

## Darwin McClary

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**From:** George Dandalides  
**Sent:** Saturday, February 22, 2025 3:28 PM  
**To:** Michael Lamb; Stan Ford; Darwin McClary; Matthew Gibb; SAM CARUSO (CHIROSAM@SBCGLOBAL.NET); Matthew Shell; hflorant@me.com; drsamc40@gmail.com  
**Cc:** DEBBIE BURGESS (DYBURGESS60@YAHOO.COM); Teresa Rutt; Sonja Stout; Lynsey Blough  
**Subject:** Proposed Agenda and Proposed Discussion Topics for Thursday's Infrastructure Ad Hoc Meeting  
**Attachments:** Infrastructure Ad Hoc Committee Meeting - Agenda and Proposed Discussion Topics - 2-27-2025.pdf

Infrastructure Ad Hoc Committee:

Attached please find a proposed agenda as well as proposed discussion topics for Thursday's meeting. Again, we will meet Thursday February 27<sup>th</sup> from 9:00-10:30 at the Village Hall Conference Room. I'm submitting this proposed agenda and topics in an effort to logically get us through the discussion and to a recommendation. If someone has another idea or approach to get us there, I'm certainly OK with that. I just thought it would be helpful to have something to get us started. I've tried to include what came out of the discussion at Tuesday's DDA Board meeting. I also recognize the first order of business on Thursday will be to elect a committee chairperson, so that my alter how we approach the discussion.

You'll see the first agenda topic is to review the committee's purpose and what we've been charged to do. This includes a couple of assignments that came out of the discussion at the DDA meeting on Tuesday. That is followed by a process flow, which is how I would propose we walk through this. That is followed by committee "in-bounds" and "out-of-bounds", which I've populated with my thoughts but looking for your input in that discussion. This will keep us from veering down some rabbit-hole. That would be followed by a review of the 2022 resolution. The resolution provides the framework for the Infrastructure 75/25% including some of the responsibilities of both the DDA and the Village in the process. From there, we would move to specific discussion on how the calculation(s) are made. The Village Manager and the DDA Executive Director have both suggested methods, which are different. We'll need to understand both thought processes and agree on the method going forward. My thought is that this will take the allotted 1.5 hour meeting time.

I've also included information at the end of the attached file that I feel would be helpful at our subsequent meeting(s).

Again, this is my proposal on how to approach the task at hand. If there's a better idea out there, we can certainly go that way also. I just wanted to through something out there so we've got someplace to start.

Please let me know if you have any suggestions or another approach.

Thanks,

George



## **AGENDA**

### **AD HOC DDA PUBLIC INFRASTRUCTURE FUND COMMITTEE**

**Thursday February 27, 2025**

**9:00 AM**

**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**
- 2. Roll Call and Determination of Quorum**
- 3. Election of Committee Chairman and Recording Secretary**
- 4. Call to the Public**
- 5. Approval of Agenda**
- 6. Committee Purpose and Outcome Direction**
- 7. Village and DDA Resolution Review**
- 8. Infrastructure Fund Calculation & Forecast**
- 9. Call to the Public**
- 10. Next Meeting(s)**
  - **Review, Discussion, and Direction on Proposed Agreement by the DDA Executive Director**
  - **Brainstorming and Creation of Priority Opportunity List**
- 11. Committee Comments**
- 12. Adjournment**

*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.*



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## AD HOC DDA PUBLIC INFRASTRUCTURE FUND COMMITTEE ACTION SHEET

**MEETING DATE:** February 27, 2025

**TOPIC:** Committee Purpose and Outcome Direction

**BACKGROUND BRIEF:** Council was requested at the January 27, 2025 regular meeting to establish a 2025 ad hoc DDA Public Infrastructure Fund Committee to review proposed projects and advise the Village Council and DDA Board of Directors on the recommended infrastructure and other projects to be undertaken during FYs 2025-26 through FY 2030-31 utilizing the funds that were set aside under a policy adopted by the Council and DDA Board in 2022. It is recommended that the Committee comprise three members of the Village Council selected by the Council and three members of the DDA Board selected by the Board, as well as the Village Manager and DDA Executive Director. The Committee should meet often enough to complete its work and provide recommendations to both boards not later than March 5, 2025, to permit adequate time for approval by both boards and incorporation into the Village Capital Improvement Plan and FY 2025- 26 Budget.

**SUMMARY OF PREVIOUS COUNCIL ACTION:** The following motion was passed by council at the January 27, 2025, regular meeting:

“To establish an ad hoc 2025 DDA Public Infrastructure Fund Committee to review proposed projects and available funding and to recommend to the Village Council and DDA Board of Directors projects for funding for FY 2025-26 through FY 2030-31 for including in the Village Capital Improvement Plan and FY 2025-26 Budget, with said Committee to comprise the Village Manager, DDA Executive Director, three (3) members of the Village Council selected by the Council and three (3) members of the DDA Board of Directors selected by the Board, and with the Committee to complete its work and disband on or before March 31, 2025.”

Council assigned members Lamb, Ford, and Dandalides as the Village Council representatives on the Ad Hoc Committee.

**SUMMARY OF PREVIOUS DDA BOARD ACTION:** The following discussion and action motion was taken at the February 18, 2025, DDA regular meeting:

The DDA Executive Director presented a **Resolution Regarding the Creation and Funding of the Village Capital Improvement Fund** that included the following three sub-resolutions:

- The DDA Board adopt and approve the AGREEMENT BETWEEN THE VILLAGE AND THE DDA REGARDING RESPONSIBILITIES AND COST ALLOCATION FOR CAPITAL IMPROVEMENT PROJECTS and authorize the Executive Director to execute

- The appointment of three DDA Board members to the joint Ad Hoc Committee
- DDA budget adjustments be implemented to create a permanent fund account for Village Capital Improvement, and to fund that line in the amount of \$103,697 for the reporting period from December 2022 through the 2024 PA-57 Annual Report.

The initial discussion was concluded by Chairman Burgess that adopting the resolution as presented was premature and should be worked through the joint committee with a joint recommendation coming from the committee back to both the DDA Board and Council for approval.

There was also considerable discussion around the calculation of the 75/25% contributions. The Executive Director proposed two alternate methods to calculate the funding. Method 1 was based on an annual calculation that used the 2022 baseline in the first year but then only considered the year over year increase in each of the subsequent years, in effect eliminated “compounding” the annual incremental revenues. Method 2 was based on a cumulative approach which used the baseline established in 2022 each year. After much discussion, the board concluded that the intent and detail of the 2022 resolution was based on Method 2. The Executive Director expressed concern that using Method 2 would have a significant budget impact going forward. The DDA Board asked that he put those numbers together and present them back to the board at a later date.

There was also discussion around using actual revenue into the TIF vs. revenue calculated from the projected assessed and billed model. The board asked that this also be worked through the joint committee.

The DDA Board appointed board members Matt Shell, Sam Caruso, and Hank Lorant as the three representatives for the Ad Hoc Committee.

## **STATED PURPOSE:**

### **Village Council January 29 meeting:**

“Review proposed projects and available funding and to recommend to the Village Council and DDA Board of Directors projects for funding for FY 2025-26 through FY 2030-31 for including in the Village Capital Improvement Plan and FY 2025-26 Budget.”

### **ADDED BY THE DDA BOARD AT THEIR February 18 Meeting:**

Agree on method of calculation of annual capital improvement funding.

Joint review of the resolution presented by the Executive Director with a joint recommendation.

## **AD HOC COMMITTEE OUTCOME (TO GO BACK TO COUNCIL AND THE DDA BOARD FOR APPROVAL:**

Agreement on the method of calculation of the annual capital improvement funding.

Results of a review of the resolution presented by the Executive Director with any resulting joint recommendation.

A recommendation of projects for funding in the FY 2025-26 through FY 2030-31 for inclusion in the Village Capital Improvement Plan and FY 2025-26 Budget that will be taken to both the Village Council and the DDA Board of Directors for approval.

## **PROCESS FLOW (PROCESS BY WHICH THE AD-HOC COMMITTEE WILL ACHIEVE THE OUTCOME):**

- Review and agree on the purpose and outcome of the Ad-Hoc Committee
- Agree on Ad-Hoc Committee “in-bounds” and “out-of-bounds”
- Detailed review of Village Resolution 2022-043 and DDA Resolution 2022-001.
  - Identify roles and responsibilities established in the resolution and determine any clarification needed
  - Agree on the calculation method and targeted use of the 75/25% funds
  - Agree on where those funds will be maintained and how they will be disbursed
- Infrastructure Fund Calculation & Forecast
  - Agree on the FY 2022-23 and FY 2023-24 amounts
  - Agree on the projections for FY’s 2024-25 and beyond
- Brainstorming and Creation of Prioritized Opportunity List
  - Review Draft Village CIP and identify opportunities within the DDA District
  - Identify other opportunities not on the draft CIP
  - Prioritize with timing
  - Agree on the recommendation to be taken forward for approval of both Council and the DDA Board

**COMMITTEE “IN-BOUNDS”:**

- Identifying potential projects for inclusion in the recommendation
- Prioritization of potential projects in the recommendation
- Timing of the potential projects in the recommendation
- Other committee input???

**COMMITTEE “OUT-OF-BOUNDS”:**

- The legality of the DDA, the TIF plan, or the boundaries of the DDA district
- The legality of THE 2022 resolution of the Village Council and the DDA Board
- The content, intention, of spirit of either resolution
- The agreed 75/25% split of the incremental TIF funding
- The use of the incremental funding outside the DDA District
- Other committee input???





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## AD HOC DDA PUBLIC INFRASTRUCTURE FUND COMMITTEE ACTION SHEET

**MEETING DATE:** February 27, 2025

**TOPIC:** Village and DDA Resolution Review

**BACKGROUND BRIEF:** The Village and the DDA both approved the formation of a joint committee to explore the legal options regarding how to use DDA tax capture to focus on the downtown district public facility infrastructure costs by way of a dedicated account for the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of public facility infrastructure performed by the Village. The Joint Committee explored the current capture, revenue breakdown, legal options and path forward. The recommendation of the Committee was to adopt Village Resolution 2022-043 and DDA Resolution 2022-001 to designate a portion of future tax increment revenues from the DDA TIF capture to be dedicated for public facility infrastructure in the DDA district. The respective resolutions were passed by both the Village Council (11/28/2022) and the DDA Board (12/13/2022).

Both resolutions are provided below for review and comparison.

### RECOMMENDED ACTION:

- Identify any differences between the two resolutions (or agree they are the same)
- Agree on the responsibilities and process flow

VILLAGE OF LAKE ORION  
COUNTY OF OAKLAND  
STATE OF MICHIGAN  
RESOLUTION 2022-043

**RESOLUTION FOR DESIGNATION OF TAX INCREMENT REVENUES FROM THE  
DDA TIF CAPTURE TO BE DEDICATED FOR PUBLIC FACILITY  
INFRASTRUCTURE IN DDA DISTRICT**

<b>RESULT:</b>	<b>ADOPTED 5-2</b>
<b>MOVER:</b>	<b>Kenneth Van Portfliet, Council Member+</b>
<b>SECONDER:</b>	<b>Carl Cyrowski, Council Member</b>
<b>AYES:</b>	<b>Cyrowski, Luchsinger, Narsh, Rutt, Van Portfliet</b>
<b>NAYS:</b>	<b>Lamb, Luchsinger</b>

**WHEREAS**, the Village of Lake Orion is a Michigan municipal corporation duly established under The Home Rule Village Act, Public Act 278 of 1909, being MCL 78.1, *et seq.*; and

**WHEREAS**, the Lake Orion Downtown Development Authority is a duly established Downtown Development Authority, established by the Village of Lake Orion, pursuant to Part 2 of the Recodified Tax Increment Financing Act, Public Act 57 of 2018, being MCL 125.4201, *et seq.*; and

**WHEREAS**, the DDA has the authority to plan and propose for the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a “public facility,” an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the DDA Board, aids in the economic growth of the downtown district pursuant to the Recodified Tax Increment Financing Act, Public Act 57 of 2018, being MCL 125.4207; and

**WHEREAS**, the Village owns and has the responsibility to construct, renovate, repair, remodel, rehabilitate, restore, preserve, or reconstruct “public facilities” as defined in MCL 125.4201(x), within the DDA district, that are necessary and appropriate to the execution of the DDA Development Plan and which aid in the economic growth of the DDA district; and

**WHEREAS**, the DDA has met, studied and discussed the needs for ongoing maintenance and improvements to the Downtown District public facility infrastructure as a means to maintain and increase business and residential property values in the Downtown District; and,

**WHEREAS**, the Village has analyzed the Downtown District and concludes that the maintenance and improvements to the public facility infrastructure in the Downtown District is vital to the Downtown District and the Village as a whole; and,

**WHEREAS**, both the Village and the DDA have determined and agreed that the Village is best situated to address the public facility infrastructure needs of the Downtown District in coordination with the infrastructure of the entire Village; and,



**WHEREAS**, both the Village and the DDA have determined and agreed that a dedicated public facility infrastructure account is a viable response to the Downtown District public facility infrastructure needs, with the Village best positioned to use those funds to coordinate infrastructure construction, maintenance, and improvements to the Downtown District; and

**WHEREAS**, the Village and the DDA both approved the formation of a joint committee to explore the legal options regarding how to use DDA tax capture to focus on the Downtown District public facility infrastructure costs by way of a dedicated account for the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of public facility infrastructure performed by the Village; and

**WHEREAS**, the joint committee has reviewed the issues and the available data and is recommending that the Village adopt a budgetary resolution to provide that 75% of all future tax increment revenues captured from the DDA TIF, from all newly realized Captured Taxable Value commencing from the execution of this Resolution and corresponding DDA Resolution, be transferred to a dedicated DDA District Public Facility Infrastructure account for the Village to construct, renovate, repair, remodel, rehabilitate, restore, preserve or reconstruct any and all “public facilities” within the defined boundaries of the DDA District on behalf of the DDA, and further, that the DDA retain the remainder of the 25% of all future tax increment revenues from the DDA TIF, from all newly realized Captured Taxable Value commencing from the execution of this Resolution and corresponding DDA Resolution, which shall be utilized in any lawful manner by the DDA as determined by the DDA.

**NOW, THEREFORE, BE IT RESOLVED**, by the Village Council of the Village of Lake Orion, County of Oakland, State of Michigan, that the Village has the responsibility to construct, renovate, repair, remodel, rehabilitate, restore, preserve or reconstruct “public facilities,” as defined by MCL 125.4201(x), within the DDA District, which is necessary and appropriate to the execution of the DDA Development Plan and aids in the economic growth of the DDA District and the Village as a whole; and

**BE IT FURTHER RESOLVED**, that as part of the DDA budget, the DDA shall transfer to a dedicated public facility infrastructure account, 75% of all future tax increment revenues captured from the DDA TIF, from all new realized Captured Taxable Value commencing from the adoption of this Resolution and corresponding Resolution of the DDA, on a monthly basis; and

**BE IT FURTHER RESOLVED** that the Village shall invoice the DDA to utilize the funds, to construct, renovate, repair, remodel, rehabilitate, restore, preserve or reconstruct any and all “public facilities” as defined in MCL 125.4201(x), within the defined boundaries of the DDA district on behalf of the DDA; and

**BE IT FURTHER RESOLVED** that the current tax increment revenues from the DDA TIF capture, shall remain with the DDA, in its general fund, and that the residual 25% of the future tax increment revenues captured from the DDA TIF, from all new realized Captured Taxable Value commencing from the adoption of this Resolution and corresponding DDA Resolution, shall be retained by the DDA, in its general fund, and utilized by the DDA as provided for by law; and

**BE IT FURTHER RESOLVED** that this Resolution shall remain effective though the duration of the currently approved DDA Tax Increment Financing and Development Plan ending December 2039 and, if the DDA Tax Increment Financing and Development Plan is extended, the term of this Resolution shall be extended to the same term; and

**BE IT FURTHER RESOLVED** that nothing in this Resolution shall be construed or shall have any impact on the current Agreement between the parties for the provisions of Village services to the DDA.

**CERTIFICATION**

*I, Susan C. Galeczka, Clerk for the Village of Lake Orion, do hereby certify that the foregoing is a true and original copy of Resolution #2022-043 adopted at the Regular Meeting of the Lake Orion Village Council held on the 28<sup>th</sup> day of November, 2022.*



*Susan C. Galeczka, CMC, MiPMC*  
Village Clerk

Dated: November 28, 2022



**LAKE ORION DOWNTOWN DEVELOPMENT AUTHORITY**  
**RESOLUTION 22-001**  
**RESOLUTION FOR DESIGNATION OF TAX INCREMENT REVENUES FROM THE**  
**DDA TIF CAPTURE TO BE DEDICATED FOR PUBLIC FACILITY**  
**INFRASTRUCTURE IN THE DDA DISTRICT**

**WHEREAS**, the Lake Orion Downtown Development Authority is a duly established Downtown Development Authority, established by the Village of Lake Orion, pursuant to Part 2 of the Recodified Tax Increment Financing Act, Public Act 57 of 2018, being MCL 125.4201, *et seq.* ("DDA"); and

**WHEREAS**, the Village of Lake Orion is a Michigan municipal corporation duly established under The Home Rule Village Act, Public Act 278 of 1909, being MCL 78.1, *et seq.* ("Village"); and

**WHEREAS**, the DDA has the statutory authority to plan and propose for the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a "public facility," an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the DDA Board, aids in the economic growth of the downtown district pursuant to the Recodified Tax Increment Financing Act, Public Act 57 of 2018, being MCL 125.4207; and

**WHEREAS**, the Village owns and has the responsibility to construct, renovate, repair, remodel, rehabilitate, restore, preserve or reconstruct "public facilities" as defined in MCL 125.4201(x), within the DDA district, that are necessary and appropriate to the execution of the DDA Development Plan and which aid in the economic growth of the DDA district; and

**WHEREAS**, the DDA has met, studied and discussed the needs for ongoing maintenance and improvements to the Downtown District public facility infrastructure as a means to maintain and increase business and residential property values in the Downtown District; and

**WHEREAS**, the Village has met and analyzed the Downtown District and concludes that the maintenance and improvements to the public facility infrastructure in the Downtown District is vital to the Downtown District and the Village as a whole; and

**WHEREAS**, both the Village and the DDA have determined and agreed that the Village is best situated to address the public facility infrastructure needs of the Downtown District in coordination with the infrastructure of the Village as a whole; and

**WHEREAS**, both the Village and the DDA have determined and agreed that a dedicated public facility infrastructure account is a viable response to the Downtown District public facility infrastructure needs, with the Village best positioned to use those funds to coordinate infrastructure construction, maintenance and improvements to the Downtown District; and



**WHEREAS**, the Village and the DDA both approved the formation of a joint committee to explore the legal options regarding how to use DDA tax capture to focus on the Downtown District public facility infrastructure costs by way of a dedicated account for the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of public facility infrastructure performed by the Village that joint committee supports this Resolution; and

**WHEREAS**, the joint committee has reviewed the issues and the available data and has recommended that the Village adopt a budgetary resolution to provide that 75% of all future tax increment revenues captured from the DDA TIF, from all newly realized Captured Taxable Value commencing from the execution of this Resolution and corresponding DDA Resolution, be transferred to a dedicated DDA District Public Facility Infrastructure account for the Village to construct, renovate, repair, remodel, rehabilitate, restore, preserve or reconstruct any and all “public facilities” within the defined boundaries of the DDA District on behalf of the DDA, and further, that the DDA retain the remainder of the 25% of all future tax increment revenues from the DDA TIF, from all newly realized Captured Taxable Value commencing from the execution of this Resolution and corresponding DDA Resolution, which shall be utilized in any lawful manner by the DDA as determined by the DDA.

**NOW, THEREFORE, BE IT RESOLVED**, by the DDA that the Village has the responsibility to construct, renovate, repair, remodel, rehabilitate, restore, preserve or reconstruct “public facilities,” as defined by MCL 125.4201(x), within the DDA District, which is necessary and appropriate to the execution of the DDA Development Plan and aids in the economic growth of the DDA District and the Village as a whole; and

**BE IT FURTHER RESOLVED**, that as part of the DDA budget, the DDA shall transfer to a dedicated public facility infrastructure account, 75% of all future tax increment revenues captured from the DDA TIF, from all new realized Captured Taxable Value commencing from the adoption of this Resolution and corresponding Resolution of the Village, on a monthly basis; and

**BE IT FURTHER RESOLVED**, that the Village shall invoice the DDA to utilize the dedicated public facility infrastructure funds to construct, renovate, repair, remodel, rehabilitate, restore, preserve or reconstruct any and all “public facilities” as defined in MCL 125.4201(x), within the defined boundaries of the DDA District on behalf of the DDA; and

**BE IT FURTHER RESOLVED**, that the current tax increment revenues from the DDA TIF capture shall remain with the DDA, in its general fund for use by the DDA, and that the residual 25% of the future tax increment revenues captured from the DDA TIF, from all new realized Captured Taxable Value commencing from the adoption of this Resolution and corresponding DDA Resolution, shall be retained by the DDA, in its general fund for the use by the DDA, and to be utilized by the DDA as provided for by law; and

**BE IT FURTHER RESOLVED**, that this Resolution shall remain effective though the duration of the currently approved DDA Tax Increment Financing and Development Plan ending December 2039 and, if the DDA Tax Increment Financing and Development Plan is extended, the term of this Resolution shall be extended to the same term; and

**BE IT FURTHER RESOLVED**, that nothing in this Resolution shall be construed or shall have any impact on the current Agreement between the parties for the provisions of Village services to the DDA.

### ***CERTIFICATION***

*I, Susan C. Galeczka, Clerk for the Village of Lake Orion, do hereby certify that the foregoing is a true and original copy of Resolution #2022-043 adopted at the Regular Meeting of the Lake Orion Village Council held on the 13<sup>th</sup> day of December, 2022.*

*Susan C. Galeczka, CMC, MiPMC  
Village Clerk*

Dated: December 13, 2022





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## AD HOC DDA PUBLIC INFRASTRUCTURE FUND COMMITTEE ACTION SHEET

**MEETING DATE:** February 27, 2025

**AGENDA TOPIC:** Infrastructure Fund Calculation & Forecast

**BACKGROUND BRIEF:** The provisions for the calculation of the incremental increase in future tax revenues captured from the DDA TIF are outlined in both the Village resolution 2022-043 and DDA resolution 2022-001. Those resolutions also identified the baseline established commencing from the execution of the resolutions by both the Village Council and the DDA Board (November 28, 2022, and December 13, 2022, respectively).

Calculations for the 2023-24 and 2024-25 fiscal years have been calculated by Village Manager McClary (75%) at \$48,185 and \$74,367, using a 2022 baseline of \$37,328,840 DDA Captured Taxable Value and \$896,975 Tax Revenue resulting in a total of \$122,552, which are displayed below.

Alternatively, similar calculations were made by the DDA Executive Director. Those calculations were made based on actual revenue into the TIF. The Executive Director also made two calculations, the first (Method 1) based on an annual (year over year) calculation, and second (Method 2) based on a cumulative approach. Method 1 resulted in a total (75%) for years 2022-2024 of \$103,697 and Method 2 \$188,964 for the same period. The Executive Director's calculations are also displayed below.

The DDA Board discussed the differences between Methods 1 and 2 at their February 18<sup>th</sup> meeting and concluded that per the language and intent of the 2022 resolution, Method 2 is the more appropriate method, and consistent with the method used by the Village Manager.

To meet the stated purpose of the Ad Hoc Committee which is to recommend infrastructure projects for funding through FY2030-2031, funding projections are necessary through that period.

The Ad-Hoc Committee is requested to review this information for discussion with the desired outcome of a recommendation to both Village Council and the DDA Board of agreement on the baseline, the calculation method, and the initial projections going forward.

### RECOMMENDED MOTION:

Xxx



# Village Manager Calculations :

## 2023-2024 Fiscal Year:

### DDA PUBLIC INFRASTRUCTURE FUND CONTRIBUTION WORKSHEET

Base Year (2022) DDA Captured Taxable Value:	\$37,328,840.00
Base Year (2022) DDA Captured Millages:	24.0290
Base Year (2022) Tax Revenue:	\$896,974.70

Current Year Taxable Value:	2023-24	\$49,279,170.00
less Base Year 1985 Taxable Value:		\$10,233,400.00
Current Year Captured Taxable Value:		\$39,045,770.00
Current Year Millage Rates:		24.6178
Current Year Tax Revenue		\$961,220.96
Difference in Tax Revenue from Base Year (2022)		\$64,246.26

<b>DDA Contribution to Public Infrastructure Fund:</b>	<b>\$48,184.70</b>
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## 2024-2025 Fiscal Year:

### DDA PUBLIC INFRASTRUCTURE FUND CONTRIBUTION WORKSHEET

Base Year (2022) DDA Captured Taxable Value:	\$37,328,840.00
Base Year (2022) DDA Captured Millages:	24.0290
Base Year (2022) Tax Revenue:	\$896,974.70

Current Year Taxable Value:	2024-25	\$50,331,580.00
less Base Year 1985 Taxable Value:		\$10,233,400.00
Current Year Captured Taxable Value:		\$40,098,180.00
Current Year Millage Rates:		24.8423
Current Year Tax Revenue		\$996,131.02
Difference in Tax Revenue from Base Year (2022)		\$99,156.32

<b>DDA Contribution to Public Infrastructure Fund:</b>	<b>\$74,367.24</b>
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# Executive Director Calculations:

## PUBLIC INFRASTRUCTURE RESERVED FUND ALLOCATION

In accord with the December 13 2022 DDA Resolution directing the creation of a dedicated public infrastructure account within its annual budget, the following alternative calculation methods are presented pending a determination of the intent of the Board of Directors.

### THESE CALUCLATIONS ARE BASED ON ACTUAL REVENUE INTO THE TIF.

#### Model 1: BASED ON AN ANNUAL CALCULATION

Calculating 75% of the actual captured revenue year over year

##### 2022 ALLOCATION

2022 Reported TIF Revenue	\$828,290
Less 2021 Reported TIF Revenue	<u>\$789,347</u>
Increase in TIF Revenue	\$38,953
For the one Month in 2022	<u>\$3,246</u>
Share Allocated (75%)	\$2,434

##### 2023 ALLOCATION

2023 Reported TIF Revenue	\$896,975
Less 2022 Reported TIF Revenue	<u>\$828,290</u>
Increase in TIF Revenue	\$68,685
Share Allocated (75%)	\$51,514

##### 2024 ALLOCATION

2024 Reported TIF Revenue	\$963,306
Less 2023 Reported TIF Revenue	<u>\$896,975</u>
Increase in TIF Revenue	\$66,331
Share Allocated (75%)	\$49,749

#### ANNUAL REVENUE BASED FUND ALLOCATION

**2022 \$2,434\***

**2023 \$51,514**

**2024 \$49,749**

**Total\$ 103, 697**

\*Single month in 2022

#### Model 2: BASED ON A CUMULATIVE APPROACH

Setting Base Year at the 2022 Amount of \$828,290

2022	PARTIAL YEAR	\$2,434
2023	2023 less 2022 x 75%	\$51,514
2024	2024 less 2022 x 75%	<u>\$135,016</u>
TOTAL		\$188,964

#### ADVERSE EFFECT OF CUMULATIVE APPROACH

If TIF Revenue grows 5%, annually, in 2029 the projected capture would be \$1,229,409. Applying the Base Year approach results in a then annual payment of \$300,839, or 25% of the entire TIF and 105% of the capture growth after 2022.

**THE FOLLOWING INFORMATION IS PROVIDED FOR REFERENCE TO BE  
DISCUSSED AT SUBSEQUENT COMMITTEE MEETING(S)**



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## AD HOC DDA PUBLIC INFRASTRUCTURE FUND COMMITTEE ACTION SHEET

**MEETING DATE:** Month DD, YYYY

**TOPIC:** Review, Discussion, and Direction on Proposed Agreement by the DDA  
Executive Director

**BACKGROUND BRIEF:** At the February 18, 2025 DDA Board Meeting, the DDA Executive Director presented an **AGREEMENT BETWEEN THE VILLAGE OF LAKE ORION AND THE LAKE ORION DOWNTOWN DEVELOPMENT AUTHORITY REGARDING RESPONSIBILITIES AND COST ALLOCATION FOR CAPITAL IMPROVEMENT PROJECTS**. At that time, the DDA Board requested this be reviewed and discussed in the joint Ad Hoc Committee and the determination made in that joint committee on a recommendation to be brought forward.

**RECOMMENDED ACTION:** Review the proposed agreement compared to the details already contained in the 2022 Resolution and determine what additional description or detail might be required. Prepare an addendum or update to the 2022 Resolution, or an additional agreement to be presented to both the Village Council and DDA Board for approval and adoption.



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

This Agreement is made and entered this \_\_\_\_\_ day of \_\_\_\_\_ 2025 by and between the Village of Lake Orion, a Michigan municipal corporation, with its principal offices at 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, with its principal offices at 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 within the defined boundaries of the Downtown Development District (the "Projects").

*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 ("TIF") Revenue derived from the adopted TIF Development Plan shall be provided as funding support for capital improvement Projects that qualify as Public Facility improvements under MCL 125.4201 et seq; and

*Whereas*, the Village and the DDA have formed a Joint Committee to review, approve and recommend certain Projects in the District that are compliant with the purpose and intent of the Mutual Resolutions and DDA TIF Development Plan; and

*Whereas*, the DDA has created a Capital fund account, pursuant to the formula described in Exhibit A, within its 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 District; and

*Whereas*, the Village and the DDA have reached an understanding with each other regarding their respective responsibilities for an annual appropriation of revenue to the fund, the administration of Project management and cost, including invoiced reimbursement to the Village, and desire to enter into this Agreement to memorialize that understanding.

**THEREFORE**, in consideration of the premises and of the mutual undertakings of the parties and in conformity with applicable law, the Village and the DDA agree:

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 \_\_\_\_\_ and the DDA on December 13, 2022, is hereby incorporated and made a material part of this Agreement.

2. **Identification of Project(s).** Through the Joint Committee established for this purpose, 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 DDA Development Plan.
  - a. All costs necessary and inherent in the testing, oversight, engineering, review or analysis of any proposed Project, including all internal or external consulting, planning, other fees or regulatory controls, shall be solely borne by the Village, holding the DDA harmless therefrom.
  - b. Any necessary or required entitlement or municipal application, review and process of approval, including all permitting, bonding, or other regulatory demand, shall be the responsibility of the Village, holding the DDA harmless therefrom.
3. **Project Management.** The Village will enter into, and be solely responsible for, any necessary contract(s) with any and all contractor(s), suppliers, professionals, or material provider, for the Project. The Village will administer and manage all contract(s) and related work necessary for the completion of the Project, without contribution from the DDA. In all contract(s), agreements, work order(s), or similar instrument(s) used for the planning, development and completion of identified 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 cover the DDA as additionally insured on general liability policy(s).
4. **Application of TIF Capital Fund(s).** The DDA is responsible for funding its identified share of the Project(s) pursuant to the intent of the enabling resolutions incorporated herein, and in accord with the following;
  - a. Upon identification of a Project by the Joint Committee, a Project Plan shall be submitted by the Village to the DDA setting forth the project scope, estimated total cost, proposed timeline, proposed DDA share of cost, and certification of the projects compliance with the limitations of MCL 125.4201, et seq, whereupon the DDA shall timely review and approve the project for inclusion in any immediate or annual budgetary plan or appropriation schedule, such approval not being unreasonably delayed or withheld.
  - b. The Village shall be responsible and shall pay the Project costs, satisfying any contract directly with any Contractor, as described above, and finance the



complete cost of the construction, holding the DDA harmless therefrom.

- c. Pursuant to the approved Project Plan, the Village will invoice the DDA at such times and events as defined in the Project Plan. The DDA shall reimburse the Village for the DDA's share of incurred costs, as authorized in the approved Project Plan, within thirty (30) days of receipt of an invoice from the Village.
- d. Notwithstanding the DDA's funding of a share of the Project, the parties agree that responsibility for management of the Project, including all aspects of the contract with the Contractor(s), rests with the Village.

5. **Fixed Cost to DDA.** The cost allocation between the Village and the DDA for each approved Project Plan are 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. The DDA's obligation to fund its share of the Project does not include any obligation to fund change orders, contract addendum or amendment, cost associated with delay, site conditions or acts of God. The cost to the DDA for any Project, as set forth in any approved Project Plan, is a fixed cost, to be drawn against the Capital Improvement ledger account contemplated and created from the incorporated mutual enabling resolutions. No Project shall be funded with future anticipated revenues or made otherwise binding upon any other revenue or budgetary appropriation of the DDA without the written consent of the DDA, by Board Resolution.

6. **Miscellaneous.**

- a. This Agreement constitutes the complete expression of the agreement between the parties on the subjects contained herein and there are no other oral or written agreements or understandings between the entities concerning these subjects.
- b. Any prior agreements or understandings 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 subsequent 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.
- i. Any grants from Federal, State, or other public or private sources to either Party

in conjunction with the services, functions or responsibilities contemplated in the Agreement shall be retained by the party receiving the same.

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

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By: Darwin McClary  
Its: Manager

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By: Matthew Gibb  
Its: Executive Director



## EXHIBIT A

### FORMULA FOR ANNUAL CAPITAL IMPROVEMENT ALLOCATION

Pursuant to PA 57 of 2018, the DDA is required to file with the State of Michigan an annual report which details the prior year actual tax revenue derived from and under the TIF within the District. To accurately account for the allocation of seventy-five (75%) percent of the annual increase in TIF captured revenue, the DDA shall provide the Annual Report to the Village, on or before its due date, along with a statement showing the prior year revenue total reported to the state of Michigan, and the balance increase reflected in the difference between the then current year reported revenue, less the prior year, multiplied by .75 to reflect the next appropriation.

By way of example:

#### Calculating 75% of the actual captured revenue year over year

##### 2022 ALLOCATION

2022 Reported TIF Revenue	\$828,290
Less 2021 Reported TIF Revenue	<u>\$789,347</u>
Increase in TIF Revenue	\$38,953
For the one Month in 2022	<u>\$3,246</u>
Share Allocated (75%)	\$2,434

##### 2023 ALLOCATION

2023 Reported TIF Revenue	\$896,975
Less 2022 Reported TIF Revenue	<u>\$828,290</u>
Increase in TIF Revenue	\$68,685
Share Allocated (75%)	\$51,514

##### 2024 ALLOCATION

2024 Reported TIF Revenue	\$963,306
Less 2023 Reported TIF Revenue	<u>\$896,975</u>
Increase in TIF Revenue	\$66,331
Share Allocated (75%)	\$49,749

## EXHIBIT B

### ADOPTED AND CERTIFIED ENABLING RESOLUTIONS



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## AD HOC DDA PUBLIC INFRASTRUCTURE FUND COMMITTEE ACTION SHEET

**MEETING DATE:** Month DD, YYYY

**TOPIC:** Brainstorming and Creation of Priority Opportunity List

**BACKGROUND BRIEF:** The Village is currently in the process of developing the Capital Improvement Plan that includes all capital projects anticipated within the Village (including the DDA District) for FY's 2024-25 through 2029-30 inclusive. The details of the draft CIP follow below.

The Ad-Hoc DDA Public Infrastructure Fund Committee should use the draft CIP and other input from either the Village Council or the DDA Board to develop the recommended list of infrastructure and other project to undertake during FY's 2025-26 through 2029-30 inclusive.

**RECOMMENDED ACTION:** Develop a prioritized list of infrastructure and other projects to undertake during FY's 2025-26 through 2029-30 inclusive. Present that recommendation to both the Village Council and the DDA Board for approval and inclusion in the 2025-26 village budget and the village CIP.



**CAPITAL IMPROVEMENT PROGRAM  
FY 2024-25 THROUGH FY 2029-30**

Approved by Village Council on \_\_\_\_\_, 2025

## BUILDING/PLANNING/ZONING CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	CAPITAL ITEM	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTALS
B-721-1	Desktop Computer for Planning and Zoning Coordinator	1,500						1,500
	Community Master Plan Update			30,000				30,000
	Parks & Recreation Master Plan Update			15,000				15,000
								0
								0
								0
								0
								0
								0
								0
TOTALS:		1,500	0	45,000	0	0	0	46,500

## POLICE CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	CAPITAL ITEM	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTALS
207-1	Desktop Computers (6) for Chief, Lt., Records Clerk, Officers, Reserves	15,653						15,653
207-2	Police Vehicle	56,000						56,000
207-3	Glock M45 9mm Handguns and Leather Gear (17)	14,943						14,943
	Taser Replacements (8)		4,000	4,000	4,000	4,000	4,000	20,000
	Public Radar Sign			5,000				5,000
	Police Vehicle Replacement			60,000		66,000		126,000
	Ford Maverick		35,000					35,000
	Lidar Unit		8,000					8,000
	Vehicle Camera Replacement (5)		8,000	8,000	8,000	8,000	8,000	40,000
	Body Camera Replacement (9)		4,800	4,800	4,800	4,800	2,400	21,600
	Special Event Safety Equipment		20,000	20,000	20,000	20,000	20,000	100,000
	Public Safety Technology		25,000	25,000	25,000	25,000	25,000	125,000
	Bicycle Patrol Equipment		11,200					11,200
TOTALS:		86,596	116,000	126,800	61,800	127,800	59,400	578,396

**PARKS & RECREATION CAPITAL IMPROVEMENT PROGRAM**

[illegible]

**DDA PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENT PROGRAM**

[illegible]



## GROUNDS/PARKING/STRUCTURES CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	CAPITAL ITEM	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTALS
B-260-1	Village Hall Parking Lot			75,000				75,000
	Lake Bypass Outfall Structure Improvements (Oat Soda)		25,000					25,000
	Lake Bypass Outfall Gate Structure Improvements		50,000					50,000
B-260-3	Premisys Security System Computer		10,000					10,000
B-260-4	Village Hall Camera Security Computer		1,500					1,500
	Village Hall Steeple & Council Chambers Ceiling Repairs	60,000						60,000
								0
								0
								0
								0
								0
								0
TOTALS:		60,000	86,500	75,000	0	0	0	221,500

## MAJOR STREETS CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	CAPITAL ITEM	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTALS
	Crack Sealing	15,000						15,000
	PAMP Treatment Program "A"		58,000					58,000
	PAMP Treatment Program "B"			156,000				156,000
	PAMP Treatment Program "C"				81,000			81,000
	Future Projects (undetermined)					150,000	150,000	300,000
								0
								0
								0
								0
								0
								0
								0
								0
								0
								0
TOTALS:		15,000	58,000	156,000	81,000	150,000	150,000	610,000

## LOCAL STREETS CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	CAPITAL ITEM	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTALS
	Park Avenue Retaining Wall Replacement	100,000						100,000
	PAMP Treatment Program "A"		547,000					547,000
	PAMP Treatment Program "B"			435,000				435,000
	PAMP Treatment Program "C"				518,000			518,000
	Future Projects (undetermined)					550,000	550,000	1,100,000
								0
								0
								0
								0
								0
								0
								0
								0
								0
								0
TOTALS:		100,000	547,000	435,000	518,000	550,000	550,000	2,700,000

## STORM SEWER SYSTEM CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	CAPITAL ITEM	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30	TOTALS
	Storm Sewer Manhole Repairs		5,000	5,000	5,000	5,000	5,000	25,000
								0
								0
								0
								0
								0
								0
								0
								0
								0
								0
								0
								0
TOTALS:		0	5,000	5,000	5,000	5,000	5,000	25,000