



DDA ACTION SUMMARY SHEET

MEETING DATE: March 18, 2025

TOPIC Village Capital Improvement Fund

BACKGROUND BRIEF:

In accord with the December 2022 Resolution of the DDA Board, action was taken at the February 2025 meeting to refer the matter of discussion, negotiation, and recommendation of an agreement between the DDA and the Village of Lake Orion to effect the 75/25 Capital Improvement plan. Meetings were held between the DDA and the Village and a recommended action approved by vote. This recommendation is now presented to the DDA for consideration and either adoption, rejection, or referral back to the Ad Hoc committee.

The Ad Hoc Committee Recommendation:

1. The formula for funding the 75/25 Program is based on an annual contribution calculated from the increase in TIF revenue from a base year through the then current budget year. This approach, in accord with the ardent recommendation of the Village Manager, would use Billable Tax Estimates in lieu of Actual Reported Revenue. The difference is negligible, essentially changing the appropriation from a look back on actual revenue to a forecasted estimated revenue, which history shows each number is generally within \$1000 of the other.
2. The Village Capital Improvement Fund, within the DDA Budget, shall be initially funded to “catch up” those funds intended by the mutual 2022 resolutions establishing the concept program.
3. The funding of any project from the DDA is entirely dependent on an approved project plan, developed at the sole cost and effort of the Village and presented to the DDA for compliance and approval. The project plan can include all costs of implementation, but the DDA contribution will be limited to TIF eligible public facilities and the amount of contribution fixed until and unless an amended project plan is approved.

The DDA committee Members, which includes the Exec. Director as a voting member all voted to approve this plan and agreement.

FINANCIAL IMPACT:

The DDA needs to accomplish three things to affect the recommendation, if so inclined:

1. Approve the Intergovernmental Agreement.
2. Establish a specific DDA Budget General Ledger account where initial and annual funding will be held for approved invoices and disbursement.
3. Fund an initial “catch up” by Budget Amendment of the 24-25 DDA Budget in the amount of \$142,453

RECOMMENDED MOTION:

1. Move to approve the 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 as recommended by the joint Ad Hoc committee at its meeting of March 13, 2025, directing the Executive Director to execute the same.
2. Move to create a new GL: GL 248-260-965-402 – Village Capital Improvement and direct that the Executive Director work with the Village Clerk/Treasurer to implement this GL as the capital improvement fund for village directed projects.
3. Move to “catch up” the capital improvement fund in the amount of \$142,453 by the transfer of \$67,616 from GL 248-260-965-401 – Transfer to Capital Improvement Fund and the transfer of \$74,837 from 248-000-390-000 Fund Balance to the newly created GL 248-260-965-402 village Capital Improvement.