



LOCAL DEVELOPMENT FINANCE AUTHORITY

June 28, 2019

**CITY OF PORTAGE
LOCAL DEVELOPMENT FINANCE AUTHORITY
BOARD OF DIRECTORS MEETING**

A G E N D A

June 28, 2019, 8:15 a.m.

CALL TO ORDER:

8:15 a.m., Portage City Hall, Conference Room #1, 7900 South Westnedge Avenue

APPROVAL OF MINUTES:

* March 19, 2018

BUSINESS:

Election of Officers

- Member listing
- Articles of Incorporation

* FY 2017-18 Annual Financial Report

- Communication from the Community Development Director
- Resolution Approving and Authorizing Transmission of the Financial Report on the Status of the Tax Increment Financing Plan

STATEMENT OF CITIZENS:

ADJOURNMENT:

Star (*) indicates printed material within the agenda packet.

PORTAGE LOCAL DEVELOPMENT FINANCE AUTHORITY

Monday, March 19, 2018

The Portage Local Development Finance Authority meeting on March 19, 2018 was called to order at 8:05 a.m. in Conference Room #1 of Portage City Hall, 7900 South Westnedge Avenue.

MEMBERS PRESENT:

Thomas Fox, Scott McGraw, Karla Colestock, Michael Collins, Tim Zajac and Tim Wenzel

MEMBERS EXCUSED:

Dennis Brooks, Jeff Gardner, Robert Seely, Rick DeKam and Larry Killips

IN ATTENDANCE:

Christopher Forth, Acting Director of Community Development; William Furry, Director of Finance; and Larry Shaffer, City Manager

APPROVAL OF MINUTES:

The minutes of the May 2, 2017 meeting were introduced for approval. A motion was offered by Fox and seconded by Collins to approve the meeting minutes as presented. The motion was approved 6 - 0.

BUSINESS:

1. Election of Officers. Wenzel reviewed the current officers of the Board. The current slate includes Wenzel, Chair; Brooks, Treasurer; and Colestock, Secretary. There was discussion of the continuation of the current officers. A motion was offered by Collins, seconded by Fox that Wenzel continue to serve as Chairman; Brooks as Treasurer; and Colestock as Secretary. The motion was approved 6-0.

2.

3. Articles of Incorporation. Chairman Wenzel indicates the Articles of Incorporation were attached for Board reference. Fox commented that the Articles of Incorporation establish the Board, responsibilities, among others. A motion was offered by Collins and seconded by Zajac to accept the Articles of Incorporation. The motion was approved 6-0.

3. Resolution Approving the FY2016-17 Annual Financial Report. Forth summarized the communication to the Board concerning the annual report included in the agenda. Following review by the Board, the information will be forwarded to City Council and then to the State Tax Commission.

Forth indicated that for FY2016-17 expenditures slightly exceeded revenues primarily due to a decline in personal property tax revenue that was not offset by State of Michigan personal property tax reimbursement. The uncompleted projects, Zylman Avenue improvements and Haverhill water tower project, were briefly discussed. The Zylman Avenue improvements will be completed when Stryker Medical completes the expansion project to the East Centre Avenue facility. With regard to the Haverhill water tower, City Manager Shaffer indicated the option to extend a water main under the airport property is again under consideration since the City of Portage is able to provide the necessary insurance. Shaffer

noted the Haverhill water tower is in good shape but would be refurbished. Extension of the water main underneath airport property and refurbishing the existing water tower would save the city several millions of dollars if the water tower were not replaced.

Finance Director Furry summarized the financial report. Wenzel noted there is a slight deficit of approximately \$48,000. Furry indicated the deficit is due to the lack of reimbursement from the State. Furry noted that for FY2017-18, revenues are up and by the end of the fiscal year, there will be a surplus. The Board also discussed the fund balance. Furry explained the fund balance is due to Zylman Avenue improvements and water tower replacement not yet being completed.

There being no further discussion, a motion was made by McGraw, seconded by Collins, to approve the resolution and authorize the transmission of the FY 2016-17 Annual Financial Report on the status of the tax increment financing plan. The motion was approved 6-0.

STATEMENT OF CITIZENS:

None.

ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned at 8:30 a.m.

Respectfully Submitted,

Christopher Forth, AICP
Acting Director of Community Development

LOCAL DEVELOPMENT FINANCE AUTHORITY BOARD

Dennis Brooks, Treasurer (City of Portage)	323-3772 H 598-2259 C	3119 Woodhams Ave Portage, MI 49002 db19thhole@gmail.com	03/31/19
Thomas Fox (City of Portage)	324-4318 H	1330 E. Osterhout Ave Portage, MI 49002 tomfox8998@aol.com	03/31/19
Tim Zajac (City of Portage)	271-3664 C	Mann+Hummel 6400 S Sprinkle Rd Portage, MI 49002 Tim.zajac@mann-hummel.com	03/31/20
Jeff A. Gardner (City of Portage)	323-7774	5770 Venture Park Kalamazoo, MI 49009	03/31/21
Robert E. Seely (City of Portage)	323-0252	9930 East Shore Dr. Portage, MI 49002	03/31/21
Rick DeKam (City of Portage)	207-5430 C 323-0717 B	MIDWEST REALTY GROUP, L.L.C. 2314 Helen Aveue Portage, MI 49002 www.midwestrealty.com www.linkedin.com/in/dekam	03/31/22
Tim Wenzel, Chair (City of Portage)	323-7714 H 327-4069 B 323-8778 B	3630 East Shore Dr Portage, MI 49002 twenzel@theuniformoutlet.com	03/31/22
Karla Colestock, Sec. (Portage Public Schools)	329-4608 H 323-5186 B	5915 Old Mission St Portage, MI 49024 kcolestock@portageps.org	03/31/21
Larry Killips (Portage Public Schools)	372-3651 H 323-5161 B	7461 Farmington Ave Kalamazoo, MI 49009	03/31/20
Michael Collins (Kalamazoo Valley Community College)	488-4255 B	KVCC PO Box 4070 Kalamazoo, MI 49003 mcollins@kvcc.edu	03/31/20
Michael Quinn (Kalamazoo County)	329-1320 H 267-2880 B	7025 Rockford St. Portage, MI 49024 mikedquinn@sbcglobal.net	03/31/22
Victoria Georgeau, Ex Officio	329-4480 B	georgeav@portagemi.gov	

*Term expiration: Serves until reappointed or a replacement is appointed.

CITY OF PORTAGE

At a regular meeting of the City Council of the City of Portage, Michigan, held on the 20th day of March, 1990, at 7:30 p.m., Eastern Standard Time, at the City Hall, Portage, Michigan. There were:

PRESENT: Overlander, Bashaw, Jean, Schreur, Shugars, Sutter, Zull
 ABSENT: None

The following preamble and resolution were offered by Councilman Shugars and supported by Councilman Schreur.

**RESOLUTION TO CREATE A LOCAL DEVELOPMENT FINANCE AUTHORITY
 AND DESIGNATING THE BOUNDARIES OF A
 LOCAL DEVELOPMENT FINANCE DISTRICT**

WHEREAS, pursuant to the provisions of Act No. 281, Public Acts of Michigan of 1986 (the "Act"), the City of Portage wishes to establish a Local Development Finance Authority so it can create and implement a Development and Tax Increment Financing Plan to develop part of the City of Portage within the local development finance district described below.

WHEREAS, the boundaries of the proposed Local Development Finance District (the "District") are as set forth in Attachment A, which is by this reference made a part of this resolution, and

WHEREAS, this action is being undertaken to eliminate the conditions of unemployment, underemployment, and joblessness, and to promote economic growth in the community, utilizing tax increment financing,

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTAGE, as follows:

**RESOLUTION ESTABLISHING AND IMPLEMENTING
 THE LOCAL DEVELOPMENT FINANCE AUTHORITY
 OF THE
 CITY OF PORTAGE**

1. This Resolution shall serve as the permanent Articles of Incorporation of the Local Development Finance Authority of the City of Portage, (the "Authority").

2. Pursuant of Public Act No. 281 of the Michigan Public Acts of 1986, as amended, (the "Act"), there is hereby established a Local Development Finance Authority, (the "Authority").

3. The boundaries of the Authority District shall be as set forth in Appendix A.

4.(1) The Authority shall be under the supervision and control of the Board (the "Board"), which shall include:

(a) Seven (7) members appointed by the Chief Executive of the City of Portage;

(b) One (1) member appointed by the Board of Commissioners of the County of Kalamazoo.

(c) One (1) member representing the Kalamazoo Community College appointed by the chief executive officer of that Community College.

(d) Two (2) members appointed by the chief executive officer of the Portage Public Schools, which levied 20% or more of the ad valorem property taxes levied against all property located in the authority district in the year 1989.

(2) Of the members first appointed, an equal number, as near as possible, shall have terms designated by the City Council of the City of Portage of 1 year, 2 years, 3 years, and 4 years. However, a member shall hold office until the member's successor is appointed. After the first appointment, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made in the same manner as the original appointment. An appointment to fill an unexpired term shall be for the unexpired portion of the term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses.

5. The majority of the members of the Board shall constitute a quorum for the transaction of business. The Board shall annually elect one of its members as Chairperson, one of its members as Secretary and one of its members as Treasurer.

6. The Board shall prescribe and adopt rules of procedure and the holding of regular meetings, subject to the approval of City Council. Special meetings may be held when called in the manner provided in the rules of the Board.

7. Subject to notice and an opportunity to be heard, a member of the board may be removed before the expiration of his or her term for cause by the governing body, of the appointing unit. Removal of a member is subject to review by the circuit court.

8. All expense items of the authority shall be publicized annually and the financial records shall be open to the public pursuant to the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

9. The board may employ and fix the compensation of a director, subject to the approval of the City Council of the City of Portage as provided in the Act. The director shall serve at the pleasure of the board.

10. The Board and its Chairperson, Secretary and Treasurer shall have those duties and powers as are set forth in the Act.

11. In accordance with the provisions of the Act, the Board may:

(a) Study and analyze unemployment, underemployment, and joblessness and the impact of growth upon the authority district or districts.

(b) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility.

(c) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the City of Portage, to promote the growth of the Authority District and take the steps that are necessary to implement the plans to the fullest extent possible to create jobs, and promote economic growth.

(d) Implement any plan of development necessary to achieve the purposes of this act in accordance with the powers of the Authority as granted by the Act.

(e) Make and enter into contracts necessary or incidental to the exercise of the board's powers and the performance of its duties.

(f) Acquire by purchase or otherwise on terms and conditions and in a manner the authority considers proper, own or lease as lessor or lessee, convey, demolish, relocate, rehabilitate, or otherwise dispose of real or personal property, or rights or interest in that property, which the authority determines is reasonable necessary to achieve the purposes of the Act, and to grant or acquire licenses, easements, and options with respect to the property.

(g) Improve land, prepare sites for buildings, including the demolition of existing structures, and construct, reconstruct, rehabilitate, restore and preserve, equipment, improve, maintain, repair, or operate a building, as provided in Section 12(3) of the Act for the use, in whole or in part, of a public or private person or corporation, or a combination thereof.

(h) Fix, charge, and collect fees, rents, and charges for the use of a building or property or a part of a building or property under the board's control, or a facility in the building or on the property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the Authority.

(i) Lease a building or property or part of a building or property under the board's control.

(j) Accept grants and donations of property, labor, or other things of value from a public or private source.

(k) Acquire and construct public facilities as defined by the Act.

(l) Incur costs in connection with the performance of the board's authorized functions including, but not limited to, administrative costs, and architects, engineers, legal, and accounting fees.

(m) Plan, propose, and implement an improvement to a public facility on eligible property to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.

12. The Authority shall be considered an instrumentally of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

13. The City of Portage may take private property under Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws, for the purpose of transfer to the Authority, and may transfer the property to the Authority for use as authorized in the development program, on terms and conditions it considers appropriate. The taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

14. The activities of the Authority shall be financed from 1 or more of the following sources:

(a) Contributions to the Authority for the performance of its functions.

(b) Revenues from any property, building, or facility owned, leased, licensed, or operated by the Authority or under its control, subject to the limitations imposed upon the Authority by trusts or other agreements.

(c) Tax increments received pursuant to a tax increment financing plan established under Section 12 to 14 of the Act.

(d) Proceeds of tax increment bonds issued pursuant to Section 14 of the Act.

(e) Proceeds of revenue bonds issued pursuant to Section 11 of the Act.

(f) Money obtained from any other sources approved by the City Council of the City of Portage.

15. The Authority may borrow money and issue its negotiable revenue bonds pursuant to Act No. 94 of the Public Acts of 1933, as amended, being Section 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the Authority shall not, except as hereinafter provided, be considered a debt of the City of Portage or of the state.

The City of Portage by majority vote of the members of its governing body may pledge its full faith and credit limited tax to support the Authority's revenue bonds.

16.(a) By resolution of its Board and subject to the limitations set forth in this section, the Authority may authorize, issue, and sell its tax increment bonds to finance a development program. The bonds shall mature in 30 years or less and shall be subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3 of the Michigan Compiled Laws. The Authority may pledge for debt service requirements the tax increment revenue to be received from an eligible property. the bonds issued under this section shall be considered a single series for the purposes of section 4 of the municipal finance act, Act No. 202 of the Public Acts of 1943, being section 135.4 of the Michigan Compiled Laws.

(b) The City of Portage by majority vote of the members of its City Council may make a limited tax pledge to support the Authority's tax increment bonds or, if authorized by the voters of the City, pledge its full faith and credit for the payment of the principal of and interest on the Authority's tax increment bonds.

(c) Bonds and notes issued by the Authority and the interest on and income from those bonds and notes are exempt from taxation by the state or a political subdivision of this state.

17. When this Board decides to finance a project in a development area pursuant to this act, it shall prepare a development plan in accordance with Section 15 of the Act.

18. The director of the Authority shall prepare and submit for the approval of the Board a budget for the operation of the Authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the

information required of municipal departments. Before the budget may be adopted by the Board, it shall be approved by the City Council of the City of Portage.

19. When the Authority has completed the purposes for which it was organized shall be dissolved by resolution of the City Council of the City of Portage. The Authority shall have all the powers granted to it by the Act as it currently exists or as the Act may be amended in the future and the enumeration of powers herein shall not be an attempt to limit such powers.

20. This Resolution shall take effect upon its adoption.

21. This resolution shall be filed by the City Clerk with the Secretary of State promptly after its adoption and shall be published once by the City Clerk in the Kalamazoo Gazette, a newspaper of general circulation in the City of Portage.

22. All resolutions and parts of resolutions in conflict herewith are rescinded.

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS: Overlander, Bashaw, Jean, Schreur, Shugars, Sutter, Zull

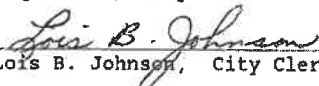
NAYS: None

ABSTAIN:None

THE RESOLUTION WAS DECLARED ADOPTED.

STATE OF MICHIGAN)
) ss
COUNTY OF KALAMAZOO)

The undersigned, being the duly qualified and acting Clerk of the City of Portage, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Portage at its meeting held on the 20th day of March, 1990, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the County. I further certify that the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with Act No. 267, Michigan Public Acts of 1976, as amended, and that minutes were kept and will be or have been made available as required thereby.


Lois B. Johnson, City Clerk

Dated: March 20, 1990

TO: Local Development Finance Authority Board

DATE: June 14, 2019

FROM: Vicki Georgeau, Director of Community Development

SUBJECT: FY 2017-2018 Annual Financial Report

Attached find a resolution to approve and authorize transmission of the FY 2017-2018 annual report to the State Tax Commission and to City Council per the Local Development Financing Act (PA 281 of 1986). The Annual Financial Report includes final audited information and is attached as Appendix A to the resolution. The annual report is only transmitted after the board has the opportunity to review the applicable annual audit information for the City of Portage.

As the Board will recall, Public Improvement/Activity Project #5 (East Milham-Kalamazoo/Battle Creek International Airport water main extension) was not be completed due to concerns with required insurance availability for a water main crossing beneath the airport runway. An alternative project was subsequently identified and involves replacement of the existing 750,000 gallon Haverhill Water Tower with a new, larger 2.75-million-gallon tower. While construction of the new water tower was initially programmed in the Capital Improvement Program for FY 2014-2015, implementation has been pushed back to FY 2020-2021 due to escalating costs estimated at \$6 million. During this deferral period the city has been evaluating alternatives. A city-wide water reliability study is currently underway, which includes an analysis of the water flow and pressures on the east side of the city, including the Sprinkle Road Industrial Corridor. After completion of the study and review of the findings/recommendations, the necessity of replacing the Haverhill Water Tower will be further evaluated. Additionally, required insurance for the previously proposed water main beneath airport runway is now available and this initial proposal is currently being pursued. An application for this project has been submitted to the Federal Aviation Administration and is pending review and approval.

With regard to Public Improvement/Activity Project #7 (Zylman Avenue improvements) and in accordance with the 2003 Amended Development Plan/Tax Increment Finance Plan and Development Agreement with the Stryker Corporation, this project has begun. In the summer of 2018, Stryker Medical initiated a 253,000 square foot building addition that will use Zylman Avenue for access. This significant building addition is in essentially complete and has been issued a temporary Certificate of Occupancy. As initially planned, \$1.2 million of LDFA funding has been allocated towards this project which has an overall budget of \$3 million, which is supplemented by a special grant from the State of Michigan and \$500,000 from the city Sewer Fund. The project will include installation of a roundabout at the intersection of Cox's Drive, a boulevard road section with curb and gutter and a bike path from Cox's Drive to South Sprinkle Road, the replacement of sanitary sewer and water main and a mill and resurface from Portage Road to Sprinkle Road. The anticipated completion of this project is October 2019.

As shown in the Revenues, Expenditures and Changes in Fund Balances table at the end of the report, the fund balance was \$2,167,529 at the end of FY 2017-2018, a 10% increase from \$1,967,925 at the end of FY 2016-2017. Attached is a resolution approving and authorizing the transmission of the Financial Reports to the Portage City Council, and then subsequently to the State Tax Commission. Approval of the accompanying resolution is recommended.

ANNUAL FINANCIAL REPORT

CITY OF PORTAGE

LOCAL DEVELOPMENT FINANCE AUTHORITY

For

FY 2017 - 2018

Portage, Michigan

CITY OF PORTAGE

At a regular meeting of the Board of the Local Development Finance Authority of the City of Portage, Michigan, held on June 28, 2019 at 8:15 a.m. at the City Hall, Portage, Michigan, there were:

PRESENT:

ABSENT:

The following preamble and resolution were offered by _____ and supported by _____:

**RESOLUTION APPROVING AND AUTHORIZING
THE TRANSMISSION OF THE FINANCIAL
REPORTS ON THE STATUS OF THE TAX INCREMENT
FINANCING PLAN**

WHEREAS, the Local Development Finance Authority of the City of Portage (the "Authority") has been duly incorporated by the City of Portage (the "City") pursuant to Act No. 281 of the Public Acts of Michigan of 1986 (the "Act") and the Board of the Authority has been duly appointed and sworn into office; and

WHEREAS, the Authority is required by statute to transmit annually to the City Council of the City of Portage and the State Tax Commission a Financial Report on the Status of the Tax Increment Financing Plan which report shall include certain matters as required by Section 13(3) of the Act; and

WHEREAS, such material has been prepared and is attached hereto as Appendix A to this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE LOCAL DEVELOPMENT FINANCE AUTHORITY OF THE CITY OF PORTAGE, as follows:

1. The Financial Reports on the Status of the Tax Increment Financing Plan attached hereto as Appendix A is approved.

2. The Director of the Authority is authorized to transmit said financial report to the City Council of the City of Portage and the State Tax Commission.

The results of a roll-call vote on the foregoing resolution were as follows:

YES:

NAYS:

ABSTAIN:

THE RESOLUTION WAS DECLARED ADOPTED.

SECRETARY'S CERTIFICATE

The undersigned, being the duly qualified and acting Secretary of the Board of the Local Development Finance Authority of the City of Portage, Michigan, hereby certifies that (1) the foregoing is a true and complete copy of a resolution duly adopted by the Board at a regular meeting held on June 28, 2019, at which meeting a quorum was present and remained throughout, (2) the original thereof is on file in the records of the proceedings of the Board in my office, (3) the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with the Open Meetings Act (Act No. 267, Public Acts of Michigan, 1976, as amended), and (4) minutes of such meeting were kept and will be or have been made available as required thereby.

, Secretary

Dated: June 28, 2019

APPENDIX A

LOCAL DEVELOPMENT FINANCE AUTHORITY
OF
THE CITY OF PORTAGE

2003 AMENDED DEVELOPMENT PLAN/TAX INCREMENT FINANCE PLAN

FY 2017-2018 ANNUAL FINANCIAL REPORT

As Approved by the Authority Board

on

June 28, 2019

INTRODUCTION

Pursuant to the provisions of Act No. 281, Public Acts of Michigan, 1986, (Act 281), the City of Portage (the "City") has established the Local Development Finance Authority of the City of Portage (the "Authority"). Act 281 provides that the Board of the Authority, if it determines that it is necessary for the achievement of the purposes of Act 281, shall prepare and submit a tax increment financing plan to the City Council. Act 281 further provides that a tax increment financing plan shall include a development plan.

In 2003, a new opportunity to utilize the LDFA and again forge a public-private cooperative program became available. The City Administration facilitated additional growth and expansion of the manufacturing sector that would benefit the city and other local taxing jurisdictions. As a tool used to spur manufacturing growth, the LDFA financing mechanism was proposed to accomplish public improvements and eligible activities and provide incentives for Pfizer Incorporated to expand in this community. An investment of approximately \$30 million was planned by Pfizer. Additionally, the Stryker Corporation indicated plans to significantly expand its manufacturing capacity by investing up to nearly \$70 million, with significant job retention and job creation possibilities, and incentives to facilitate new manufacturing facilities in Portage and to encourage this investment were proposed. Amending the boundaries of LDFA District No. 1 to include properties along Sprinkle Road were included as part of this initiative.

Pfizer Incorporated proposed new/expanded facilities at the manufacturing complex on Portage Road. Public infrastructure improvements facilitated this expansion effort by the company. The manufacturing facilities are operational and construction of the warehouse is nearly complete. It is estimated that Pfizer has 2,260 full time jobs at this facility plus an approximate 600 contract workers.

Stryker Corporation proposed a new and also reconstructed/expanded manufacturing, research, and distribution facilities at 3800 East Centre Avenue, 4100 East Milham Avenue and at 6300 Sprinkle Road. The company invested \$68 million in these new manufacturing and expanded facilities and are now operational. It is estimated that the company employs 2,790 people locally.

The purpose of the 2003 Amended Development Plan/Tax Increment Finance Plan was to provide for the acquisition, construction and financing of public facilities and other eligible activities (as defined in Act 281) necessary for the planned projects by these two companies.

The acquisition and construction of certain public facilities and land acquisition activities facilitated the construction and development of the projects by these companies and thereby created economic growth and development in the Authority District and other areas of the City of Portage and Kalamazoo County.

PROPOSED PUBLIC IMPROVEMENT / ACTIVITY PROJECTS

PUBLIC IMPROVEMENTS/ACTIVITIES	ESTIMATED COST	ESTIMATED TIME DESIGN & CONSTRUCTION
1. Sprinkle Road widening, East Centre to Zylman	\$1,010,000	12-24 months
2. Sprinkle Road/Zylman and Sprinkle Road/East Milham Access improvements	\$300,000	12-24 months
3. 80 acre land purchase	\$2,400,000	12 months
4. Water and Sewer facilities to serve interior property	\$110,000	12-24 months
5. East Milham-Kalamazoo/Battle Creek International Airport water main improvement	\$1,200,000	12-24 months

PUBLIC IMPROVEMENTS/ACTIVITIES	ESTIMATED COST	ESTIMATED TIME DESIGN & CONSTRUCTION
6. Water main Improvement, Sprinkle, Tiffany to Hayes*	\$880,000	12-24 months
7. Zylman Improvements*	\$1,210,000	Underway, to be complete October 2019
8. Ramona Lane, Lovers to Portage water main improvement*	\$500,000	12-24 months
9. Ramona Lane, Lovers to Portage sanitary sewer improvement*	\$990,000	12-24 months
TOTAL \$8,600,000		

* Projects will be funded through tax increment revenue if available or other sources.

With regard to the proposed projects identified above:

Public Improvement/Activity Project #1: complete
Public Improvement/Activity Project #2: complete
Public Improvement/Activity Project #3: complete
Public Improvement/Activity Project #4: complete
Public Improvement/Activity Project #5: Haverhill water tower improvements substituted
Public Improvement/Activity Project #6: complete
Public Improvement/Activity Project #7: Underway
Public Improvement/Activity Project #8: complete
Public Improvement/Activity Project #9: complete

FINANCIAL INFORMATION

This Annual Financial Report has been prepared pursuant to Section 13(3) of the Local Development Financing Act. The Annual Financial Report is for FY 2017-2018 and contains the information required by the Act.

Section 13(3)a: THE AMOUNT AND SOURCE OF TAX INCREMENTS RECEIVED

Tax increment revenue	\$ 366,083
State shared revenue	247,887
Interest	10,313
Total	\$ 624,283

Section 13(3)(b): THE AMOUNT IN ANY BOND RESERVE ACCOUNT

In the LDFA Debt Service Fund balance there is \$2,167,529

Section 13(3)(c): THE AMOUNT AND PURPOSE OF EXPENDITURES OF TAX INCREMENT REVENUES

Interest and paying agent fees on outstanding principal \$424,679

Section 13(3)(d): THE AMOUNT OF PRINCIPAL AND INTEREST ON ANY OUTSTANDING BONDED INDEBTEDNESS OF AUTHORITY

\$4,936,245 as of June 30, 2018

Section 13(3)(e): THE INITIAL ASSESSED VALUE OF THE ELIGIBLE PROPERTY

The initial value is established at \$21,061,140

Section 13(3)(f): THE CAPTURED ASSESSED VALUE OF THE ELIGIBLE PROPERTY
RETAINED BY THE AUTHORITY

The captured value is established at \$15,687,369 for FY 2017-2018.

Section 13(3)(g): THE NUMBER OF JOBS CREATED AS A RESULT OF THE
IMPLEMENTATION OF THE TAX INCREMENT FINANCING PLAN.

- 225 new jobs; 1600 existing jobs retained.

Section 13(3)(h): ANY ADDITIONAL INFORMATION THE GOVERNING BODY OR THE STATE
TAX COMMISSION CONSIDERS NECESSARY.

Attached find pages excerpted from the FY 2017-2018 comprehensive annual financial report for the City of Portage. This information provides supporting documentation for this financial report.

City of Portage, Michigan
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Debt Service Funds							Permanent Fund	
	General Obligation Debt Fund	Special Assessment Debt Fund	Motor Vehicle Highway Fund	Downtown Development Authority Fund	Building Authority Debt Fund	Local Development Finance Authority Debt	Total Debt Service Funds	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds
Revenues									
Taxes	\$ -	\$ -	\$ -	453,817	\$ -	\$ 366,083	\$ 819,900	\$ -	\$ 3,548,930
Special assessments	-	-	-	-	-	-	-	-	22,959
Licenses and permits	-	-	-	-	-	-	-	-	803,520
Federal grants	-	-	-	-	-	-	-	-	221,665
State-shared revenue	-	-	-	3,337	-	247,887	251,224	-	2,052,976
Charges for services	-	-	-	-	-	-	-	30,600	30,600
Loan principal	-	-	-	-	-	-	-	-	33,471
Interest income	2,815	105,845	247	3,135	571	20,335	132,948	11,171	170,414
Net change in fair value of investments	-	(3,887)	(35)	(1,169)	(306)	(10,022)	(15,419)	(5,295)	(28,890)
Other revenue	-	-	-	-	-	-	-	-	9,600
Total revenues	2,815	101,958	212	459,120	265	624,283	1,188,653	36,476	6,865,245
Expenditures									
Current									
General government	-	-	-	-	-	-	-	-	146,217
Health and welfare	-	-	-	-	-	-	-	-	1,531,392
Recreation and cultural	-	-	-	-	-	-	-	-	891,294
Highways and streets	-	-	-	-	-	-	-	-	1,491,804
Debt service	2,358,341	425,000	940,000	225,000	680,000	295,000	4,923,341	-	4,923,341
Principal retirement	629,313	81,044	105,693	142,587	91,478	129,679	1,179,794	-	1,179,794
Interest and fiscal charges	2,987,654	506,044	1,045,693	367,587	771,478	424,679	6,103,135	-	10,163,802
Total expenditures	(2,984,839)	(404,086)	(1,045,481)	91,533	(771,213)	199,604	(4,914,482)	36,476	(3,298,557)
Excess (deficiency) of revenues over expenditures	3,628,021	331,378	1,045,652	(101,378)	739,000	-	5,744,051	-	6,062,373
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	(6,000)	(1,740,700)
Transfers out	3,628,021	331,378	1,045,652	(101,378)	739,000	-	5,642,673	(6,000)	4,321,673
Total other financing sources and uses	643,182	(72,708)	171	(9,845)	(32,213)	199,604	728,191	30,476	1,023,116
Net change in fund balance	118,053	362,132	5,404	283,411	122,442	1,967,925	2,859,367	1,161,687	5,558,760
Fund balance — beginning of year	761,235	289,424	5,575	273,566	90,229	2,167,529	3,587,558	1,192,163	6,581,876
Fund balance — end of year									

City of Portage, Michigan
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Debt Service Fund									
	General Obligation Debt Fund	Special Assessment Debt Fund	Motor Vehicle Highway Fund	Downtown Development Authority Fund	Building Authority Debt Fund	Local Development Finance Authority Debt	Total Debt Service Funds	Cemetery Perpetual Care Fund	Total Nonmajor Governmental Funds	
Assets										
Pooled cash and investments	\$ 761,235	\$ 289,424	\$ 5,575	\$ 273,566	\$ 90,229	\$ 2,167,529	\$ 1,192,163	\$ 6,654,387		
Receivables	-	-	-	-	-	-	-	-		
Customers	-	-	-	-	-	-	-	1,312,582		
Special assessments	-	1,368,848	-	-	-	-	-	1,368,848		
Due from other units of government	-	-	-	-	-	-	-	270,412		
Prepaid items	-	-	-	-	-	-	-	8,646		
Total assets	\$ 761,235	\$ 1,658,272	\$ 5,575	\$ 273,566	\$ 90,229	\$ 2,167,529	\$ 1,192,163	\$ 9,614,875		
Liabilities										
Checks written against future deposits	-	-	-	-	-	-	-	-	51,153	
Accounts payable	-	-	-	-	-	-	-	-	457,891	
Accrued compensation	-	-	-	-	-	-	-	-	27,569	
Total liabilities	-	-	-	-	-	-	-	-	536,613	
Deferred inflows of resources										
Unavailable revenue	-	1,368,848	-	-	-	-	1,368,848	-	2,496,386	
Fund Balances										
Non-spendable	-	-	-	-	-	-	-	-	8,646	
Prepaid items	-	-	-	-	-	-	-	1,186,163	1,186,163	
Perpetual care	-	-	-	-	-	-	-	-	609,858	
Restricted for	-	-	-	-	-	-	-	-	115,757	
Local streets	-	-	-	-	-	-	-	-	3,458	
Municipal streets	-	-	-	-	-	-	-	-	50,202	
Community development	-	-	-	-	-	-	-	-	3,587,558	
West Lake management	-	-	-	-	-	-	-	-	6,000	
Debt service	761,235	289,424	5,575	273,566	90,229	2,167,529	-	-	-	
Perpetual care	-	-	-	-	-	-	-	6,000	-	
Committed	-	-	-	-	-	-	-	-	-	
Cable television	-	-	-	-	-	-	-	-	551,074	
Curbside recycling	-	-	-	-	-	-	-	-	191,020	
Leaf pickup/spring cleanup	-	-	-	-	-	-	-	-	272,140	
Total fund balances	761,235	289,424	5,575	273,566	90,229	2,167,529	1,192,163	6,581,876		
Total liabilities, deferred inflows of resources, and fund balances	\$ 761,235	\$ 1,658,272	\$ 5,575	\$ 273,566	\$ 90,229	\$ 2,167,529	\$ 1,192,163	\$ 9,614,875		