

**CHARTER TOWNSHIP OF VAN BUREN
LOCAL DEVELOPMENT FINANCE AUTHORITY
AGENDA**

Regular Meeting: Tuesday, September 8, 2020 - 2:00 p.m. – via Zoom

Please click the link below to join the webinar:

<https://zoom.us/j/98666240712>

Webinar ID: 986 6624 0712

Or iPhone one-tap:

US: +13017158592, 98666240712#

Or Telephone

CALL TO ORDER

ROLL CALL

Chairman Dotson	_____
VACANT	_____
Leonard Armstrong	_____
Chuck Covington	_____
Scott Medlen	_____
Supervisor McNamara	_____

Doug Peters	_____
John Delaney	_____
James Williams	_____
Sara Cortese	_____
David Schreiber	_____

Recording Secretary Grishaber _____

APPROVAL OF AGENDA: March 11, 2020

APPROVAL OF MINUTES:

1. Regular Meeting:

CORRESPONDENCE:

PUBLIC COMMENT:

UNFINISHED BUSINESS:

1. Marketing/Community Outreach Update

NEW BUSINESS:

1. Informational Meeting in Accordance with Public Act 57 of 2018 (Recodified Tax Increment – 2019 Synopsis
2. Draft 2020 Budget

NON-AGENDA ITEMS:

ADJOURNMENT:

CLOSED SESSION:

ADJOURNMENT:

CHARTER TOWNSHIP OF VAN BUREN
LOCAL DEVELOPMENT FINANCE AUTHORITY
MEETING MINUTES
WEDNESDAY MARCH 11, 2020

CALL TO ORDER: Chairman Dotson called the meeting to order at 2:07pm.

ROLL CALL:

Present: Dotson, Medlen, Peters Delaney, Schreiber, McNamara.

Absent/Excused: Armstrong, Williams, Cortese.

Conference Call: Covington

Staff: Executive Director: Dan Selman, Recording Secretary: Tina Grishaber.

APPROVAL OF AGENDA:

Motion: Delaney support Schreiber to approve March 11, 2020 Agenda.

APPROVA OF MINUTES:

Motion: Delaney support Schreiber to approve the January 14, 2020 Minutes.

Motion Carried.

CORRESPONDENCE: None.

PUBIC COMMENT: None.

UNFINISHED BUSINESS:

1. Marketing/Community Outreach Update.

The LDFA discussed setting up a Sub-Committee in 2020 to get ideas to discuss future plans and what opportunities would be available for the community. Schreiber informed the committee the Aerotropolis is still moving forward with 21st Century ideas with great amenities. They will be utilizing social media to market.

Committee member Delaney inquired if Grace Lake is moving forward on the 150,000 sq. ft. Building. Supervisor McNamara informed the committee the project is on hold.

NEW BUSINESS:

Executive Director Selman informed the committee members there will be two (2) Informational Meetings for the Authority per PA 57. 2019 Synopsis discussed. The primary focus of the LDFA will be debt repayment.

NON-AGENDA ITEMS:

Medlen from Grace Lake and committee member Delaney expressed concerns of the noxious odors coming from the landfill.

Chairman Dotson congratulated Supervisor McNamara and staff for a great job on the remodel of the township building.

ADJOURNMENT:

Motion by Delaney support Schreiber to adjourn the meeting at 2:35pm. Motion Carried.

Respectfully Submitted,

Recording Secretary Tina Grishaber.



Charter Township of Van Buren

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TRUSTEE Sherry A. Frazier	TRUSTEE Kevin Martin	TRUSTEE Reggie Miller	TRUSTEE Paul D. White

January 4, 2020

Board of Directors
Local Development Finance Authority
Charter Township of Van Buren
46425 Tyler Road
Van Buren Township, MI 48111

RE: 2019 Synopsis of Activities

Directors,

Per P.A. 57 of 2018, the Recodified Tax Increment Financing Act, the following is the synopsis required to be placed on the website as required by Section 910.1(h). Please consider the following:

Tax Increment Revenues Not Expended Within Five (5) Years of Receipt:

There are no tax increment revenues described in the most recent annual audit (2018) which have not been expended within five (5) years of their receipt. As specified in the audit the LDFA's primary focus is the payment of debt obligations and all resources are focused on payment of existing debt.

List of Authority Accomplishments, Progress on Development Plan, and TIF Plan Goals and Objectives:

The original purpose of the Local Development Finance Authority (LDFA) was to finance and construct eligible public improvements for the Visteon Village project which was completed in 2004. In order to complete the public improvements, the LDFA established a development plan and tax increment financing plan which identified the improvements, estimated the costs of the improvements and estimated the amount of tax revenue the authority would capture based on the proposed improvements. In order to finance the construction of the public improvements, the LDFA issued bonds to cover the costs of the improvements and those bonds were guaranteed by the Township's ability to tax. These public improvements have been completed.

The primary focus of the LDFA at this time is the payment of the debt obligations as a result of those public improvements. Due to economic conditions the LDFA will not capture sufficient tax revenue to cover scheduled debt service and due to the shortfall which occurred on 10/1/19 the LDFA was loaned \$700,000 on 9/4/2019 by the Township to assist with bond payment.

The LDFA will continue to pursue legal action against the original developer pursuant to the shortfall.

List of Authority Projects and Investments for 2019:

As specified in the most recent annual audit (2018), the primary focus of the LDFA is payment of debt obligations from tax captures. Due to this there were no capital projects completed by the LDFA in 2019. All authority resources are focused on the payment of existing debt.



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List of Authority Events and Promotional Campaigns for 2019:

As specified in prior sections, the primary for focus of the LDFA is repayment of existing debt and there was no major promotional events in 2019.

If there are any further questions related to these items please feel free to contact the Supervisor's Office at 734-699-8910.

Thanks,

Dan Selman, Executive Assistant
Township Supervisor's Office
Charter Township of Van Buren

Calculations as of 12/31/2020

GL NUMBER	DESCRIPTION	2019	2020	2020	2020	2021
		ACTIVITY	ORIGINAL BUDGET	ACTIVITY THRU 12/31/20	PROJECTED ACTIVITY	DIRECTOR REQUESTED BUDGET
ESTIMATED REVENUES						
Dept 000						
251-000-403-000	Property Tax Capture	688,694.08	685,000.00	687,055.87	687,000.00	685,000.00
251-000-573-000	Local Comm Stabilization Share Ap	89,620.56	75,000.00	95,334.46	95,000.00	95,000.00
251-000-664-000	Interest Income	2,886.94		465.19	500.00	
Totals for dept 000 -		781,201.58	760,000.00	782,855.52	782,500.00	780,000.00
TOTAL ESTIMATED REVENUES						
		781,201.58	760,000.00	782,855.52	782,500.00	780,000.00

Calculations as of 12/31/2020

GL NUMBER	DESCRIPTION	2019	2020	2020	2020	2020
		ACTIVITY	ORIGINAL BUDGET	ACTIVITY THRU 12/31/20	PROJECTED ACTIVITY	DIRECTOR REQUESTED BUDGET
APPROPRIATIONS						
Dept 000						
251-000-702-000	Director Salary	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
251-000-703-000	Secretary	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
251-000-705-000	Employee Wage - Administrative	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
251-000-719-000	Fringes	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
251-000-801-000	Auditing/Accounting	4,325.00	5,000.00	4,325.00	5,000.00	5,000.00
251-000-802-000	Attorney Fees	35,955.51	50,000.00	25,327.43	50,000.00	50,000.00
251-000-803-000	Consultant	1,100.00	1,000.00	1,100.00	1,000.00	1,000.00
251-000-956-000	Other		2,000.00		2,000.00	2,000.00
251-000-994-000	Bond Principal Payment	1,575,000.00	1,970,000.00	1,970,000.00	1,970,000.00	2,085,000.00
251-000-995-000	Interest Expense	502,077.84	411,206.00	411,206.26	411,206.00	332,106.00
251-000-996-000	Paying Agent Fees	500.00	500.00		500.00	500.00
Totals for dept 000 -		2,126,958.35	2,447,706.00	2,419,958.69	2,447,706.00	2,483,606.00
TOTAL APPROPRIATIONS						
		2,126,958.35	2,447,706.00	2,419,958.69	2,447,706.00	2,483,606.00
NET OF REVENUES/APPROPRIATIONS - FUND 251						
		(1,345,756.77)	(1,687,706.00)	(1,637,103.17)	(1,665,206.00)	(1,703,606.00)
		-172.27%	-222.07%	-209.12%	-212.81%	-218.41%
BEGINNING FUND BALANCE						
		784,263.81	(561,492.96)	(561,492.96)	(561,492.96)	(2,226,698.96)
ENDING FUND BALANCE						
		(561,492.96)	(2,249,198.96)	(2,198,596.13)	(2,226,698.96)	(3,930,304.96)



Charter Township of Van Buren

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TO: LDFA Chairman Dotson

FROM: Sean Bellingham, Deputy Treasurer 

SUBJECT: Local Development Finance Authority (LDFA) Loan Agreement Update

DATE: September 2, 2020

In accordance with the loan agreement between the Township and the LDFA, \$900,000 was loaned to the LDFA in March, 2020. An additional \$800,000 was loaned to the LDFA in September, 2020. These "advances" were necessary to meet the bond obligations due on April 1 and October 1. Going forward the advances will be made on these dates each year, until the bond obligation is fulfilled.

As detailed in the loan agreement, the LDFA has agreed to pay interest on the Township's shortfall payments until they are reimbursed at an annual interest rate equal to the average interest rate that the Township is earning on the investment of its general fund monies. Attached is a spreadsheet detailing the running total of the loan, including accrued interest.

Attachment.



LDFA					
"Advance" Detail					
<u>Month / Year</u>	<u>Loan Amount</u>	<u>Comerica Interest Rate</u>	<u>Interest</u>	<u>Interest Accrual</u>	<u>Total with Interest</u>
				-	
September-19	700,000.00	1.915%	1,117.08	1,117.08	701,117.08
October-19	700,000.00	1.752%	1,022.00	2,139.08	702,139.08
November-19	700,000.00	1.513%	882.58	3,021.67	703,021.67
December-19	700,000.00	1.457%	849.92	3,871.58	703,871.58
January-20	700,000.00	1.406%	820.17	4,691.75	704,691.75
February-20	700,000.00	1.393%	812.58	5,504.33	705,504.33
March-20	1,600,000.00	1.180%	1,573.33	7,077.67	1,607,077.67
April-20	1,600,000.00	0.719%	958.67	8,036.33	1,608,036.33
May-20	1,600,000.00	0.319%	425.33	8,461.67	1,608,461.67
June-20	1,600,000.00	0.180%	240.00	8,701.67	1,608,701.67
July-20	1,600,000.00	0.180%	240.00	8,941.67	1,608,941.67
August-20	1,600,000.00	0.180%	240.00	9,181.67	1,609,181.67
September-20	2,400,000.00	0.180%	360.00	9,541.67	2,409,541.67