

**City of South Lyon, Downtown Development Authority Board Meeting**  
**Thursday, May 12, 2022, 8:00 a.m., City Council Chambers, 335 S. Warren St.,**  
**South Lyon, MI 48178**

**AGENDA**

- I. Call to Order
- II. Roll Call
- III. Approval of the Agenda
- IV. Approval of the April 14, 2022 DDA Board Meeting Minutes
- V. Citizens' Comments
- VI. Budget Report
  - a. Changes to Chart of Accounts as required by the State of Michigan
  
- VII. New Business:
  - A. DDA District Expansion Discussion
  
- VIII. Old Business:
  - A. Farmers Market Report
  - B. Ladies Night Out – May 6 Event Report
  - C. Committee Reports
  - D. Storm Sewer Along S. Lafayette St. between Liberty St. & McHattie St.
  
- IX. Board Member Comments
- X. Adjournment

**Procedures by which persons may contact members of the DDA Board of Directors prior to the meeting:**

Members of the public may contact members of the public body prior to the electronic meeting by email. Email addresses for the DDA Board of Directors may be found on the City's website at [www.southlyonmi.org](http://www.southlyonmi.org).

The next Board Meeting is 8:00 a.m., Thursday, June 9, 2022 in person at South Lyon City Hall.

***All Regular Board Meetings shall end no later than 10:00 a.m.***



## MEETING MINUTES – APRIL 14, 2022

- I. **Call to Order.** Meeting called to order by Chairperson Dereck Mashburn at 8:01 am.
- II. **Roll Call.** Present: Mark Childs, Jeff Heinanen, Dereck Mashburn, Gene Carroll, Tanya Nevitt, Gary Fagin. Also present: Nate Mack, DDA Director. Excused: Paul Zelenak, Norm Fultz. Guests: Diana Regan, Debbie Howitt, Lori and Steve Mosier.
- III. **Approval of the Agenda.** Motion by Heinanen to approve the agenda. Supported by Carroll. Motion passed unanimously.
- IV. **Approval of the March 10, 2022 DDA Board Meeting Minutes.** Childs clarified in Board Member Comments that he was suggesting all on-street parking be removed for the Pumpkinfest Parade. Corrected. Mashburn stated that the motion was missing from the Pumpkinfest Discussion. Corrected. Heinanen made a motion to approve the minutes as amended. Supported by Childs. Motion passed unanimously.
- V. **Citizen Comments.** None.
- VI. **Budget Report.** DDA Director Mack gave the budget report. Expenses incurred this month for the Farmers Market and Education/Training. Revenues for Farmers Market will show on the first day of the Market. Childs asked about the sponsorship sign at the market. Mack stated there were a couple of new sponsors, but they are still waiting to hear from some of the previous sponsors. There has been interest from many local businesses.
- VII. **New Business**
  - A. **Introduction of New Farmers Market Manager and Farmers Market Report.**

Our new Farmers Market Manager is Diana Regan, long-time vendor and owner of Diana's Heirloom Produce. Regan stated that they have signed up 30 seasonal vendors and there will be 45 vendors on opening day, May 7. Both lots will be utilized for opening day and during the month of May. A petting farm has been scheduled for 11 days this season. MDARD has been contacted to make sure the animals and customers will be safe. There will be a handwashing station near the petting farm. There will be a Food Truck at the market most weeks.
  - B. **Redevelopment Ready Communities Program.** Mack stated that it is highly recommended to become part of this program to reach the next level at Main Street Oakland County. This will need to be a coordinated effort between the DDA, City Council and the Planning Commission. City Council has already

indicated that they are supportive of this program. Mack feels it would be a good opportunity for us as it allows us access to the Michigan Economic Development Corporation (MEDC) network as well as funding and technical assistance. We would need two board members to participate in the online training and report to council. It will be time-consuming, but worth the investment. Joining this program shows that we want development in our community. Mack reported that he completed the training in 2015. The online training is approximately 20-30 hours at no cost to the individual. Need 6-8 people total from various Boards and Commissions. Carroll volunteered. Heinanen is interested but would like to know more about the time commitment. Mack will check with the MEDC. **Carroll made a motion that the DDA recommend that City Council pass a resolution to participate in the Redevelopment Ready Communities program. Supported by Fagin.**

**Roll Call Vote:**

**Childs – Yes**

**Mashburn – Yes**

**Heinanen – Yes**

**Carroll – Yes**

**Nevitt – Yes**

**Fagin – Yes**

**Motion passed unanimously.**

**C. DDA Board Member Attendance.** Mack provided board member attendance records for the time period of January 2020 through March 2022. It would be preferable if board members missed no more than 25% of meetings so that a quorum would always be met.

**D. DDA Board Applications.** Mack reported that three individuals are interested in joining the DDA Board and shared their application/resumes: Tracey Smith (resident), Cheryl Raquel Henderson (business owner), and David Barton (business owner). Discussion of applicants. **Fagin made a motion to recommend that Mayor Pelchat appoint Tracey Smith to fill the current open DDA Board position. Supported by Childs.**

**Roll Call Vote:**

**Childs – Yes**

**Mashburn – Yes**

**Heinanen – Yes**

**Carroll – Yes**

**Nevitt – Yes**

**Fagin - Yes**

**Motion passed unanimously.** Mack will present recommendation to the Mayor and City Council at the April 25, 2022 City Council Meeting.

## VIII. Old Business

- A. Ladies Night Out – May 6.** Nevitt reported that \$1500 in sponsorships have been received so far. \$500 plus the swag bags, from Dream Maker Kitchens, \$500 from The Learning Experience, and \$500 from Balance & Composure Massage. Swag Bags will be put together at Dream Maker Kitchens. Will there be a street closure? The DDA Board could recommend one. **Nevitt made a motion that the DDA Board recommend a street closure on Lafayette between Whipple and Lake Street for Ladies Night on May 6, 2022 from 4-9 pm. Supported by Fagin.**

**Roll Call Vote:**

**Childs – Yes**

**Mashburn – Yes**

**Heinananen – Yes**

**Carroll – Yes**

**Nevitt – Yes**

**Fagin – Yes**

**Motion passed unanimously.**

- B. Committee Reports. Economic Vitality.** Fagin reported that the committee met to discuss the Redevelopment Ready Communities program. They also discussed how much work has been completed on the old Draft Street building. Mack reported that a Rough Electric was completed in March 2022 and a Rough Plumbing was completed in October 2021. There are active permits and the committee will continue to monitor. Discussion of the proposed apartments on the North end of Lake Street. Is it possible to expand the DDA to include this new construction? Or add a second DDA District? Expanding an existing DDA is complicated. Mack will contact John Bry or Annaka Norris at Oakland County for clarification on expanding the DDA District. Dua Vino is scheduled to open in June or July. There are currently only 1-2 vacant businesses in the DDA District.
- Organization.** Mack reported that he attended the City Council Budget Workshop where the MSOC level and the RRC programs were discussed and City Council would like the DDA to achieve the Select Level as soon as possible. Mashburn announced that the City of South Lyon has received a grant from Oakland County Parks & Recreation for \$100,000 towards the planned park at 390 S. Lafayette. A press release will be coming out soon. The city will contribute \$50,000 towards this project with an overall expected cost of approximately \$450,000. We have three years to spend the money. Mack stated that he will be applying for more grants to help offset costs on this project. **Design.** Emily Gray has organized a Trash Bash for April 20 to clean up trash in the downtown area. The event starts at 12:30pm and people interested in participating should meet at the pocket park between Bob's Barber Shop and Twelve Kitchen Elves.

**Promotions.** Although this committee has not met this month, the committee is actively working on Ladies Night scheduled for May 6 from 5-9 pm.

**C. Storm Sewer Along S. Lafayette between Liberty Street and McHattie Street.**

Zelenak was not in attendance but reported that he is still waiting for the final report.

**IX. Board Member Comments.**

Mack reported that he and Mashburn will be attending the Main Street Conference May 16-18 in Virginia. Mack's cost of attending will be covered by the County and Mashburn will receive a discounted fee. Mashburn offered his congratulation to Mack for securing the \$100,000 grant for the proposed park at 390 S. Lafayette.

**X. Adjournment.** Motion by Carroll. Supported by Heinanen to adjourn. Motion passed unanimously. Meeting adjourned at 9:22 am.

DRAFT

05/09/2022

REVENUE AND EXPENDITURE REPORT FOR CITY OF SOUTH LYON  
PERIOD ENDING 04/30/2022

GL NUMBER	DESCRIPTION	2021-22 AMENDED BUDGET	YTD BALANCE 04/30/2022 NORMAL (ABNORMAL)	ACTIVITY FOR MONTH 04/30/2022 INCREASE (DECREASE)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY						
Revenues						
Dept 000.000						
248-000.000-402.000	REAL PROPERTY TAX	51,705.00	49,238.49	0.00	2,466.51	95.23
248-000.000-582.100	PATRONICITY FUNDS ECONOMIC DEVELOPMENT	0.00	0.00	0.00	0.00	0.00
248-000.000-665.000	INTEREST	100.00	7.65	0.85	92.35	7.65
248-000.000-674.300	CONTRIBUTION - GIFT CERTIFICATE	500.00	0.00	0.00	500.00	0.00
248-000.000-675.100	FARMERS MARKET SPONSOR FEES	7,350.00	3,925.00	1,925.00	3,425.00	53.40
248-000.000-675.200	CONTRIBUTIONS-WINTER EVENTS	2,000.00	3,128.66	0.00	(1,128.66)	156.43
248-000.000-675.300	LADIES NIGHT OUT SPONSORSHIP	2,000.00	5,000.00	1,500.00	(3,000.00)	250.00
248-000.000-675.410	FARMERS MARKET VENDOR FEES	6,000.00	7,685.00	915.00	(1,685.00)	128.08
248-000.000-675.700	CONTRIBUTION - STREET BANNER	0.00	370.00	0.00	(370.00)	100.00
248-000.000-675.900	CONTRIBUTION - MURALS	5,000.00	500.00	0.00	4,500.00	10.00
248-000.000-675.910	CONTRIBUTION BUSINESS DIRECTORY	500.00	0.00	0.00	500.00	0.00
248-000.000-680.000	MISCELLANEOUS	0.00	0.00	0.00	0.00	0.00
248-000.000-682.000	GRANT MONEY	5,500.00	0.00	0.00	5,500.00	0.00
248-000.000-699.101	TRANSFER IN-GENERAL FUND	4,000.00	0.00	0.00	4,000.00	0.00
248-000.000-699.401	TRANSFER IN- CAP. IMPROVEMENT	0.00	0.00	0.00	0.00	0.00
Total Dept 000.000		84,655.00	69,854.80	4,340.85	14,800.20	82.52
TOTAL REVENUES						
		84,655.00	69,854.80	4,340.85	14,800.20	82.52
Expenditures						
Dept 000.000						
248-000.000-702.000	WAGES SALARY	0.00	0.00	0.00	0.00	0.00
248-000.000-702.200	FARMER'S MARKET	12,500.00	3,456.20	760.00	9,043.80	27.65
248-000.000-740.000	OPERATING EXPENSE	1,000.00	952.33	171.36	47.67	95.23
248-000.000-740.200	SEASONAL IMPROVEMENTS	7,700.00	4,037.22	0.00	3,662.78	52.43
248-000.000-801.000	PROFESSIONAL SERVICE	5,500.00	263.00	0.00	5,237.00	4.78
248-000.000-802.000	CONTRACTUAL SVCS	0.00	0.00	0.00	0.00	0.00
248-000.000-802.100	CONTRACTUAL SERVICES	0.00	0.00	0.00	0.00	0.00
248-000.000-880.000	COMMUNITY PROMOTIONS	2,500.00	207.20	0.00	2,292.80	8.29
248-000.000-880.100	COMM. PROM. CBD WINTER	2,000.00	0.00	0.00	2,000.00	0.00
248-000.000-880.200	COMMUNITY PROMOTION DESIGN	7,500.00	2,000.00	0.00	5,500.00	26.67
248-000.000-880.300	COMMUNITY PROMOTION-FACADE/SIGN	0.00	0.00	0.00	0.00	0.00
248-000.000-880.400	COMMUNITY EVENT	8,850.00	11,837.33	49.29	(2,987.33)	133.76
248-000.000-880.500	COMMUNITY PROMO. GIFT CERTIFICATE	500.00	0.00	0.00	500.00	0.00

248-000.000-886.000	SUPPORT DOWNTOWN SOUTH LYON MINIGRANT	0.00	0.00	0.00	0.00	0.00
248-000.000-888.000	GRANT EXPENDITURES	5,500.00	0.00	0.00	5,500.00	0.00
248-000.000-900.000	PRINTING	5,600.00	998.45	0.00	4,601.55	17.83
248-000.000-957.000	EDUCATION & TRAINING	4,000.00	1,865.55	375.00	2,134.45	46.64
248-000.000-962.000	MISCELLANEOUS EXPENSE	1,000.00	660.64	0.00	339.36	66.06
248-000.000-972.000	CAPITAL IMPROVEMENTS	15,000.00	2,784.89	0.00	12,215.11	18.57
248-000.000-995.101	TRANSFER TO GENERAL FUND	0.00	0.00	0.00	0.00	0.00
248-000.000-995.369	CONTRIBUTION TO BLDG.ATHOR DR	0.00	0.00	0.00	0.00	0.00
Total Dept 000.000		79,150.00	29,062.81	1,355.65	50,087.19	36.72
TOTAL EXPENDITURES		79,150.00	29,062.81	1,355.65	50,087.19	36.72
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY:						
TOTAL REVENUES		84,655.00	69,854.80	4,340.85	14,800.20	82.52
TOTAL EXPENDITURES		79,150.00	29,062.81	1,355.65	50,087.19	36.72
NET OF REVENUES & EXPENDITURES		5,505.00	40,791.99	2,985.20	(35,286.99)	741.00

05/09/2022

ACTIVITY BY GL/JOURNAL REPORT FOR CITY OF SOUTH LYON  
 FROM 248-000.000-001.000 TO 248-000.000-995.369  
 TRANSACTIONS FROM 04/01/2022 TO 04/30/2022

JE #	Date	Description	Reference #	OFFSETTING GL	DEBIT	CREDIT
248-000.000-001.000 CHECKING A/C PNC BANK						
Journal CD: Cash Disbursements						
136005	04/07/2022	SUMMARY CD 04/07/2022		Multiple		131.47
136145	04/18/2022	SUMMARY CD 04/18/2022		248-000.000-202.000		809.29
136330	04/28/2022	SUMMARY CD 04/28/2022		Multiple		414.89
Journal Totals					0.00	1,355.65
Journal GJ: Journal Entry						
136019	04/07/2022	CHECKING TRANSFER	10896	Multiple	131.47	
136244	04/18/2022	CHECKING TRANSFER	10907	248-000.000-002.008	809.29	
136335	04/28/2022	CHECKING TRANSFER	10923	Multiple	414.89	
Journal Totals					1,355.65	0.00
Totals for 248-000.000-001.000					1,355.65	1,355.65
Balance 04/01/22:			5,642.96	CR		
Net Change:			0.00			
Balance 04/30/22:			5,642.96	CR		
248-000.000-002.008 DDA/TIFA PNC BANK						
Journal CR: Journal Entry						
135885	04/01/2022	SUMMARY CR POSTING: 04/01/2022 FARMS		248-000.000-675.100	475.00	
135906	04/04/2022	SUMMARY CR POSTING: 04/04/2022 FARMV		248-000.000-675.410	200.00	
136055	04/08/2022	SUMMARY CR POSTING: 04/08/2022 FARMS		248-000.000-675.100	450.00	
136175	04/19/2022	SUMMARY CR: 04/19/2022 FARMS (CC)		248-000.000-675.100	1,000.00	
136216	04/20/2022	SUMMARY CR POSTING: 04/20/2022 FARMV		248-000.000-675.410	390.00	
136217	04/20/2022	SUMMARY CR POSTING: 04/20/2022 LNO		248-000.000-675.300	1,500.00	
136340	04/28/2022	SUMMARY CR POSTING: 04/28/2022 FARMV		248-000.000-675.410	325.00	
Journal Totals					4,340.00	0.00
Journal GJ: Journal Entry						
136019	04/07/2022	CHECKING TRANSFER	10896	Multiple		131.47
136244	04/18/2022	CHECKING TRANSFER	10907	248-000.000-001.000		809.29
136335	04/28/2022	CHECKING TRANSFER	10923	Multiple		414.89
136388	04/30/2022	PNC BANK INTEREST APRIL 2022 - PART 1	10934	Multiple	0.85	
Journal Totals					0.85	1,355.65
Totals for 248-000.000-002.008					4,340.85	1,355.65
Balance 04/01/22:			105,208.33			
Net Change:			2,985.20			
Balance 04/30/22:			108,193.53			
248-000.000-202.000 ACCOUNTS PAYABLE						
Journal AP: Journal Entry						
135968	04/06/2022	PETER'S TRUE VALUE HARDWARE	MARCH 2022	Multiple		131.47
136127	04/14/2022	DIANA REGAN	MARCH 2022	248-000.000-702.200		760.00
136128	04/14/2022	BLAKE CRADY	270501463-B	248-000.000-880.400		49.29
136323	04/28/2022	PNC BANK	4/18/2022	Multiple		414.89
Journal Totals					0.00	1,355.65
Journal CD: Cash Disbursements						
136005	04/07/2022	SUMMARY CD 04/07/2022		Multiple	131.47	
136145	04/18/2022	SUMMARY CD 04/18/2022		248-000.000-001.000	809.29	
136330	04/28/2022	SUMMARY CD 04/28/2022		Multiple	414.89	
Journal Totals					1,355.65	0.00
Totals for 248-000.000-202.000					1,355.65	1,355.65
Balance 04/01/22:			100.00			
Net Change:			0.00			



Balance 04/30/22: 100.00

248-000.000-665.000 INTEREST

Journal GJ: Journal Entry

136388	04/30/2022	PNC BANK INTEREST APRIL 2022 - PART 1 10934	Multiple		0.85
Journal Totals				0.00	0.85

Totals for 248-000.000-665.000

Balance 04/01/22:	6.80			0.00	0.85
Net Change:	0.85				
Balance 04/30/22:	7.65				

248-000.000-675.100 FARMERS MARKET SPONSOR FEES

Journal CR: Journal Entry

135885	04/01/2022	SUMMARY CR POSTING: 04/01/2022 FARMS	248-000.000-002.008		475.00
136055	04/08/2022	SUMMARY CR POSTING: 04/08/2022 FARMS	248-000.000-002.008		450.00
136175	04/19/2022	SUMMARY CR: 04/19/2022 FARMS (CC)	248-000.000-002.008		1,000.00
Journal Totals				0.00	1,925.00

Totals for 248-000.000-675.100

Balance 04/01/22:	2,000.00			0.00	1,925.00
Net Change:	1,925.00				
Balance 04/30/22:	3,925.00				

248-000.000-675.300 LADIES NIGHT OUT SPONSORSHIP

Journal CR: Journal Entry

136217	04/20/2022	SUMMARY CR POSTING: 04/20/2022 LNO	248-000.000-002.008		1,500.00
Journal Totals				0.00	1,500.00

Totals for 248-000.000-675.300

Balance 04/01/22:	3,500.00			0.00	1,500.00
Net Change:	1,500.00				
Balance 04/30/22:	5,000.00				

248-000.000-675.410 FARMERS MARKET VENDOR FEES

Journal CR: Journal Entry

135906	04/04/2022	SUMMARY CR POSTING: 04/04/2022 FARMV	248-000.000-002.008		200.00
136216	04/20/2022	SUMMARY CR POSTING: 04/20/2022 FARMV	248-000.000-002.008		390.00
136340	04/28/2022	SUMMARY CR POSTING: 04/28/2022 FARMV	248-000.000-002.008		325.00
Journal Totals				0.00	915.00

Totals for 248-000.000-675.410

Balance 04/01/22:	6,770.00			0.00	915.00
Net Change:	915.00				
Balance 04/30/22:	7,685.00				

248-000.000-702.200 FARMER'S MARKET

Journal AP: Journal Entry

136127	04/14/2022	DIANA REGAN	MARCH 2022	248-000.000-202.000	760.00
Journal Totals				760.00	0.00

Totals for 248-000.000-702.200

Balance 04/01/22:	2,696.20			760.00	0.00
Net Change:	760.00				
Balance 04/30/22:	3,456.20				

248-000.000-740.000 OPERATING EXPENSE

Journal AP: Journal Entry

135968	04/06/2022	PETER'S TRUE VALUE HARDWARE	MARCH 2022	Multiple	131.47
136323	04/28/2022	PNC BANK	4/18/2022	Multiple	39.89

Journal Totals					-----	171.36	0.00
Totals for 248-000.000-740.000					-----	171.36	0.00
Balance 04/01/22:		780.97					
Net Change:		171.36					
Balance 04/30/22:		952.33					

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248-000.000-880.400 COMMUNITY EVENT

Journal AP: Journal Entry							
136128	04/14/2022	BLAKE CRADY	270501463-B	248-000.000-202.000		49.29	
		Journal Totals				-----	0.00

Totals for 248-000.000-880.400						-----	49.29	0.00
Balance 04/01/22:		11,788.04						
Net Change:		49.29						
Balance 04/30/22:		11,837.33						

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248-000.000-957.000 EDUCATION & TRAINING

Journal AP: Journal Entry							
136323	04/28/2022	PNC BANK	4/18/2022	Multiple		375.00	
		Journal Totals				-----	0.00

Totals for 248-000.000-957.000						-----	375.00	0.00
Balance 04/01/22:		1,490.55						
Net Change:		375.00						
Balance 04/30/22:		1,865.55						

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05/09/2022

ACTIVITY BY GL/JOURNAL REPORT FOR CITY OF SOUTH LYON  
 FROM 248-000.000-001.000 TO 248-000.000-995.369  
 TRANSACTIONS FROM 05/01/2022 TO 05/31/2022

JE #	Date	Description	Reference #	OFFSETTING GL	DEBIT	CREDIT
248-000.000-001.000 CHECKING A/C PNC BANK						
Journal GJ: Journal Entry						
136488	05/03/2022	TO CORRECT TRANSFER ERROR FROM 12 10938		Multiple	3,426.45	
		Journal Totals			3,426.45	0.00
Totals for 248-000.000-001.000					3,426.45	0.00
		Balance 05/01/22:	5,642.96	CR		
		Net Change:	3,426.45			
		Balance 05/31/22:	2,216.51	CR		
248-000.000-002.008 DDA/TIFA PNC BANK						
Journal CR: Journal Entry						
136479	05/04/2022	SUMMARY CR POSTING: 05/04/2022 FARMV		248-000.000-675.410	325.00	
136496	05/05/2022	SUMMARY CR POSTING: 05/05/2022 FARMS		248-000.000-675.100	225.00	
136507	05/06/2022	SUMMARY CR POSTING: 05/06/2022 FARMV		248-000.000-675.410	390.00	
		Journal Totals			940.00	0.00
Journal GJ: Journal Entry						
136488	05/03/2022	TO CORRECT TRANSFER ERROR FROM 12 10938		Multiple		3,426.45
		Journal Totals			0.00	3,426.45
Totals for 248-000.000-002.008					940.00	3,426.45
		Balance 05/01/22:	108,193.53			
		Net Change:	(2,486.45)			
		Balance 05/31/22:	105,707.08			
248-000.000-675.100 FARMERS MARKET SPONSOR FEES						
Journal CR: Journal Entry						
136496	05/05/2022	SUMMARY CR POSTING: 05/05/2022 FARMS		248-000.000-002.008		225.00
		Journal Totals			0.00	225.00
Totals for 248-000.000-675.100					0.00	225.00
		Balance 05/01/22:	3,925.00			
		Net Change:	225.00			
		Balance 05/31/22:	4,150.00			
248-000.000-675.410 FARMERS MARKET VENDOR FEES						
Journal CR: Journal Entry						
136479	05/04/2022	SUMMARY CR POSTING: 05/04/2022 FARMV		248-000.000-002.008		325.00
136507	05/06/2022	SUMMARY CR POSTING: 05/06/2022 FARMV		248-000.000-002.008		390.00
		Journal Totals			0.00	715.00
Totals for 248-000.000-675.410					0.00	715.00
		Balance 05/01/22:	7,685.00			
		Net Change:	715.00			
		Balance 05/31/22:	8,400.00			

## Memorandum

To: Chairperson Mashburn and South Lyon DDA Board of Directors  
From: Nate Mack, DDA Director  
Subject: DDA District Expansion  
Date: May 12, 2022

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During the April 14, 2022 DDA Board of Directors meeting, the Board was inquiring about the expansion of the South Lyon DDA District. This memorandum is meant to provide some background information on the process and requirements if the DDA were to seek to expand the district. This information comes from Public Act 57 of 2018, otherwise known as the Recodified Tax Increment Financing Law. It replaced PA 197 of 1976, which first established downtown development authorities and tax increment financing in the State of Michigan.

It should be noted that on page 3 of the Tax Increment Financing and Development Plan for the South Lyon DDA it says, "In compliance with the public notice requirements Council can amend the boundaries to include or exclude lands at their discretion. However, no such additional alterations are planned." This is important to note because this plan is the basis for the operations of the DDA. If the TIF and Development Plan does not express the need for the DDA to expand the district, it will be difficult to expand the boundaries because it is not part of the plan.

DDA district expansion is essentially the same process that must be done in order to form a new district. Section 203 of 125.4203 of PA 57 of 2018 describes the process for DDA District expansion as follows:

(5) The governing body of the municipality may alter or amend the boundaries of the downtown district to include or exclude lands from the downtown district pursuant to the same requirements for adopting the ordinance creating the authority.

The following requirements must be done in order to expand the district:

1. When the governing body of the municipality determines that it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in the business district, to eliminate the causes of that deterioration, and to promote economic growth, the governing body, may, by resolution, declare its intention to create and provide for the operation (*expansion*) of an authority. Please note: expansion is not specifically mentioned in this portion of the statute. It was added by the DDA Director for example purposes.
2. Once the resolution of intent has been approved, city council will set a date for a public hearing on the adoption of the proposed district expansion and designating the new boundaries of the district.
  - Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 or more than 40 days before the date of the hearing.
  - Additionally, not less than 20 days before the hearing, the governing body proposing to expand the authority must also mail notice of the hearing to the property taxpayers of record in the proposed district and for a public hearing to be held after February 15, 1994 to

the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved.

- Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved.
- Failure of a property taxpayer to receive the notice shall not invalidate these proceedings.
- Notice of the hearing shall be posted in at least 20 conspicuous and public spaces in the proposed downtown district not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed expanded downtown district.
- A citizen, taxpayer, or property owner of the municipality or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the establishment [expansion] of the authority and the boundaries of the proposed downtown district.
- The governing body of the municipality shall not incorporate land into the downtown district not included in the description contained in the notice of public hearing, but it may eliminate described lands from the downtown district in the final determination of the boundaries.

3.

- **Not more than 60 days after a public hearing held after February 15, 1994, the governing body of a taxing jurisdiction levying ad valorem property taxes that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority.**
- The resolution takes effect when filed with that clerk and remains effective until a copy of a resolution rescinding that resolution is filed with that clerk.
- If a separate millage for public library purposes was levied before January 1, 2017, and all obligations and other protected obligations of the authority are paid, then the levy is exempt from capture under this part, unless the library board or commission allows all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality.
- However, if a separate millage for public library purposes was levied before January 1, 2017, and the authority alters or amends the boundaries of a downtown district or extends the duration of the existing finance plan, then the library board or commission may, not later than 60 days after a public hearing is held under this subsection, exempt all or a portion of its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality that created the authority.
- For ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016, a library board or commission may allow all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality.

- However, if the library was created under section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established under 1869 LA 233, then any action of the library board or commission under this subsection shall have the concurrence of the chief executive officer of the city that created the library to be effective, and, if the action of the library board or commission involves any bond issued by this state or a state agency, the concurrence of the state treasurer.
- 4.
- Not less than 60 days after the public hearing, if the governing body of the municipality intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, an ordinance establishing the authority and designating the boundaries of the downtown district within which the authority shall exercise its powers. The adoption of the ordinance is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of an ordinance over his or her veto. This ordinance shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

This information was derived PA 57 of 2018.

### **Further Discussion**

The greatest threat to DDA district expansion is having other taxing entities opt out of the DDA TIF capture. While there is greater potential for increased revenues due to a larger district, the DDA board should also be cognizant the city, county, community colleges, and the library will have the opportunity to opt out of DDA TIF capture if they choose to do so.

As we see greater development in the downtown district (the RCA Building and the former Draft St. building, for example), the DDA will realize greater TIF revenues as the assessed property tax value increases more over the baseline year the DDA was established. Additionally, the DDA can adopt up to a 2 mill levy for operational purposes that can be levied on all parcels in the DDA in the district (other than those that are tax exempt). This would mean for every \$1,000 of taxable property in the DDA district, property owners would pay an additional \$2 on their property taxes. The total additional revenue for the DDA if it were to levy the two mills on the downtown would be approximately \$8,750 based on the total captured value for the 2020-2021 fiscal year and if the full 2 mills are levied.

Further, the current TIF and Downtown Development Plan states there are no plans to alter the district. This is a barrier to altering the district unless/when the DDA's TIF/Development Plan is updated/renewed, which expires in 2025.

**RECODIFIED TAX INCREMENT FINANCING ACT (EXCERPT)**  
**Act 57 of 2018**

**125.4203 Resolution of intent to create and provide for operation of authority; public hearing on proposed ordinance creating authority and designating boundaries of downtown district; notice; exemption of taxes from capture; action by library board or commission; adoption, filing, and publication of ordinance; altering or amending boundaries; agreement with adjoining municipality; agreement with qualified township.**

Sec. 203. (1) When the governing body of a municipality determines that it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in its business district, to eliminate the causes of that deterioration, and to promote economic growth, the governing body may, by resolution, declare its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed ordinance creating the authority and designating the boundaries of the downtown district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 or more than 40 days before the date of the hearing. Not less than 20 days before the hearing, the governing body proposing to create the authority shall also mail notice of the hearing to the property taxpayers of record in the proposed district and for a public hearing to be held after February 15, 1994 to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Failure of a property taxpayer to receive the notice shall not invalidate these proceedings. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed downtown district. A citizen, taxpayer, or property owner of the municipality or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed downtown district. The governing body of the municipality shall not incorporate land into the downtown district not included in the description contained in the notice of public hearing, but it may eliminate described lands from the downtown district in the final determination of the boundaries.

(3) Not more than 60 days after a public hearing held after February 15, 1994, the governing body of a taxing jurisdiction levying ad valorem property taxes that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority. The resolution takes effect when filed with that clerk and remains effective until a copy of a resolution rescinding that resolution is filed with that clerk. If a separate millage for public library purposes was levied before January 1, 2017, and all obligations and other protected obligations of the authority are paid, then the levy is exempt from capture under this part, unless the library board or commission allows all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if a separate millage for public library purposes was levied before January 1, 2017, and the authority alters or amends the boundaries of a downtown district or extends the duration of the existing finance plan, then the library board or commission may, not later than 60 days after a public hearing is held under this subsection, exempt all or a portion of its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality that created the authority. For ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016, a library board or commission may allow all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if the library was created under section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established under 1869 LA 233, then any action of the library board or commission under this subsection shall have the concurrence of the chief executive officer of the city that created the library to be effective, and, if the action of the library board or commission involves any bond issued by this state or a state agency, the concurrence of the state treasurer.

(4) Not less than 60 days after the public hearing, if the governing body of the municipality intends to

proceed with the establishment of the authority, it shall adopt, by majority vote of its members, an ordinance establishing the authority and designating the boundaries of the downtown district within which the authority shall exercise its powers. The adoption of the ordinance is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of an ordinance over his or her veto. This ordinance shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

(5) The governing body of the municipality may alter or amend the boundaries of the downtown district to include or exclude lands from the downtown district pursuant to the same requirements for adopting the ordinance creating the authority.

(6) A municipality that has created an authority may enter into an agreement with an adjoining municipality that has created an authority to jointly operate and administer those authorities under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(7) A municipality that has created an authority may enter into an agreement with a qualified township to operate its authority in a downtown district in the qualified township under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement between the municipality and the qualified township shall provide for, but is not limited to, all of the following:

- (a) Size and makeup of the board.
- (b) Determination and modification of downtown district, business district, and development area.
- (c) Modification of development area and development plan.
- (d) Issuance and repayment of obligations.
- (e) Capture of taxes.
- (f) Notice, hearing, and exemption of taxes from capture provisions described in this section.

**History:** 2018, Act 57, Eff. Jan. 1, 2019.