

LAKEVIEW DOWNTOWN DEVELOPMENT AUTHORITY

AGENDA

Regularly Scheduled Meeting

April 22, 2025, 4:30 pm

Conference Room 302A – City Hall

10 N. Division Street

- | | |
|---|-------|
| 1. Welcome and introductions (as needed) | Chair |
| 2. Approval of minutes January 28, 2025 (action required) | Chair |
| 3. Financials | Staff |
| a. Fiscal Year 2026 Budget (action required) | |
| 4. Project updates | Staff |
| a. LDDA Development and TIF Plan | |
| b. Mall Development | |
| 5. Public comments | |
| 6. Board member comments | |
| 7. Adjourn | |

Attachments

- Agenda
- Minutes from January 28, 2025
- TIF capture memo
- FY 26 budget
- TIF & Development Plan criteria

NEXT MEETING SCHEDULED FOR July 22, 2025, City Hall, Room 302A

**LAKEVIEW DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS – Meeting Minutes**

Tuesday, January 28, 2025 at 4:30pm – Room 302A, City Hall

MEMBERS PRESENT: David Rost, Dave Schweitzer, T.R. Shaw, Anmar Atchu, Marcie Gillette

ABSENT: Mark Steinbrunner

OTHERS PRESENT: Ted Dearing – Assistant City Manager, Aaron Kuhn – Revenue Services Director, John Hart – Downtown Development Director, Patti Worden – Executive Assistant

Call to order: David Rost called the meeting to order at 4:30pm.

Ted Dearing introduced Marcie Gillette as the City Commission's designee for the vacant City Manager seat on the Lakeview Downtown Development Authority.

Approval of Minutes:

MOTION: Dave Schweitzer moved that the Lakeview Downtown Development Authority Board of Directors approve the meeting minutes from October 22, 2024. Anmar Atchu supported the motion. Unanimously approved.

Annual Audit

Approval of the FY 2024 Annual Audit

Aaron Kuhn discussed the FY 2024 Annual Audit.

T.R. Shaw moved that the Lakeview Downtown Development Authority Board of Directors approve the FY 2024 Annual Audit as presented. Dave Schweitzer supported the motion. Unanimously approved.

Approval of the FY 2024 Annual Report

Aaron Kuhn discussed the FY 2024 Annual Report.

Anmar Atchu moved that the Lakeview Downtown Development Authority Board of Directors approve the FY 2024 Annual Report as presented. T.R. Shaw supported the motion. Unanimously approved.

Financials

Interim Financials through December 31, 2024

Aaron Kuhn discussed the Interim Financials through December 2024.

Project Update:

Beckley Road Corridor Study Next Steps

Ted Dearing shared that we received the final version of the Beckley Road Corridor Plan from the consultants.

He highlighted the 3 major themes and the 3 concept areas of the Plan. He discussed next steps and referenced the information included in the Board Packet. Key steps will be converting the Corridor Plan into a Development Plan for the LDDA. We have engaged the services of the consultants who worked with us on the Corridor Plan to update the Development Plan, which will also include creating a TIF Plan. There will be one more community planning meeting in the future, likely to be held at Horrock's.

Ted discussed the TAC Millage being passed and the benefits that might provide for the LDDA. Discussion between the City, Kellogg Community College and the County will be needed on this matter.

John Hart discussed the possibility of organization sponsors to help grow the project.

Ted discussed the need for consideration of how all of this will play into developing the 2026 Budget.

Dave Schweitzer commented that we need to think about how this information is presented to the community and deliver it in smaller portions, letting them know that we cannot tackle it all at once.

Ted reported the next piece is Planning and some Rezoning will be required. The Planning Commission will play a huge role in this process.

Marcie Gillette indicated the timing on this project is good as the City is making updates to the Master Plan.

T.R. Shaw commented this is all pretty exciting and it includes a lot of great stuff.

Public Comments:

There were no public comments.

Board Member Comments

There were no Board Member comments.

Adjourn:

MOTION: Dave Schweitzer made a motion to adjourn. Anmar Atchu supported the motion.
Unanimously approved.

The Meeting was adjourned at 5:12pm.

It was noted that the next meeting will be in April.

DRAFT

Memo



To: LDDA Board of Directors

From: Ted Dearing, Interim City Manager

Copy:

Date: April 22, 2025

Re: Proposed FY 2026 Budget

To the Members of the Board

Included in your board packet is the proposed Fiscal Year 2026 budget for the LDDA. As you are aware, in the past the LDDA annual budget was a simple document that included just a small amount of administrative expense with most of the capture redistributed to the impacted taxing jurisdictions. With the completion of the District Study plan and with updated Development and TIF Plans in the works, for FY 26 we are planning to begin retaining a certain portion of capture for future projects.

The plan is to retain \$500,000 for FY 26 and then increase that amount each year over the next few years to reach \$1M. For FY 26, assuming we combine the new capture capital reserve and our billboard lease, we will have approximately \$570,000 to begin the implementation of the Development Plan. This money can also be rolled over into the next year should that make more sense.

The impact of capture on the impacted taxing jurisdictions is shown as Exhibit A on the next page. As you can see, for the County, and KCC, this will reduce their distribution below FY 25 levels but will still allow for a distribution that exceeds FY 24 levels. We will likely need a combination of growth and further reductions to reach \$1M. That will have to be managed on a year-to-year basis.

Exhibit A TIF Capture Analysis

| | | | | | | |
|------------------------------------|---------------|--------------|------------|------------|------------|--------------|
| LDDA Analysis | | 15.57 | 6.8971 | 3.6109 | 2.6600 | |
| | Capture Value | City | County | KCC | TACC | Total |
| FY24 | 91,126,406 | 1,548,141.29 | 547,332.89 | 333,980.62 | - | 2,429,454.80 |
| FY25 (est.) | 106,595,702 | 1,693,351.00 | 741,418.00 | 388,161.00 | 283,544.57 | 3,106,474.57 |
| FY26 (est.) | 108,665,432 | 1,691,920.78 | 749,476.35 | 392,380.01 | 289,050.05 | 3,122,827.18 |
| | | | | | | |
| | | | | | | |
| Captured by TACC | 289,050.05 | | | | | |
| Desired LDDA Capture | 500,000.00 | | | | | |
| To be deducted from jurisdictions: | 210,949.95 | | | | | |
| | | | | | | |
| County | 55,791.97 | | | | | |
| KCC | 29,209.26 | | | | | |
| | | | | | | |
| Revised Amount FY26: | | | | | | |
| County | 693,684.38 | | | | | |
| KCC | 363,170.74 | | | | | |

Lakeview Downtown Development Authority
2025-2026 Fiscal Year Budget (Proposed)

| <u>Revenue</u> | <u>Proposed FY 26</u> |
|----------------------------------|-----------------------|
| Item | |
| Tax Incremental Revenue | \$3,122,827.00 (1) |
| Investment Income | \$109,670.00 |
| Rental Income | \$25,000.00 |
| | |
| TOTAL | \$3,257,497.00 |
| | |
| <u>Expense</u> | |
| Item | |
| Professional/administrative fees | \$2,500.00 (2) |
| Audit fees | \$10,500.00 (2) |
| Projects - TACC | \$289,050.00 |
| Projects - City/County/KCC | \$210,950.00 |
| Unexpended funds- City | \$1,803,334.00 (3) |
| Unexpended funds- County | \$693,684.00 (3) |
| Unexpended funds- KCC | \$363,171.00 (3) |
| | |
| TOTAL | \$3,373,189.00 |
| | |
| Change in fund balance | (\$115,692.00) |
| Fund balance, beginning of year | \$171,696.00 |
| | |
| Fund balance, end of year | \$56,004.00 |

(1) Assumes captured taxable value of \$108,665,432
and capture of City, KCC and County Millage in FY 2025/2026

(2) To City Finance Department

(3) Expected to be returned proportionately to City, KCC, and Calhoun County

(3) Commission requested this figure to be split out by jurisdiction/millage

Lakeview Downtown Development Authority (LDDA)

Tax Increment Financing Plan

125.4214 Tax increment financing plan; preparation and contents; limitation; public hearing; fiscal and economic implications; recommendations; agreements; modification of plan; catalyst development project.

Sec. 214.

(1) When the authority determines that it is necessary for the achievement of the purposes of this part, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 217, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program, and shall be in compliance with section 215. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation.

(2) The percentage of taxes levied for school operating purposes that is captured and used by the tax increment financing plan shall not be greater than the plan's percentage capture and use of taxes levied by a municipality or county for operating purposes. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for county or charter county purposes under the property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a. For purposes of this subsection, tax increment revenues used to pay bonds issued by a municipality under section 216(1) shall be considered to be used by the tax increment financing plan rather than shared with the municipality. The limitation of this subsection does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise zone is approved under section 13 of the enterprise zone act, 1985 PA 224, MCL 125.2113.

(3) Approval of the tax increment financing plan shall be pursuant to the notice, hearing, and disclosure provisions of section 218. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

(4) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to meet with the governing body. The authority shall fully inform the taxing jurisdictions of the fiscal and economic implications of the proposed development area. The taxing jurisdictions may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the district.

(5) A tax increment financing plan may be modified if the modification is approved by the governing body upon notice and after public hearings and agreements as are required for approval of the original plan.

(6) Under a tax increment financing plan that includes a catalyst development project, an authority may pledge available tax increment revenues of the authority as security for any bonds issued to develop and construct a catalyst development project.

History: [2018, Act 57](#), Eff. Jan. 1, 2019

Lakeview Downtown Development Authority (LDDA)

Development Plan

125.4217 Development plan; preparation; contents.

Sec. 217.

(1) When a board decides to finance a project in the downtown district by the use of revenue bonds as authorized in section 213 or tax increment financing as authorized in sections 214, 215, and 216, it shall prepare a development plan.

(2) The development plan shall contain all of the following:

(a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

(b) The location and extent of existing streets and other public facilities within the development area, shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and shall include a legal description of the development area.

(c) A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(d) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(g) A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, or utilities.

(i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

(k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.

(l) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(n) Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, Public Law 91-646, 42 USC 4601.

(o) A plan for compliance with 1972 PA 227, MCL 213.321 to 213.332.

(p) Other material that the authority, local public agency, or governing body considers pertinent.

History: [2018, Act 57](#), Eff. Jan. 1, 2019