

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

*Regular Meeting: Tuesday, March 14, 2023 - 2:00 p.m.*

*Location: 46425 Tyler, Van Buren Twp. MI 48111*

*Denton Room*

**CALL TO ORDER**

**ROLL CALL**

Chairman Dotson \_\_\_\_\_  
VACANT \_\_\_\_\_  
Leonard Armstrong \_\_\_\_\_  
Alex Dine \_\_\_\_\_  
Scott Medlen \_\_\_\_\_  
Supervisor McNamara \_\_\_\_\_

Doug Peters \_\_\_\_\_  
Priya Nayak \_\_\_\_\_  
Superintendent Kudlak \_\_\_\_\_  
David Schreiber \_\_\_\_\_

Recording Secretary Kendyl Zantop \_\_\_\_\_

**APPROVAL OF AGENDA:**

**APPROVAL OF MINUTES:**

1. January 10, 2023

**CORRESPONDENCE:**

**PUBLIC COMMENT:**

**UNFINISHED BUSINESS:**

1. Marketing/Community Outreach Update

**NEW BUSINESS:**

1. Informational Meeting per PA 57  
2022 LDFA Synopsis

**NON-AGENDA ITEMS:**

**ADJOURNMENT:**

If you are unable to attend this meeting, please notify Recording Secretary Kendyl Zantop at 734.699.8913

**CHARTER TOWNSHIP OF VAN BUREN  
LOCAL DEVELOPMENT FINANCE AUTHORITY  
MEETING MINUTES  
TUESDAY, January 10, 2023 2:00 PM Board Room**

**CALL TO ORDER:** Meeting called to order at 2:05 PM by Chairman Dotson

**ROLL CALL:**

**Present:** Dotson, Dine, Medlen, McNamara, Peters, Nayak, Kudlak, Schreiber.

**Absent:** Armstrong

**Staff:** Dan Selman (Deputy Supervisor), Kendyl Zantop (Recording Secretary).

**Additional Present:** Director Power, Rosemary Otzman

**APPROVAL OF AGENDA:**

**Motion:** by Schreiber support by Peters to approve the Regular Meeting Agenda of January 10<sup>th</sup>, 2023 as presented.

**Motion Carried.**

**APPROVAL OF MEETING MINUTES:**

**Motion** by Kudlak support Peters to approve the Special Meeting Minutes of October 26, 2022 as presented.

**Motion Carried.**

**CORRESPONDENCE:**

Deputy Director Selman followed-up from a question asked by Mr. Peters at the October 26, 2022 Special Meeting as to whether the occupancy rate at Grace Lake affects the revenue tax capture by the LDFA. Mr. Selman stated the occupancy rate impact toward revenue tax capture from Grace Lake is negligible since Taxable Value does not change much from year to year and it is capped by the rate of inflation. However, there are economic incentives for all parties for Grace Lake to do well.

The LDFA welcomed two new members, Alex Dine and Priya Nayak.

**PUBLIC COMMENT:**

None.

**UNFINISHED BUSINESS:**

Deputy Director Selman gave an update from the last Marketing/Community Outreach Sub-committee meeting. The Sub-committee met with the broker for Grace Lake and a great deal of information was exchanged and Chairman Dotson noted the meeting was very positive. It was discussed to hold a future LDFA meeting at Grace Lake in 2023.

**NEW BUSINESS:**

**1. Review Draft 2022 LDFA Synopsis**

Deputy Director Selman reviewed the draft 2022 LDFA Synopsis with special attention to the revised portions from 2022 activity.

In accordance with the loan agreement between the Township and the LDFA, \$1,000,000 was loaned to the LDFA in March, 2022 and \$1,000,000 loaned to the LDFA in September, 2022 in order to cover the debt payments. The interest rate being charged on the advances has increased significantly in 2022 as the Federal Reserve has raised its benchmark interest rates to the highest level in 15 years to battle inflation. The LDFA is charged interest for the amount of money the Township has loaned to them. As of 12/31/22 the Township has loaned the LDFA \$6,175,000 and accrued \$100,058.85 in interest on that loan amount for a balance of \$6,275,058.85.

Peters suggested the LDFA revisit the loan agreement to use the higher national interest rate rather than the rate from the Township investments to claim in the lawsuit.

## **2.Election of Officers**

Chairman Dotson opened up the nominations for (3) Officers positions: Chairperson, Vice Chairperson and 2nd Vice Chairperson

**Motion:** Peters support by McNamara to nominate Michael Dotson for Chairperson

**Motion Carried.**

**Motion:** Schreiber support by Kudlak to nominate Doug Peters for Vice Chairperson

**Motion Carried.**

**Motion:** McNamara support by Medlen to nominate Superintendent Kudlak for 2<sup>nd</sup> Vice Chairperson

**Motion Carried.**

Yeas: Dotson, Dine, Medlen, McNamara, Peters, Nayak, Kudlak, Schreiber

Nays: None.

### **NON-AGENDA ITEMS:**

None.

### **ADJOURNMENT:**

**Motion** by Peters support by Schreiber to adjourn the meeting at 2:19 p.m.

**Motion Carried.**

Respectfully submitted,

Kendyl Zantop  
Recording Secretary



# VAN BUREN CHARTER TOWNSHIP

January 4, 2023

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

**RE: Draft 2022 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.l(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 (2021) 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.

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.

In accordance with the loan agreement between the Township and the LDFA, \$1,000,000 was loaned to the LDFA in March, 2021. An additional \$775,000 was loaned to the LDFA September 1, 2021.

In accordance with the loan agreement between the Township and the LDFA, \$1,000,000 was loaned to the LDFA in March, 2022 and \$1,000,000 loaned to the LDFA in September, 2022 in order to cover the debt payments.

These "advances" were necessary to meet the bond obligations due on April 1 and October 1 2022. 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. The interest rate being charged on the "advances" has increased significantly in 2022 as the Federal Reserve has raised its benchmark interest rates to the highest level in 15 years to battle inflation. Per the loan agreement between the Township and the LDFA, the LDFA is charged the Township's average rate of interest earned by its investments in a given year.

As of 12/31/22 the Township has loaned the LDFA \$6,175,000 and accrued \$100,058.85 in interest on that loan amount for a balance of \$6,275,058.85.

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

List of Authority Projects and Investments for 2022:

As specified in the most recent annual audit (2021), 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 2022. All authority resources are focused on the payment of existing debt.

List of Authority Events and Promotional Campaigns for 2022:

As specified in prior sections, the primary focus of the LDFA is repayment of existing debt. Therefore, there were no promotional activities that occurred in 2022.

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

Respectively submitted,

Dan Selman  
Deputy Supervisor  
Charter Township of Van Buren