	289 N PARK BLVD	201	22,600	53,360	30,760
OL-09-02-405-002	162 N ANDREWS ST	201	8,800	20,230	11,430
OL-09-02-405-013		201	3,000	8,550	5,550
OL-09-02-405-014	208 W SHADBOLT ST	201	13,600	13,700	100
OL-09-02-405-015		201	4,500	14,330	9,830
OL-09-02-405-019	209 N PARK BLVD	201	237,300	727,850	490,550
OL-09-02-405-020	188 W SHADBOLT ST	201	18,000	23,230	5,230
OL-09-02-406-014		202	2,500	27,100	24,600
OL-09-02-406-016		202	2,800	24,360	21,560
OL-09-02-406-020	120 W SHADBOLT ST	201	35,600	104,640	69,040
OL-09-02-406-024	107 N LAPEER ST	201	18,700	217,780	199,080
OL-09-02-406-025	250 N PARK BLVD	201	5,100	746,230	741,130
OL-09-02-452-010	25 N PARK BLVD	201	42,900	56,150	13,250
OL-09-02-452-011	89 N PARK BLVD	201	56,500	110,520	54,020
OL-09-02-454-002	45 N LAPEER ST	201	19,000	132,670	113,670
OL-09-02-454-009		401	0	0	0
OL-09-02-454-010	60 W FLINT ST	401	0	0	0
OL-09-02-454-012	88 W FLINT ST	201	195,400	296,450	101,050
OL-09-02-460-037	66 S PARK BLVD	401	700	0	-700
OL-09-02-461-001	85 W FLINT ST	201	84,800	208,410	123,610
OL-09-02-461-002		401	0	0	0
OL-09-02-461-004		402	0	0	0
OL-09-02-461-005		202	0	24,710	24,710
OL-09-02-461-006		402	0	0	0
OL-09-02-462-003		403	0	0	0
OL-09-02-462-007		401	0	0	0
OL-09-02-476-002	28 N LAPEER ST	201	26,000	78,940	52,940
OL-09-02-476-004	46 W FLINT ST	201	35,000	111,480	76,480
OL-09-02-476-005	36 W FLINT ST	201	26,200	112,540	86,340
OL-09-02-476-006		202	3,900	34,630	30,730
OL-09-02-476-007	24 W FLINT ST	201	7,100	88,760	81,660
OL-09-02-476-008	16 W FLINT ST	201	4,700	82,870	78,170
OL-09-02-476-009	12 W FLINT ST	201	39,000	134,210	95,210
OL-09-02-476-010	35 N BROADWAY ST	202	11,400	14,750	3,350
OL-09-02-476-011	33 N BROADWAY ST	201	17,000	66,350	49,350
OL-09-02-476-012	46 N LAPEER ST	401	19,800	0	-19,800
OL-09-02-476-013	51 N BROADWAY ST	201	19,800	313,110	293,310
OL-09-02-477-001	52 N BROADWAY ST	202	5,400	52,140	46,740
OL-09-02-477-002	30 N BROADWAY ST	201	3,400	89,930	86,530
OL-09-02-477-003	24 N BROADWAY ST	201	15,800	35,330	19,530
OL-09-02-477-006	4 N BROADWAY ST	201	29,200	110,370	81,170
OL-09-02-477-009	44 E SHADBOLT ST	401	17,900	0	-17,900
OL-09-02-477-010		401	0	0	0
OL-09-02-477-011	17 E FLINT ST	201	18,200	62,450	44,250
OL-09-02-477-012	27 E FLINT ST	201	19,900	116,520	96,620
OL-09-02-477-016	47 E FLINT ST	201	34,800	106,910	72,110
OL-09-02-477-017	16 N BROADWAY ST	201	20,300	51,710	31,410
OL-09-02-477-018	28 E SHADBOLT ST	401	0	0	0
OL-09-02-477-019	37 E FLINT ST	201	0	34,090	34,090
OL-09-02-478-008	111 E FLINT ST	201	95,400	243,740	148,340
OL-09-02-480-003		403	0	0	0
OL-09-02-480-004	12 S BROADWAY ST	201	26,500	101,680	75,180
OL-09-02-480-005	2 S BROADWAY ST	201	24,900	74,140	49,240
OL-09-02-480-006	18 S BROADWAY ST	201	13,900	161,760	147,860
OL-09-02-480-013	54 S BROADWAY ST	201	13,800	336,350	322,550
OL-09-02-480-015	45 W FLINT ST	201	19,100	254,900	235,800
OL-09-02-480-016	25 S LAPEER ST	201	44,500	172,720	128,220

OL-09-02-480-017	28 S BROADWAY ST	201	41,900	662,470	620,570
OL-09-02-481-001	3 S BROADWAY ST	201	26,000	79,130	53,130
OL-09-02-481-003	17 S BROADWAY ST	201	14,700	39,400	24,700
OL-09-02-481-004	21 S BROADWAY ST	201	7,900	38,360	30,460
OL-09-02-481-007		202	9,000	33,080	24,080
OL-09-02-481-008	44 E FLINT ST	201	39,600	32,600	-7,000
OL-09-02-481-009		402	0	0	0
OL-09-02-481-010	33 S BROADWAY ST	201	17,400	92,100	74,700
OL-09-02-481-011	51 S BROADWAY ST	201	24,500	157,500	133,000
OL-09-02-481-012	47 S BROADWAY ST	201	26,000	105,020	79,020
OL-09-02-481-015	11 S BROADWAY ST	201	5,100	53,080	47,980
OL-09-02-481-017		403	0	0	0
OL-09-02-481-018	27 S BROADWAY ST	201	5,700	104,880	99,180
OL-09-02-481-019	29 FRONT ST	202	79,400	0	-79,400
OL-09-02-482-002	102 S BROADWAY ST	201	28,300	635,960	607,660
OL-09-02-482-010	146 S BROADWAY ST	201	55,100	241,370	186,270
OL-09-02-482-013		401	6,200	0	-6,200
OL-09-02-482-014	164 S BROADWAY ST	401	15,900	0	-15,900
OL-09-02-482-015	120 S BROADWAY ST	201	36,500	88,270	51,770
OL-CR018-100-201-01	120 S BROADWAY ST	201	0	1,994,270	1,994,270
OL-09-02-483-001	101 S BROADWAY ST	201	23,200	59,230	36,030
OL-09-02-483-002	125 S BROADWAY ST	201	42,900	333,130	290,230
OL-09-02-483-005	165 S BROADWAY ST	401	0	0	0
OL-09-02-483-008	20 FRONT ST	201	17,000	66,120	49,120
OL-09-02-483-010	185 S BROADWAY ST	201	49,029	173,250	124,221
OL-09-02-483-011	160 S ANDERSON ST	202	4,200	950	-3,250
OL-09-02-484-001	106 E FLINT ST	401	33,400	103,920	70,520
OL-09-02-484-004	51 S ANDERSON ST	201	17,400	63,380	45,980
OL-09-02-484-009	52 S SLATER ST	402	16,700	0	-16,700
OL-09-02-484-010	52 S SLATER ST	402	16,700	0	-16,700
OL-09-02-484-019	115 S ANDERSON ST	401	0	0	0
OL-09-02-484-022	140 E FLINT ST	401	17,000	0	-17,000
OL-09-02-484-023	93 S ANDERSON ST	401	1,200	0	-1,200
OL-09-02-485-018	VILLAGE OF LAKE ORION	401	0	0	0
OL-09-02-485-025	123 S SLATER ST	201	160,000	606,360	446,360
OL-09-02-485-026	VILLAGE OF LAKE ORION	401	2,200	0	-2,200
OL-09-02-485-027	29 S SLATER ST	201	0	0	0
OL-09-11-231-001	214 S BROADWAY ST	201	55,920	748,520	692,600
OL-09-11-226-028	232 S BROADWAY ST	201	48,000	190,620	142,620
OL-09-11-226-033	MDOT	402	0	0	0
OL-09-11-226-034	236 S BROADWAY ST	201	20,200	115,810	95,610
OL-09-11-226-035	MDOT	402	0	0	0
OL-09-11-226-036	256 S BROADWAY ST	201	28,500	400,220	371,720
OL-09-11-226-037	MDOT	402	0	0	0
OL-09-11-226-044	334 S BROADWAY ST	201	16,800	93,230	76,430
OL-09-11-226-045		402	15,000	0	-15,000
OL-09-11-226-046	344 S BROADWAY ST	201	17,800	166,540	148,740
OL-09-11-226-049		402	4,000	0	-4,000
OL-09-11-228-004	215 S BROADWAY ST	202	0	0	0
OL-09-11-228-005	155 ATWATER ST	201	18,700	243,410	224,710
OL-09-11-228-012	211 ATWATER ST	201	0	1,015,210	1,015,210
OL-09-11-228-016	215 S BROADWAY ST	202	0	0	0
OL-09-11-228-018		402	0	0	0
OL-09-11-228-019		202	0	0	0
OL-09-11-228-020	215 S BROADWAY ST	201	0	0	0
OL-09-11-228-021		402	0	0	0
OL-09-11-228-022		402	0	0	0
OL-09-11-228-024	227 ATWATER ST	401	9,300	55,110	45,810
OL-09-11-228-025	237 ATWATER ST	401	17,000	62,810	45,810
OL-09-11-228-026	281 S BROADWAY ST	201	120,100	254,230	134,130
OL-09-11-228-027	195 S BROADWAY ST	201	15,371	121,460	106,089
OL-09-11-276-021	378 S BROADWAY ST	201	135,500	334,250	198,750
OL-09-11-276-022		402	12,500	0	-12,500
OL-09-11-276-024		402	0	0	0
OL-09-11-276-026	388 S BROADWAY ST	201	155,300	260,980	105,680
OL-09-11-276-027		202	10,000	40,870	30,870
OL-09-11-277-030		402	7,700	0	-7,700
OL-09-11-277-034		402	16,600	0	-16,600
OL-09-11-277-047	416 S BROADWAY ST	201	128,400	214,470	86,070

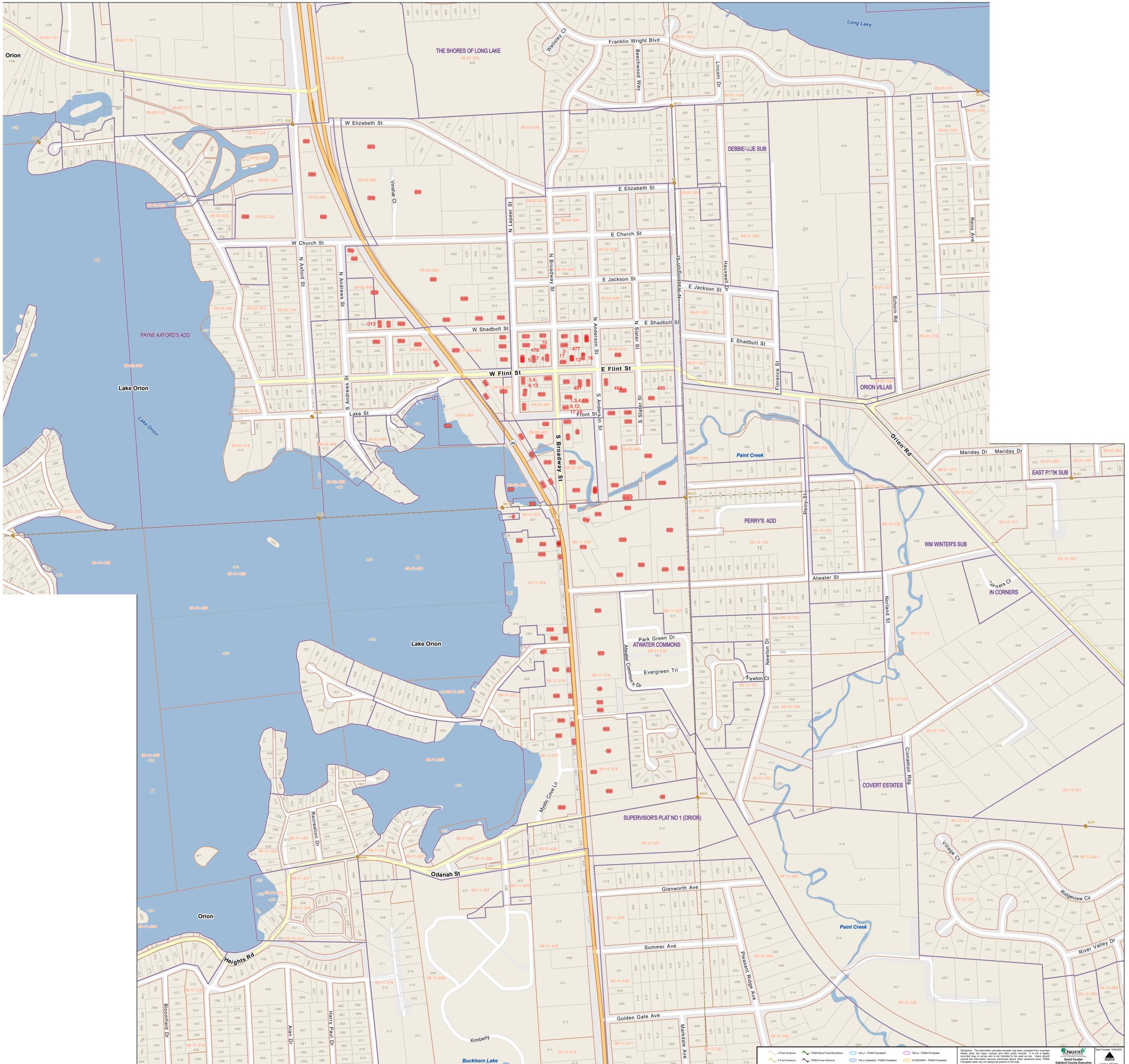
Land

Building tax abated expires2028

OL-09-11-277-050	400 S BROADWAY ST	201	42,200	216,640	174,440
OL-09-11-277-053	494 S BROADWAY ST	201	102,197	255,020	152,823
OL-09-11-278-013	399 S BROADWAY ST	201	28,800	108,720	79,920
OL-09-11-278-029	471 S BROADWAY ST	201	135,600	210,700	75,100
OL-09-11-278-034		202	34,000	118,680	84,680
OL-09-11-278-036	383 S BROADWAY ST	201	84,800	399,350	314,550
OL-09-11-278-037	453 S BROADWAY ST	201	148,000	339,320	191,320
OL-09-11-278-039	435 S BROADWAY ST	201	192,100	699,300	507,200
OL-09-11-278-042	403 S BROADWAY ST	201	27,100	114,220	87,120
OL-09-11-278-043	415 S BROADWAY ST	201	90,000	579,870	489,870
OL-09-11-278-070	295 S BROADWAY ST	201	213,420	576,620	363,200
OL-09-11-278-071	305 S BROADWAY ST	201	363,380	1,056,100	692,720
Total			4,731,517	23,776,140	19,044,623

<u>Tax Name</u>	<u>Millage Captured</u>	<u>Dollars Captured</u>
OCC	1.4747	
Oakland County	3.9301	
Twp Fire	2.9373	
Twp General	0.8623	
Twp Safety Paths	0.2201	
Oakland Transit	0.9464	
Twp Parks/Rec	0.9511	
County Parks	0.6500	
Metro Parks	0.2062	
Art Institute	0.1937	
Village General	10.0160	190,751
Village Police	2.6155	49,811
Total	25.0034	476,180

<u>Item</u>	<u>Goal</u>	
Bond Payment	423,410	max pmt 2040
DDA Staffing	70,000	estimate
DDA Activities	50,000	estimate
Total	543,410	



Disclaimer: The information provided herein has been compiled from various sources and is not intended to be used as a warranty. Users should consult the appropriate local authority for more information.

Prepared by: OKAN
 David Collier
 Oakland County Executive

Date Created: 10/20/2025
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