

**HASTINGS LOCAL DEVELOPMENT FINANCE AUTHORITY
BROWNFIELD REDEVELOPMENT AUTHORITY**
March Communication

To: LDFA/BRA Members and Staff
From: Dan King – Community Development Director
Date: **March 21, 2019**
Subject: **Information regarding the March 27, 2019 regular meeting**

Reminder that the regular meeting will be held **Wednesday March 27th** at 8:00am in City Hall.

We have included the current revised Fiscal Year 2019/2020 budget in the packet for review and discussion. The Clerk/Treasurer Department continues to work with department heads to refine the City budget. Changes are being implemented to make the budget allocations align with the specific purpose of the revenue or expenditure. I will be prepared to discuss the budget changes with you at the meeting.

We were unable to have an in-depth conversation regarding the revised LDFA plan that was sent to you last month. I would like us to take more time this meeting to focus on the summary of proposed improvements on page 7 of the plan.

The Michigan Department of Treasury has recodified PA 57 of 2018 as it pertains to Tax Increment Financing (TIF). I would like to discuss the requirements of this directive from the Department of Treasury.

Please remember this meeting has been rescheduled from our usual Thursday meeting date to Wednesday this month.

See you next week!

Respectfully,

Dan King

HASTINGS LOCAL DEVELOPMENT FINANCE AUTHORITY
AGENDA
Wednesday, March 27, 2019
MEETING AT CITY HALL

1. Call to Order/Roll Call. (Meeting starts at 8:00 a.m.)
2. Pledge to the Flag
3. Approval / Additions / Deletions to Agenda
4. Approval of Minutes of February 28, 2019 Meeting
5. Public Hearing –
6. Receive Financial Statements
7. Old Business
 - A. FY 2019/2020 Revised Budget Discussion
 - B. LDFA Plan Management Discussion
8. New Business
 - A. Michigan Department of Treasury TIF Discussion
9. Open public discussion and comments
10. LDFA member comments

Local Development Finance Authority (LDFA)
MINUTES
February 28, 2019

Meeting was called to order at 8:05 a.m. by Neil

1. Roll Call

Present: Cowan, Gibson, McCaleb, Neil, Tossava, Warren, Westerveld
Absent: Haas, Krueger, Warren
Others Present: King, Ponsetto

2. Pledge of Allegiance

3. Approval of the Agenda

Motion by Tossava, second by Cowen, to approve agenda as presented

All ayes, motion carried

4. Approval of Minutes

Motion by Gibson, second by McCaleb, to approve the minutes as presented

All ayes, motion carried

5. Public Hearing- None

6. Receive Financial Statements –

King noted the \$2,900 expenditure in engineering services is a payment for the Bliss environmental study; King reported Phase 1 and 2 are complete and city staff have met with a representative from SME and the consensus is that a due care plan is not necessary for the purchase of the property as long as the land is undisturbed

King said there was a big increase in interest in January due to Common Cash being placed in a Michigan Class account, which generates interest on funds that otherwise not receive interest; the large increase was due to a six month accrual; going forward the interest will be monthly

Other expenditures include \$80 for semi parking signs

Motion by Cowan, second by Tossava, to accept the financial statement as presented

7. Old Business-

A. LocalIntel Discussion-

King told the DDA that he had talked to the owners of LocalIntel and they assured him the LDFA could receive a one-year free trial subscription, to avoid any fees or charge the LDFA needs to cancel 60 days before the end of the subscription; he said LocalIntel will give developers the demographic and economic data they need when deciding whether or not to proceed with a project in the community

Motion by Westerveld, second by Cowan, to approve the one-year free trial subscription with LocalIntel with a review in 8 months

All ayes, motion carried

B. LDFA Plan Discussion-

King said all members have been sent a digital copy of the current LDFA, which was updated in 2017 to use as a reference moving forward; the plan will assist in developing and asset management plan.

8. New Business –

A. LDFA Participation in Cost of City Master Plan Update-

King presented information about the City of Hastings Mater Plan update and how items 1 and 7 of Part 2 of the update directly relate to business and industry growth; he said the DDA has approved up to \$3,000 for the cost of the portion of the update that relates to business growth; if the LDFA chooses to participate the cost to both the LDFA and the DDA would be \$1,500

Neil questioned why the costs were not being paid by the City; King said the City has already committed the \$19,500 it had budgeted for the update but there are additional items that they felt would be beneficial to include in the Master Plan

Motion by Gibson, second by Cowan, to approve the expenditure of \$1,500 to participate in the cost of updating the City of Hastings Master Plan relating to bullet items 1 and 7.

Ayes: Cowan, Gibson, McCaleb, Neil, Tossava, Westerveld

Nays:

Absent: Haas, Krueger, Warren

All ayes, motion carried

B. Opportunity Zone Discussion-

King gave the board a capsulized description of what an Opportunity Zone entails; he said there 8,700 Opportunity Zones in low to moderate income areas across the country and only one in Barry County—the area east of Broadway in the City of Hastings and Hastings Township; it is an IRS seven-year tax deferral designed to encourage economic development in low to moderate income areas

The board discussed and asked questions about what Opportunity Zone means for Hastings and the LDFA

9. Public Comment –

Neil said Tri-Fit has outgrown its current location and is looking for a new facility, preferably near the Riverwalk Trail; King said he would work with Tri-Fit to find a new location

10. LDFA Members Comments –

Tossava asked if the LDFA had made an offer on the Haines property; King said he and Neil will meet with the owner and report back to the LDFA at a future meeting

11. Adjournment-

Motion by Tossava, second by Cowan, to adjourn

All ayes, motion carried

Meeting adjourned 9:07 a.m.

Clint Neil
Chair

Marjorie Haas
Secretary

Prepared by: Sandra Ponsetto, City of Hastings

CITY OF HASTINGS

BALANCE SHEET
AS OF FEBRUARY 28, 2019

FUND 243 - BROWNFIELD REDEVELOPMENT AUTH

	FISCAL YTD 28-FEB-19	FISCAL YTD 28-FEB-18
<u>ASSETS</u>		
243-000-001-001 CASH COMMON CHECKING	.00	(320.32)
243-000-017-050 MI CLASS INVESTMENT - POOLED	23.15	.00
TOTAL ASSETS	23.15	(320.32)
 <u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
243-000-202-000 ACCOUNTS PAYABLE	362,097.36	376,920.17
TOTAL LIABILITIES	362,097.36	376,920.17
 <u>FUND EQUITY</u>		
243-000-390-000 FUND BALANCE - UNASSIGNED	(369,711.20)	(379,829.75)
REVENUE OVER EXPENDITURES - YTD	7,636.99	2,589.26
TOTAL FUND EQUITY	(362,074.21)	(377,240.49)
TOTAL LIABILITIES AND EQUITY	23.15	(320.32)

CITY OF HASTINGS
 DETAIL REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 8 MONTHS ENDING FEBRUARY 28, 2019

FUND 243 - BROWNFIELD REDEVELOPMENT AUTH

	THIS MONTH ACTUAL 28-FEB-19	THIS YEAR FISCAL YTD 28-FEB-19	REVISED BUDGET 2018-2019	THIS YEAR YTD % OF BUDGET	LAST YEAR FISCAL YTD 28-FEB-18	REVISED BUDGET 2017-2018	LAST YEAR YTD % OF BUDGET	LAST YEAR FULL YEAR ACTUAL
REVENUES								
243-100-425-000 PROPERTY TAXES TIF	9,302.10	20,758.28	20,929	99%	11,562.64	21,213	55%	20,815.17
243-100-664-000 INTEREST EARNED	.00	23.15	10	232%	3.44	2	172%	6.32
TOTAL REVENUES	9,302.10	20,781.43	20,939	99%	11,566.08	21,215	55%	20,821.49
TOTAL REVENUE & INCOMING TRANSFERS	9,302.10	20,781.43	20,939	99%	11,566.08	21,215	55%	20,821.49

CITY OF HASTINGS
 DETAIL REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 8 MONTHS ENDING FEBRUARY 28, 2019

FUND 243 - BROWNFIELD REDEVELOPMENT AUTH

	THIS MONTH ACTUAL 28-FEB-19	THIS YEAR FISCAL YTD 28-FEB-19	REVISED BUDGET 2018-2019	THIS YEAR YTD % OF BUDGET	LAST YEAR FISCAL YTD 28-FEB-18	REVISED BUDGET 2017-2018	LAST YEAR YTD % OF BUDGET	LAST YEAR FULL YEAR ACTUAL
B R A								
243-732-831-000 ADMIN SERVICES	.00	2,000.00	2,000	100%	2,000.00	2,000	100%	2,000.00
243-732-997-000 INTEREST EXPENSE	.00	11,144.44	9,500	117%	6,976.82	9,360	75%	8,702.94
TOTAL B R A	.00	13,144.44	11,500	114%	8,976.82	11,360	79%	10,702.94
TOTAL EXPENDITURES & OUT TRANSFERS	.00	13,144.44	11,500	114%	8,976.82	11,360	79%	10,702.94
NET REVENUES OVER EXPENDITURES	9,302.10	7,636.99	9,439		2,589.26	9,855		10,118.55

CITY OF HASTINGS

BALANCE SHEET
AS OF FEBRUARY 28, 2019

FUND 250 - LCL DVLPMNT FINANCE AUTHORITY

		<i>FISCAL YTD</i> 28-FEB-19	<i>FISCAL YTD</i> 28-FEB-18
<u>ASSETS</u>			
250-000-001-001	CASH COMMON CHECKING	.00	96,231.56
250-000-017-000	MI CLASS INVESTMENT	130,210.51	127,382.47
250-000-017-050	MI CLASS INVESTMENT - POOLED	112,801.11	.00
250-000-130-000	LAND HELD FOR SALE	23,738.22	23,738.22
	TOTAL ASSETS	266,749.84	247,352.25
<u>LIABILITIES AND EQUITY</u>			
<u>FUND EQUITY</u>			
250-000-373-000	FUND BAL - NONSPND - LAND HELD	23,738.22	23,738.22
250-000-375-000	FUND BALANCE - RESTRICTED	218,831.26	199,952.93
	REVENUE OVER EXPENDITURES - YTD	24,180.36	23,661.10
	TOTAL FUND EQUITY	266,749.84	247,352.25
	TOTAL LIABILITIES AND EQUITY	266,749.84	247,352.25

CITY OF HASTINGS
 DETAIL REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 8 MONTHS ENDING FEBRUARY 28, 2019

FUND 250 - LCL DVLPMNT FINANCE AUTHORITY

	THIS MONTH ACTUAL 28-FEB-19	THIS YEAR FISCAL YTD 28-FEB-19	REVISED BUDGET 2018-2019	THIS YEAR YTD % OF BUDGET	LAST YEAR FISCAL YTD 28-FEB-18	REVISED BUDGET 2017-2018	LAST YEAR YTD % OF BUDGET	LAST YEAR FULL YEAR ACTUAL	
REVENUES									
250-100-425-000	PROPERTY TAXES TIFA	1,093.64	16,035.01	16,545	97%	14,188.32	14,479	98%	14,188.32
250-100-573-250	CONTRB ST LCSA APPROPRIATION	.00	9,537.98	8,000	119%	8,593.68	8,594	100%	8,593.68
250-100-642-250	CHGS SRVCS TRCK ELCTRCL	.00	.00	500	0%	.00	500	0%	.00
250-100-664-000	INTEREST EARNED	479.33	2,786.88	2,047	136%	1,195.26	512	233%	2,083.55
TOTAL REVENUES		1,572.97	28,359.87	27,092	105%	23,977.26	24,085	100%	24,865.55
TOTAL REVENUE & INCOMING TRANSFERS		1,572.97	28,359.87	27,092	105%	23,977.26	24,085	100%	24,865.55

CITY OF HASTINGS
 DETAIL REVENUES AND EXPENDITURES WITH COMPARISON TO BUDGET
 FOR THE 8 MONTHS ENDING FEBRUARY 28, 2019

FUND 250 - LCL DVLPMT FINANCE AUTHORITY

	THIS MONTH ACTUAL 28-FEB-19	THIS YEAR FISCAL YTD 28-FEB-19	REVISED BUDGET 2018-2019	THIS YEAR YTD % OF BUDGET	LAST YEAR FISCAL YTD 28-FEB-18	REVISED BUDGET 2017-2018	LAST YEAR YTD % OF BUDGET	LAST YEAR FULL YEAR ACTUAL	
<u>L D F A</u>									
250-731-803-000	LEGAL	.00	.00	2,000	0%	.00	2,000	0%	.00
250-731-806-000	ENGINEERING	.00	2,900.00	18,000	16%	.00	10,000	0%	5,393.00
250-731-807-000	PROF SRVC MARKETING	.00	.00	14,500	0%	139.50	3,000	5%	294.50
250-731-815-020	PROF SRVC PROP SURVEY	.00	.00	3,000	0%	.00	2,500	0%	.00
250-731-820-000	BLIGHT ELIMINATION (FACADE)	.00	.00	5,000	0%	.00	10,000	0%	.00
250-731-920-000	PUBLIC UTILITIES RENTAL PRKG	25.93	199.52	400	50%	166.17	400	42%	289.23
250-731-956-000	MISCELLANEOUS	.00	80.00	500	16%	.00	0	0%	.00
250-731-958-000	MEMBERSHIP & DUES	.00	.00	500	0%	.00	500	0%	.00
250-731-970-000	CAP OUT LAND & BLDGS	.00	.00	11,348	0%	.00	0	0%	.00
250-731-973-000	CAP OUT (MACH & EQPT)	500.00	999.99	7,500	13%	10.49	5,000	0%	10.49
TOTAL L D F A		525.93	4,179.51	62,748	7%	316.16	33,400	1%	5,987.22
TOTAL EXPENDITURES & OUT TRANSFERS		525.93	4,179.51	62,748	7%	316.16	33,400	1%	5,987.22
NET REVENUES OVER EXPENDITURES		1,047.04	24,180.36	(35,656)		23,661.10	(9,315)		18,878.33

City of Hastings LOCAL DEVELOPMENT FINANCE AUTHORITY

Account Number	Title	2017-18	2018-19 thru 12/31	Budget Adjustment	2018-19 Budget	2019-20 Budget
REVENUES						
250-100-425-000	PROPERTY TAXES TIFA	(14,188.32)	(14,941.37)	545.00	(16,545.00)	(16,000.00)
250-100-573-250	Contrib ST LCSA Appropriation	(8,593.68)	(9,537.98)	(1,500.00)	(8,000.00)	(10,500.00)
250-100-642-250	CHGS SRVCS TRCK ELCTRCL				(500.00)	
250-100-664-000	INTEREST EARNED	(2,083.55)	(1,550.95)	(1,000.00)	(2,047.00)	(3,100.00)
250-100-671-000	MISC OTHER REVENUE					
250-100-676-050	Energy Rebate					
		<u>(24,865.55)</u>	<u>(26,030.30)</u>	<u>(1,955.00)</u>	<u>(27,092.00)</u>	<u>(29,600.00)</u>
EXPENDITURE						
250-731-702-000	SALARIES SUPERVISION					
250-731-706-000	LABOR FULL TIME DPS					
250-731-706-010	LABOR F/T DPS R O/T					
250-731-706-020	LABOR F/T DPS 2 O/T					
250-731-714-000	FRINGE BENEFITS					
250-731-757-000	WEARING APPAREL					
250-731-803-000	806 LEGAL			(2,000.00)	2,000.00	0.00
250-731-806-000	946 ENGINEERING	5,393.00		(18,000.00)	18,000.00	0.00
250-731-807-000	906 PROF SRVC MARKETING	294.50		(14,200.00)	14,500.00	0.00
	799 <i>Miscellaneous Supplies</i>	14.50				
	879 <i>Website</i>	280.00			300.00	300.00
250-731-815-010	868 PROF SRVC PROP APPRSL					0.00
250-731-815-020	869 PROF SRVC PROP SURVEY			(3,000.00)	3,000.00	0.00
250-731-818-000	CONTRACTUAL SERVICES					
250-731-820-000	Blight Elimination (Facade)			(5,000.00)	5,000.00	0.00
250-731-831-000	ADMIN SERVICES					
250-731-835-000	HEALTH & SAFETY					
250-731-873-000	CONF WRKSHP TRNG					
250-731-920-000	920 PUBLIC UTILITIES RENTAL PRKG	289.23	123.18	(100.00)	400.00	300.00
	935 <i>Property Liability Insurance</i>					1,200.00
250-731-956-000	955 MISCELLANEOUS			(500.00)	500.00	0.00
	<i>Operating Supplies</i>					200.00
250-731-958-000	915 MEMBERSHIP & DUES			325.00	500.00	850.00
250-731-970-000	CAP OUT LAND & BLDGS			8,652.00	11,348.00	0.00

City of Hastings LOCAL DEVELOPMENT FINANCE AUTHORITY

Account Number	Title	2017-18	2018-19 thru 12/31	Budget Adjustment	2018-19 Budget	2019-20 Budget
971	Land					84,000.00
250-731-971-000	CAP OUT LAND IMPRVMENTS					
250-731-973-000	Cap Out (Mach & Eqpt)	10.49	499.99	(7,000.00)	7,500.00	0.00
974	Land Improvements - Non-depreciable		499.99			
250-731-997-000	INTEREST EXPENSE					
		<u>5,987.22</u>	<u>623.17</u>	<u>(40,823.00)</u>	<u>62,748.00</u>	<u>86,550.00</u>
	Net (increase) decrease	<u>(18,878.33)</u>	<u>(25,407.13)</u>	<u>(42,778.00)</u>	<u>35,656.00</u>	<u>56,950.00</u>

LDFA Budget 2018/2019					
Revenue		Budget	Previous Periods	2-23 - 3-21	YTD
Tax Capture (TIF)		\$16,545.00			\$16,035.01
	Summer Tax Collection		\$14,941.37	\$1,093.64	
Interest Earned		\$1,800.00			\$2,786.88
	Interest		\$2,307.55	\$479.33	
Truck Parking Electric Fees		\$500.00			\$0.00
SOM LCSA		\$8,000.00			\$9,537.98
	SOM LCSA payment		\$9,537.98		
Total Revenue		\$26,845.00			\$28,359.87
Expenditure					
250.731.803.000	Prof. Services (Legal)	\$2,000.00			\$0.00
250.731.806.000	Prof. Services (Engineering)	\$18,000.00			\$2,900.00
	Bliss Environmental (SME)		\$2,900.00		
250.731.807.000	Prof. Services (Marketing)	\$14,500.00			\$0.00
	Prog. Graphics (Parking Tags)				
	Pixlevine				
250.731.820.000	Prof. Services (Survey)	\$3,000.00			\$0.00
250.731.820.000	Blight Elimination (Façade)	\$5,000.00			\$0.00

250.731.920.000	Public Utilities	\$400.00			\$199.52
	Consumers (Elec.)		\$173.59	\$25.93	
250.731.958.000	Membership Dues	\$500.00			\$0.00
250.731.973.000	Capital Outlay (Mach. & Equip.)	\$7,500.00			\$999.99
	Semi-Parking Light and Pole		\$499.99	\$500.00	
250.731.956.00	Miscellaneous	\$500.00			\$80.00
	Semi Parking Signs (AnD Signs)		\$80.00		
Total Expenditures		\$51,400.00		\$525.93	\$4,179.51