

CITY COUNCIL: 05/27/20
TIFA: 06/24/20

**TO: MAYOR AND CITY COUNCIL MEMBERS
CHAIRMAN AND AUTHORITY MEMBERS**

FROM: J. MOORE

DATE: MAY 18, 2020

SUBJECT: REVIEW AND APPROVAL OF PROPOSED TIFA BUDGET FY2020-2021

Provided below is the current financial status of TIFA and information explaining the proposed FY2020-2021 TIFA budget. In accordance with Public Act 450 of 1980 this budget will first be presented to the City Council for their approval and then submitted to the TIFA for their adoption. TIFA revenues have been adjusted in recent years with a tax base sharing agreement between the City and TIFA to reduce the TIFA capture by:

\$186,308 in FY2012/13 (34%)
\$153,340 in FY2013/14 (34%)
\$149,209 in FY2014/15 (34%)
\$153,866 in FY2015/16 (34%)
\$109,975 in FY2016/17 (24%)
\$100,115 in FY2017/18 (20%)
\$ 98,442 in FY2018/19 (18%)
\$ 84,861 in FY2019/20 (15%)
\$ 86,767 in FY2020/21 (15%)

The City received an opinion from Miller Canfield that allows this tax base sharing agreement with the City. A new agreement will need to be adopted along with the budget. For FY2020/21 the proposed budget keeps the cost sharing agreement at 15% for one more year.

Below is an overview of the TIFA Fund

The starting fund balance for FY2019/20 was:	\$ 484,227
Total Estimated Revenues:	\$ 706,631
Total expenditures to date:	\$ 398,004
Remaining Budgeted Expenditures FY19/20	<u>\$ 270,046</u>
End of Fiscal Year Fund Balance June 30, 2020	\$ 522,808

Beginning Fund Balance July 1, 2020	\$ 522,808
Anticipated revenues FY20/21	<u>717,288</u>
Total Funds available FY20/21	1,240,096

Anticipated Expenditures FY20/21

Administration	237,360
Public Works	64,500
Water System Expense (Depreciation)	95,000

Capital Improvements

Facade Program	75,000
Streetscape Improvements	110,000
<u>Other Improvements</u>	<u>160,000</u>
Total	345,000

Debt Service 0

Transfer Out - Street Improvements 130,000

Total Expenditures 871,860

Estimated fund balance as of June 30, 2021 \$368,236

This leaves TIFA with \$368,236 in funds that TIFA is required to dedicate toward future projects. In the past we have dedicated the funds toward future streetscape improvements and parking improvements. TIFA has also discussed being willing to participate in the purchase of a leaf vacuum, should City Council determine to go in that direction.

Motion by _____, seconded by _____, to approve the FY2020/2021 TIFA Budget.

Attachments:

- 1) **Budget Narrative/Budget Worksheets** - This gives explanations for line items in the budget worksheets
- 2) **Personnel Worksheet** – This is the breakdown on the Director’s salary.
- 3) **Capital Improvement Sheets**

1) BUDGET NARRATIVE: FUND: 251 TAX INCREMENT FINANCE AUTH FD

REVENUES

DEPT: 001 REVENUES

402.000 TAX COLLECTION	\$714,288
The revenues are higher than last year's budget due to an increase in property values. This line item also includes administration's recommendation that TIFA and the City continue the tax base sharing agreement that will limit the TIFA capture by \$86,767. This is a continuation of the tax base sharing agreement at 15%.	
510.000 COMM DEVELOPMENT BLOCK GRAND FUND	\$0
510.100 GRANT REVENUE	\$0
665.000 INTEREST ON INVESTMENTS	\$1,000
This number is slightly higher than last year due to the TIFA fund balance coming back a little bit.	
670.000 MISCELLANEOUS REVENUES.....	\$2,000
699.999 UNRESERVED FUND BALANCE	\$522,808
REVENUES.....	\$1,240,096

EXPENDITURES

DEPT: 200 ADMINISTRATION

702.000 SALARY & WAGES	\$49,485
This line item includes a funding to cover a percentage of employee salaries that work in the TIFA Fund: City Clerk (10%), City Planner (15%) and City Treasurer (10%). In addition to a set amount, currently 25% of the City Manager's salary is charged to TIFA for his work as TIFA Director.	
707.000 OVERTIME WAGES.....	\$500
If the clerk is unable to take minutes, the wages paid to administrative staff are charged to this line item.	
712.000 EMPLOYEE BENEFITS.....	\$15,450
This is an amount equal to the percentage of benefits for those staff members that work within the TIFA Fund.	
715.000 BC/BS DEDUCTIBLE	\$1,425
This is an amount equal to the percentage of benefits for those staff members that work within the	

TIFA Fund for their Blue Cross/Blue Shield Deductible.

808.000 AUDIT SERVICES\$7,000

These are funds to pay for the yearly audit. The auditors check TIFA's books at the same time they check the City's.

818.000 CONTRACTUAL SERVICES\$8,000

Due to its use as a promotional tool for the City and District, TIFA pays the majority of the website hosting/maintenance fee from CivicPlus (\$3,823) plus the tech-cloud storage (\$500). This line item also covers TIFA's portion of the Server, City Manager and City Planners computer maintenance through Hi-Tech.

826.000 LEGAL FEES\$1,000

As we do capital improvement projects, like the streetscape and property acquisition we will use the attorneys more often. This line item also helps cover legal fees associated with tax tribunals within the TIFA District.

864.000 CONFERENCES & WORKSHOPS\$1,000

This amount was increased to cover training regarding economic development and planning that would benefit boards that work in this area. It will also cover any conferences or workshops that the TIFA Director or City Planner attend relating to economic development.

873.000 TRAVEL EXPENSE\$2,000

This number includes TIFA's percentage of the City Manager's car allowance (\$1,350) and mileage for any Economic Development training or meetings that the City Planner Attends.

880.000 COMMUNITY PROMOTION\$25,000

This includes funds to allow TIFA to work cooperatively with the EDC to promote the community. It also includes funds to help market community events and sales that bring people to the TIFA District. Although each year the cost fluctuates for each event, below are estimates for the events that TIFA normally helps to fund. TIFA requested a more detailed breakout. Below are the events that we normally contribute to during a calendar year.

- Chili Cook Off/Good Old Winter Days - (\$400) for Chili Cook Off Supplies, (\$320) for date change on banner and (\$3,750) for ice carvings
- Easter Egg Hunt - (\$850) eggs, candy and sometimes signage
- Rummage & Relic/Community Garage Sale - (\$250) bathroom and brochures/maps showing weekend events and sales.
- RAGODF - (\$350) two additional golf carts for the Police
- RACC Scarecrows - (\$500) straw bales
- Halloween - (\$500) candy, decorations and supplies
- Community Tree Lighting/Santa Parade – (\$750) hall rental, (\$1,600) santa, food, cut outs and decorations. As this event grows, this number may vary.
- Christmas Cash – (\$1,500) posters, ticket boxes, tickets and the actual cash.

The community promotions line item also includes \$4,000 for Richmond's ads in the Blue Water Vacationland Magazine and one issue of the Macomb Momentum Magazine.

900.000 PRINTING & PUBLISHING\$0
Printing of various community brochures. As the EDC and TIFA develop programs and events to bring people into the downtown, this line item will pay for advertising.

920.000 UTILITIES\$60,000
The TIFA Fund covers the lighting costs of the ornamental street lights that have been installed from Howard Street north to Park Street. The ornamental lights were installed by TIFA to provide an aesthetic improvement in our downtown districts. These lights are closer together and at a higher rate than the average street lights normally installed by the City. This line item will also cover 5% of City Hall utilities.

945.000 ADMINISTRATION FEES\$9,000
This money goes to the City to cover work done by the administration not covered by TIFA directly. The Assessor and front office staff spend time on TIFA.

956.000 MISCELLANEOUS\$500
Funds to provide for office supplies, postage and other miscellaneous items used by TIFA.

958.000 MEMBERSHIPS & DUES\$7,000
Membership in the Michigan Downtown and Finance Association. This association keeps organizations using tax increment financing updated on legislation affecting this process. They also deal with TIFA's and DDA's as they relate to issues facing downtowns. The \$5,000 fee to belong to the Macomb Orchard Trail is charged to this line item.

977.000 EQUIPMENT ACQUISITION\$50,000
These funds will purchase new Christmas decorations (\$28,000), as this year we complete the transition from the decorations purchased circa 2000 from Wayne Manufacturing to the decorations from Display Sales that we began purchasing several years ago.

The remaining funds (\$22,000) would be used to research and purchase across the road lighting similar to what is used in Downtown Port Huron. These lights enhance the atmosphere of the downtown areas, plus the style is reminiscent of some of the old photographs showing streetlights strung across Main Street on cables at the intersections. The lights would only be possible at points where the height of buildings would accommodate them.

ADMINISTRATION\$237,360

DEPT: 548 WATER SYSTEM EXPENSE

968.000 DEPRECIATION EXPENSE\$95,000
Beginning for fiscal years ended in 2001, the Governmental Accounting Standards Board (GASB 34) required that certain capital improvement projects funded fully or in part by TIFA have to be capitalized in the TIFA Fund. This is done by capitalizing a portion of the expense as an asset on

the revenue side, and then over time charging a portion of this “capitalized amount” back on the expense side. Although it has been happening behind the scenes since then, administration left it in the budget this year for a couple of reasons. First, by showing it in the budget we provide TIFA and Council with a more accurate picture of the finances. Second, due to TIFA reporting requirements under PA 57. By keeping the depreciation in the budget it will more closely match the audited financial statements that are sent to the State.

The large items that have been capitalized in the past in the TIFA fund that now cause the budgeted \$95,000 in depreciation expense this year are the renovation project to the City Hall/Police Post building, the Community Center, Streetscape improvements and any large expense that is capitalized, for example Christmas Decorations. Below is an explanation of why capital assets are handled this way.

Capital assets, which include property, equipment, and infrastructure assets (i.e., roads, sidewalks, and similar items), are reported in the financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Capital assets are depreciated using the straight-line method over the following useful lives: buildings and improvements 5 - 50 years; vehicles and equipment 5 - 40 years; utility systems 50 years; infrastructure - Roads 25 years.

TRANSFER OUT\$95,000

DEPT: 442 DEPARTMENT OF PUBLIC WORKS

702.000 SALARY & WAGES\$20,000
 Funds budgeted for DPW wages on TIFA projects and programs. This line item also includes personnel costs associated with hanging seasonal banners, staffing events such as the Community Tree Lighting and watering the Streetscape flowers.

707 .000 OVERTIME WAGES.....\$5,000
 Same as above.

712.000 EMPLOYEE BENEFITS\$9,500
 Benefits on the salaries.

757.000 OPERATING SUPPLIES\$5,000
 Funds budgeted to purchase supplies needed by DPW to maintain items on the streetscape, banners and Christmas decorations.

818.000 CONTRACTUAL SERVICES\$10,000
 Money to pay for maintenance services on the Trailhead Park and Pocket Park.

940.000 EQUIPMENT RENTAL.....\$15,000
Funds to pay for Equipment Rental on TIFA projects/work.

DEPARTMENT OF PUBLIC WORKS\$64,500

DEPT: 900 CAPITAL IMPROVEMENTS

818.003 CONTRACTUAL – CITY HALL.....\$0

818.005 CONTRACTUAL – INDUSTRIAL DRIVE.....\$0

818.006 CONTRACTUAL - BEEBE PARK IMPROVEMENTS.....\$0

818.011 CONTRACTUAL - FACADE PROGRAM.....\$75,000
This includes the following funding levels for FY2020/2021: one (1) Downtown Revitalization Program project of up to \$15,000.00; six (7) Project Clean-Up Applications of up to \$6,000.00; nine (9) Project Clean-Up Applications of up to \$2,000.00. Additionally, all approved projects must be completed by June 30, 2021.

818.012 CONTRACTUAL - STREETSCAPE IMPROVEMENTS.....\$110,000
As a result of the joint meeting between the City Council and TIFA to finalize the TIFA Plan, both boards directed administration to focus on the parking areas in the north business district. The City Manager, Public Service Director and City Engineer walked the parking areas behind the businesses. Based on a scope of work included with this budget, there is \$75,000 included to fund engineering on three major parking areas in the north business district. Depending on utility involvement these costs could go down. This leaves (\$35,000) for any additional Streetscape projects, such as any traffic calming measures we can determine would be helpful. Examples could be installing crosswalk signs in the bump outs and potentially the crosswalk signs that go in the road. We also need to purchase the slats to complete the pedestrian oriented non-profit signs recently installed.

818.013 OTHER PROJECTS.....\$160,000
This line item incorporates \$86,000 for the upgrade of the Main/Division traffic signal to a “mast arm” design. MDOT continues to work towards completing this project. It includes (\$750) for the CHPD Storage Barn roof, (\$24,000) for clock restoration work on the Town Clock, and (\$16,650) for the DPW Barn utility work this year.

CAPITAL IMPROVEMENTS\$345,000

DEPT: 965 TRANSFER OUT

999.202 TRANSFER OUT – MAJOR STREET.....\$0

999.405 TRANSFER OUT - STREET IMPROVEMENT FUND\$130,000

The Street Improvement Fund was originally funded by a set-aside equal to 2 mills of the general operating tax levy to provide a perpetual street improvement program. In recent years as the General Fund budget had less resources to put towards the Street Improvement Fund, TIFA has assisted in covering the contribution into the Street Improvement Fund. This year the amount of TIFA's contribution is \$130,000.

999.508 TRANSFER OUT - RECREATION FUND\$0

999.591 TRANSFER OUT - WATER FUND\$0

TRANSFER OUT\$130,000

TOTAL EXPENDITURES\$871,860

TIFA FUND BALANCE (JUNE 30, 2018)\$368,236

BUDGET REPORT FOR CITY OF RICHMOND
 Fund: 251 TAX INCREMENT FINANCE AUTH FD

GL NUMBER	DESCRIPTION	2018-19 ACTIVITY	2019-20 AMENDED BUDGET	2019-20 PROJECTED ACTIVITY	2020-21 REQUESTED BUDGET	2020-21 RECOMMENDED BUDGET	2020-21 APPROVED BUDGET
Dept 001 - REVENUES							
251-001-402.000	TAX COLLECTION	660,027	688,658	700,515	731,614	714,288	714,337
251-001-665.000	INTEREST ON INVESTMENTS	1,160	800	1,200	1,000	1,000	1,000
251-001-670.000	MISCELLANEOUS REVENUES	5,755		4,916	2,000	2,000	2,000
251-001-699.999	UNRESERVED FUND BALANCE		400,199	484,227	522,808	522,808	522,808
	NET OF REVENUES/APPROPRIATIONS - 001 - REVENUES	666,942	1,089,657	1,190,858	1,257,422	1,240,096	1,240,145
Dept 200 - ADMINISTRATION							
251-200-702.000	SALARY & WAGES	41,238	47,925	41,900	49,485	49,485	50,481
251-200-707.000	OVERTIME WAGES	275	200	500	500	500	500
251-200-712.000	EMPLOYEE BENEFITS	9,839	12,451	11,000	15,450	15,450	15,533
251-200-715.000	BC\BS DEDUCTIBLE		1,066	500	1,425	1,425	1,425
251-200-808.000	AUDIT SERVICES	5,691	7,000	7,000	7,000	7,000	7,000
251-200-810.000	BANK SERVICE CHARGES		1,000				
251-200-818.000	CONTRACTUAL SERVICES	6,474	2,000	7,000	8,000	8,000	8,000
251-200-826.000	LEGAL FEES		1,000		1,000	1,000	1,000
251-200-864.000	CONFERENCE & WORKSHOPS	167	1,000	750	1,000	1,000	1,000
251-200-873.000	TRAVEL EXPENSE	1,494	2,000	2,000	2,000	2,000	2,000
251-200-880.000	COMMUNITY PROMOTION	11,820	16,000	16,000	25,000	25,000	25,000
251-200-900.000	PRINTING & PUBLISHING	11	1,000				
251-200-920.000	UTILITIES	47,462	58,865	55,600	60,000	60,000	60,000
251-200-945.000	ADMINISTRATION FEES	9,000	9,000	9,000	9,000	9,000	9,000
251-200-956.000	MISCELLANEOUS	26	2,000	500	500	500	500
251-200-958.000	MEMBERSHIP & DUES	6,265	6,300	6,500	7,000	7,000	7,000
251-200-977.000	EQUIPMENT ACQUISITION	53,896	45,000	45,000	50,000	50,000	50,000
	NET OF REVENUES/APPROPRIATIONS - 200 - ADMINISTRATION	(193,658)	(213,807)	(203,250)	(237,360)	(237,360)	(238,439)
Dept 442 - DEPARTMENT OF PUBLIC WORKS							
251-442-702.000	SALARY & WAGES	13,639	18,000	17,900	20,000	20,000	20,000
251-442-707.000	OVERTIME WAGES	1,814	4,000	2,500	5,000	5,000	5,000
251-442-712.000	EMPLOYEE BENEFITS	6,484	9,000	8,900	9,500	9,500	9,500
251-442-757.000	OPERATING SUPPLIES	3,936	5,000	4,500	5,000	5,000	5,000
251-442-818.000	CONTRACTUAL SERVICES	8,423	10,000	9,000	10,000	10,000	10,000
251-442-940.000	EQUIPMENT RENTAL	8,831	8,000	12,000	15,000	15,000	15,000
	NET OF REVENUES/APPROPRIATIONS - 442 - DEPARTMENT OF	(43,127)	(54,800)	(54,800)	(64,500)	(64,500)	(64,500)
Dept 548 - WATER SYSTEM EXPENSE							
251-548-968.000	DEPRECIATION EXPENSE	88,061		90,000	95,000	95,000	95,000
	NET OF REVENUES/APPROPRIATIONS - 548 - WATER SYSTEM E	(88,061)		(90,000)	(95,000)	(95,000)	(95,000)
Dept 900 - CAPITAL IMPROVEMENTS							
251-900-818.011	CONTRACTUAL-FACADE PROGRAM	27,426	75,000	65,000	75,000	75,000	75,000
251-900-818.012	CONTRACTUAL-STREETScape IMP	20,401	80,000	95,000	110,000	110,000	110,000
251-900-818.013	OTHER PROJECTS	8,359	100,000	30,000	160,000	160,000	160,000
	NET OF REVENUES/APPROPRIATIONS - 900 - CAPITAL IMPROV	(56,186)	(255,000)	(190,000)	(345,000)	(345,000)	(345,000)
Dept 965 - TRANSFER OUT							
251-965-999.405	Transfer Out: Street Improvem	140,000	130,000	130,000	130,000	130,000	130,000
	NET OF REVENUES/APPROPRIATIONS - 965 - TRANSFER OUT	(140,000)	(130,000)	(130,000)	(130,000)	(130,000)	(130,000)
	ESTIMATED REVENUES - FUND 251	666,942	1,089,657	1,190,858	1,257,422	1,240,096	1,240,145
	APPROPRIATIONS - FUND 251	(521,032)	(652,807)	(668,050)	(871,860)	(871,860)	(871,860)
	NET OF REVENUES/APPROPRIATIONS - FUND 251	145,910	436,850	522,808	385,562	368,236	367,206

BUDGET REPORT FOR CITY OF RICHMOND
 Fund: 274 HOUSING & URBAN DEVELOPMENT FD

GL NUMBER	DESCRIPTION	2018-19 ACTIVITY	2019-20 AMENDED BUDGET	2019-20 PROJECTED ACTIVITY	2020-21 REQUESTED BUDGET	2020-21 RECOMMENDED BUDGET	2020-21 APPROVED BUDGET
Dept 001 - REVENUES							
274-001-510.000	COMM DEVELOP BLOCK GRANT FUND		14,601	14,601	9,363	9,363	9,363
	NET OF REVENUES/APPROPRIATIONS - 001 - REVENUES		14,601	14,601	9,363	9,363	9,363
Dept 462 - CAPITAL IMPROVEMENTS							
274-462-818.000	CONTRACTUAL SERVICES		14,601	14,601	6,764	6,764	6,764
	NET OF REVENUES/APPROPRIATIONS - 462 - CAPITAL IMPROV		(14,601)	(14,601)	(6,764)	(6,764)	(6,764)
Dept 965 - TRANSFER OUT							
274-965-999.508	TRANSFER OUT - RECREATION FUND				2,599	2,599	2,599
	NET OF REVENUES/APPROPRIATIONS - 965 - TRANSFER OUT				(2,599)	(2,599)	(2,599)
ESTIMATED REVENUES - FUND 274			14,601	14,601	9,363	9,363	9,363
APPROPRIATIONS - FUND 274			14,601	14,601	9,363	9,363	9,363
NET OF REVENUES/APPROPRIATIONS - FUND 274							

**TAX INCREMENT FINANCE AUTHORITY
CITY OF RICHMOND
COUNTY OF MACOMB**

RESOLUTION NO. 2020-1

WHEREAS, the Tax Increment Finance Authority was established in the City of Richmond in 1984 to halt a decline in property values, increase property tax evaluation, eliminate the causes of the decline in property values and to promote growth within the Tax Increment Finance District; and;

WHEREAS, the Tax Increment Finance Authority Development Plan, Adopted in 2019, endorses infrastructure improvements; and

WHEREAS, the Tax Increment Finance Authority of Richmond has adopted the Fiscal Year 2020/2021 Budget with revenues remaining of \$368,236; and

WHEREAS, the Tax Increment Finance Authority Development Plan for the District has projects remaining that further the development program; and

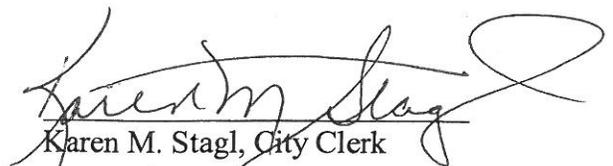
WHEREAS, Public Act 450 of 1980, Section 14 (2) requires a resolution of the Tax Increment Finance Authority in order to retain the remaining funds.

NOW, THEREFORE, BE IT RESOLVED, that the Tax Increment Finance Authority of the City of Richmond hereby dedicates:

- \$368,236 in FY2021/2022 to re-develop the parking lots on the north end based on the engineering done in FY2020/2021.

THIS RESOLUTION WAS DULY ADOPTED BY THE TAX INCREMENT FINANCE AUTHORITY OF RICHMOND DURING ITS REGULAR MEETING HELD ON JUNE 24, 2020.


Bill Ruff, Chairperson


Karen M. Stagl, City Clerk

**CAPTURED ASSESSED VALUE SHARING AGREEMENT
BETWEEN
THE CITY OF RICHMOND TAX INCREMENT FINANCE AUTHORITY
AND THE CITY OF RICHMOND**

THIS AGREEMENT is made by and between **THE CITY OF RICHMOND TAX INCREMENT FINANCE AUTHORITY**, an authority created by the City of Richmond in accordance with Act 450, Public Acts of Michigan, 1980, as amended (the “TIFA”), and **THE CITY OF RICHMOND**, a Michigan municipal corporation (the “City”).

WHEREAS, the TIFA was created by the City under the authority of Act 450, Public Acts of Michigan, 1975, as amended (“Act 450”); and

WHEREAS, pursuant to Act 450, the TIFA has previously prepared and the City has approved by ordinance a [Tax Increment Financing Plan and a development plan], as amended by the TIFA and the City (the “Plan”) to prevent deterioration and encourage growth within the area in which the TIFA exercises its powers (the “District”); and

WHEREAS, pursuant to the Plan, the TIFA has used and continues to use tax increment revenues, as defined in Act 450 (the “Tax Increment Revenues”) to provide for the acquisition, construction and financing of certain public improvements in the development area described in the Plan (the “Development Area”), in order to promote growth within the District for the benefit of the residents of the City and all taxing units levying taxes within the Development Area; and

WHEREAS, Section 13(3) of Act 450 permits the TIFA to enter into agreements with the taxing jurisdictions in the Development Area to share a portion of the captured assessed value of the District (the “Captured Assessed Value”); and

WHEREAS, it is the desire of both the TIFA and the City to enter into an agreement to share a portion of the Captured Assessed Value pursuant to Section 13(3) of Act 450, so that some of the Tax Increment Revenues otherwise captured by the TIFA will be shared with the City.

NOW, THEREFORE, in consideration of the mutual covenants and promises of the parties, the parties agree hereto as follows:

**ARTICLE 1
SHARING OF CAPTURED ASSESSED VALUE**

1.1 Agreement to Share Captured Assessed Value. Subject to the terms and conditions of this Agreement, the TIFA hereby agrees to share annually with the City Captured Assessed Value in an amount which, for Fiscal Year 2020-2021 produces a reduction in the TIFA’s Tax Increment Revenues equal to 15% of the TIFA’s capture of taxes attributable to the

City. Such sharing may be extended by agreement of the TIFA and the City, but not later than upon the expiration of the Plan.

1.2 Use of Tax Increment Revenues Remaining. Tax Increment Revenues that remain after sharing pursuant to Section 1.1 shall be retained by the TIFA and used for the purposes set forth in the Plan, pursuant to Act 450.

1.3 Agreement Shall Not Impair Payment of Existing Obligations. The parties agree that nothing contained in this Agreement shall prevent or impair the TIFA from fulfilling its primary obligation to meet payment requirements on any existing or future debt service on any outstanding obligation or liability of the TIFA, or other obligations issued by the City on behalf of the TIFA, payable from tax increment revenues, including maintenance of any debt service reserve funds.

1.4 Direction to City Treasurer. The parties agree that the consequence of sharing the Captured Assessed Value pursuant to this Agreement is to diminish the TIFA's tax base and increase the City's tax base, resulting in a decrease in Tax Increment Revenues collected by the TIFA and an increase in ad valorem taxes collected by the City, and the Treasurer shall do all things necessary or appropriate to assure that the taxes, as collected, are distributed to the TIFA and the City to reflect the change in tax base.

ARTICLE 2 MISCELLANEOUS

2.1 Entire Agreement. This Agreement shall constitute the entire agreement between the parties hereto; all prior agreements between the parties, whether written or oral, are merged herein and shall be of no force or effect.

2.2 Governing Law. Each and every term, provision and condition of this Agreement shall be governed and construed in all respects, whether as to matters of validity, capacity, performance or otherwise, in accordance with the laws of the State of Michigan.

2.3 Severability. Each term, condition and provision of this Agreement is severable and if any term, condition or provision shall be determined to be illegal, invalid and/or unenforceable for any reason whatsoever, this Agreement shall thereafter be read, construed, and enforced as though such illegal, invalid and/or enforceable term, condition or provision were not included herein.

2.4 Captions. All captions or headings preceding the text of separate paragraphs of this Agreement are solely for reference purposes and shall not affect the meaning, construction, interpretation or effect of the text.

2.5 Notices. All notices required to be given pursuant to this Agreement or otherwise desired to be delivered by one party to another, shall be effective only if the same shall be in writing and shall be either personally served or sent by facsimile, United States mail or air

courier service with postage prepaid, to such party at its address set forth herein to the attention of the person whose title is set forth below. Any such notice given by mail or air courier shall be deemed defective upon two days following the date the same shall have been deposited in the US mail or other air courier service.

If to the TIFA:

City of Richmond Tax Increment Finance Authority
Attn: Director
36725 Division Road
P.O. Box 457
Richmond, Michigan 48062

Telephone: (586) 727-7571
Facsimile: (586) 727-2489

If to the City:

City of Richmond
Attn: City Council
36725 Division Road
P.O. Box 457
Richmond, Michigan 48062

Telephone: (586) 727-7571
Facsimile: (586) 727-2489

2.6 Counterparts. This Agreement may be signed in any number of counterparts.

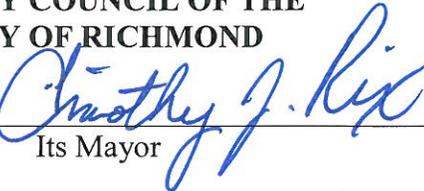
IN WITNESS WHEREOF, each of the parties hereto have executed this Agreement as of the day and year set forth immediately beneath their respective signatures.

**CITY OF RICHMOND
TAX INCREMENT FINANCE
AUTHORITY**

By 
Its Director

Date of execution: 6-24-2020

**CITY COUNCIL OF THE
CITY OF RICHMOND**

By 
Its Mayor

Date of execution: 6-15-2020

Receipt acknowledged by City Treasurer

CITY OF RICHMOND

By 
Its City Treasurer

Date: 7/8/20

21,117,904.1\074745-00016

CITY OF RICHMOND CAPITAL IMPROVEMENT PLAN

	Proposed FY 2020/21	Projected FY 2021/22	Projected FY 2022/23	Projected FY 2023/24	Projected FY 2024/25	Projected FY 2025/26
CABLE TELEVISION						
LED Panel Light Kit/Fersnel Lights	1,700					
BUILDING AND GROUNDS-CHPD						
Computer Upgrades - City Hall	12,000					
Wellness Room Upgrades	6,000					
City Hall - Parking Lot Replacement (85%C, 5%W, 5%S, 5%T)			225,000			
City Hall - Storage Bldg - Roof Replmnt (85%C, 5%W, 5%S, 5%T)	15,000					
BUILDING DEPARTMENT						
Large Format (40") Scanner		5,000				
POLICE DEPARTMENT						
Police Vehicles	54,000	54,000		55,000	56,000	57,000
Golf Cart	9,500					
GENERAL FUND CAPITAL PROJECTS						
Tree Planting program	3,000	3,000	3,000			3,000
DPW - Barn Extension (30%C, 11%M, 11%L, 30%W, 13%S, 5%T)	50,000	580,000				
DPW - Trench Drain Replacements		4,000				
WATER FUND						
Main Street Water Main Replacement			914,000			
Grove Street Infrastructure Improvements				268,000		
Forest & Park Infrastructure Improvements					115,000	
Stone Street Infrastructure Improvements						370,000
City Offices - Parking Lot Replacmnt (65%C, 15%W, 15%S, 5%T)			33,750			
City Offices - Storage Bldg - Roof Repl (65%C, 15%W, 15%S, 5%T)	2,250					
DPW - Barn Extension (33%C, 8.25%M, 8.25%L, 8.25%W, 8.25%S, 33%T)		52,500				
Master Plan Updates			6,000			
Well #4 enclosure			12,000			
Well #14 driveway & Fence upgrades	30,000					
Well #10 Permanent Generator			42,000			
GPS Upgrades	2,000					
GPS Data Plan	600	600	600	600	600	600
Vactor Replacement	25,000	10,000				
Well #14 maintenance						
Well #10 maintenance			35,000			
Well #9 maintenance	35,000					
Replace Water Lab Incubator		2,100				
Meter Reading Hardware & Software	12,000					
Water Tower Maintenance Agreement	22,357	22,357	22,357	22,357	22,357	22,357
Spot Patching	8,000	8,000	8,000	8,000	8,000	8,000
MAJOR STREET FUND						
DPW - Barn Extension (33%C, 8.25%M, 8.25%L, 8.25%W, 8.25%S, 33%T)		52,500				
Ridge Street Overlay - Entire Length	43,000					
Vactor Replacement	25,000					
Howard St Overlay - Main to Division	142,000					
Spot Patching	5,000	5,000	5,000	5,000	5,000	5,000
Crack Sealing	3,000	15,000		15,000		15,000
Traffic Services - Pavement Markings	2,000	4,000	2,000	4,000	2,000	4,000
LOCAL STREET FUND						
DPW - Barn Extension (33%C, 8.25%M, 8.25%L, 8.25%W, 8.25%S, 33%T)		52,500				
Vactor Replacement	25,000					
Seymour Street Pulverize & Overlay	200,000					
Burke Drive Reconstruction		220,000				
Diane Lane Reconstruction			179,000			
Grove Street Infrastructure Improvements				466,200		
Park & Forest Street Infrastructure Improvements					160,000	
Stone Street Infrastructure Improvements						494,000
Spot Patching	5,000	5,000	5,000	5,000	5,000	5,000
Crack Sealing	3,000	15,000		15,000		15,000
Traffic Services - Pavement Markings	2,000	2,000	2,000	2,000	2,000	2,000
SIDEWALK IMPROVEMENT FUND						
Richwood Lane - SWIP Program	\$135,000					
FIRE FUND						
Turnout Gear		10,000	10,000	12,000	12,000	12,000
Replace Bullard Fire Helmets	12,000					
SCBAs Flow Test	8,000					
Ice Rescue Equip	1,000	1,250	1,250	1,250	1,250	1,250
Replace Hose	2,500	2,500	2,500	2,500	2,500	2,500
New SCBAs	1,000	1,500	1,500	1,500	1,500	1,500
Rope & Rescue Certifications	21,500	12,000	12,000	12,000	12,000	12,000
I-Pad Chief Laptop	2,500	2,500	2,500	2,000		
Thermal Image Camera		2,000		2,000		
Ladder Testing		9,000		9,000		
Hose Testing	1,500	1,500	1,500	1,500	1,500	1,500
Vehicle/Eqpt. Maintenance & Pump Test	2,750	3,000	3,000	3,250	3,250	3,250
New Fire Software System	6,000	6,000	6,000	6,500	6,500	6,500
Radio Equipment User Fees	4,500	4,500	4,500	4,500	4,500	4,500
Radio Equipment New Charger	5,200	5,400	5,400	5,600	6,000	6,000
Department New Hires	3,500					
Misc Training Re-Certs County	2,750	3,000	3,000	3,000	3,000	3,000
Replace Bay Doors	2,000	2,000	2,000	2,000	2,250	2,250
Replace Chief's Office Floor			7,500			
Refurb/Replace Tanker	2,500		275,000	275,000		

CITY OF RICHMOND CAPITAL IMPROVEMENT PLAN

	Proposed FY 2020/21	Projected FY 2021/22	Projected FY 2022/23	Projected FY 2023/24	Projected FY 2024/25	Projected FY 2025/26
CEMETERY FUND						
WWTP EQUIPMENT REPLACEMENT FUND						
Return Activated Sludge Screw Pumps	150,000					
Grit Classifier & Cyclone Separator	100,000					
Final Clarifier Effluent Weirs		50,000				
Raw Sewage Screw Pumps		350,000				
Boiler Damper Repairs				10,000		
Sludge Screw Press						300,000
Air Compressor			15,000			
BOD Incubator		3,000				
Analytical Balance	3,000					
MCC Clarifier & Ditches	75,000					
DPW VEHICLE & EQUIPMENT REPLACEMENT FUND						
Leaf Vacuum Trailer		125,000				
Pickup GMC 2500 4x4, standard box				30,000		
Replace dump box on 1 Ton Dump (2004 Ford #9)	14,000					
Equip. Purchase - Backhoe						100,000
Wood Chipper & Box	35,000					
Gator Snow Blade		2,000				
RECREATION FUND						
Basketball Courts - Crack Sealing	2,500					
Basketball Courts - Divider Fence Repair	3,000					
Derby Pit Barn - Approach	11,500					
Lounge Chairs for Pool	3,500				12,500	83,000
HVAC Replacement Community Center						
New Flooring Community Center		16,000				150,000
SANITARY SEWER FUND						
Spot Patching	2,500	2,500	2,500	2,500	2,500	2,500
City Offices - Parking Lot Replacement (65%C, 15%W, 15%S, 5%T)			33,750			
City Offices - Storage Building - Roof Replacement (65%C, 15%W, 15%S, 5%T)	2,250					
DPW - Barn Extension (33%C, 8.25%M, 8.25%L, 8.25%W, 8.25%S, 33%T)		52,500				
Master Plan Updates			6,000			
S-41 Sewer - Water to Monroe		100,000				
GPS Upgrades	2,000					
Vactor Replacement	340,000					
Lift Station Radio Upgrades	10,000		10,000			
LOIS WAGNER MEMORIAL LIBRARY						
Staff & Public Computer Replacement	2,000	2,000	2,000	2,000	2,000	2,000
Library Re-Design		269,000				
Library Façade Repairs	2,000					
TAX INCREMENT FINANCE AUTHORITY						
Town Clock Rehabilitation	20,000					
Alley Paving		250,000				
Main & Division Signal Upgrade (Mast Arm Design)	86,000					
DPW, Library, and Recreation Phone System Replacement		60,000				
Streetscape Improvements	110,000	100,000	80,000			
Façade Improvement Programs	75,000	75,000	75,000	75,000	75,000	75,000
Splash Pad			250,000			
TOTALS	2,002,357	2,398,207	1,894,607	1,251,757	447,707	1,691,207

FUNDING SOURCES

General Fund	100,200	61,000	227,000	57,000	58,000	59,000
Major Street Fund	220,000	76,500	7,000	24,000	7,000	24,000
Local Street Fund	235,000	294,500	186,000	488,200	167,000	516,000
Fire Fund	48,500	38,250	27,250	40,250	29,250	29,250
HUD Fund	135,000	0	0	0	0	0
Recreation Fund	20,500	16,000	0	0	12,500	233,000
Sanitary Sewer Fund	356,750	155,000	52,250	2,500	2,500	2,500
Water Fund	137,207	95,557	1,073,707	298,957	145,957	400,957
Cemetery Fund	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!
WWTP Equipment Replacement Fund	328,000	403,000	15,000	10,000	0	300,000
DPW Vehicle & Equipment Replacement Fund	49,000	127,000	0	30,000	0	100,000
TIFA Fund	271,000	235,000	155,000	75,000	75,000	75,000
Grants - Federal						
Grants - State						
Grants - Other						
TOTALS	#REF!	#REF!	#REF!	#REF!	#REF!	#REF!

Note: Cells highlighted in yellow are items subject to Planning Commission review and approval.