



27400 Southfield Rd
Lathrup Village, MI 48076
(248) 557 - 2600
www.lathrupvillage.org

To: DDA Board of Directors
From: Austin Colson, Director – Community & Economic Development/DDA Director
Date: May 15, 2026
RE: 27700 Southfield Road - PILOT Agreement

Background

The City of Lathrup Village has approved a Payment in Lieu of Taxes (PILOT) for the redevelopment of the property located at 27700 Southfield Road as part of a workforce housing project. As the property is located within the DDA district, the annual service charge generated through the PILOT is eligible for capture under the DDA's Tax Increment Financing (TIF) Plan, unless otherwise agreed upon by the City and the DDA.

To address this, the City and DDA have developed a proposed PILOT Capture Sharing Agreement that establishes a mutually agreed-upon distribution of the annual service charge associated with this project.

Key Terms of the Agreement

- The agreement applies specifically to the property at 27700 Southfield Road.
- The property owner will pay an Annual Service Charge in lieu of ad valorem property taxes, as authorized under the City's Workforce Housing PILOT Ordinance.
- The Annual Service Charge will be shared equally, with:
 - 50% allocated to the DDA, and
 - 50% allocated to the City
- The City Treasurer will administer collection and distribution of funds.
- DDA funds received through this agreement must be used for eligible purposes under the DDA Act, including infrastructure, placemaking, and economic development initiatives.
- The agreement will remain in effect for the duration of the PILOT, including any approved extensions.

Purpose and Considerations

This agreement provides a balanced approach to allocating PILOT revenues between the City and the DDA, ensuring that both entities can support public services and continued investment within the downtown district. The structure recognizes the importance of supporting workforce housing development while maintaining the DDA's ability to fund infrastructure improvements and economic development initiatives.

Action Requested

The DDA Board is requested to review and consider approval of the proposed PILOT Capture Sharing Agreement.

Suggested Motion:

"I move to approve the PILOT Capture Sharing Agreement between the City of Lathrup Village and the Downtown Development Authority for the property located at 27700 Southfield Road."