

# Memo

**To:** Kurt Heise, Chairman  
Mark J. Abbo, Vice-Chairman  
Redevelopment Authority Board Members

**From:** Wendy Hillman, Northville Finance Director

**Subject:** 2025 Budget - MITC

**Date:** October 21, 2024

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The purpose of this memorandum is to provide an overview of the 2025 Budget for the Michigan International Technology Center.

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## *Budget Highlights*

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### **Tax Increment Revenue**

Fund balance for MITC increases with the collection of tax increment revenue. Tax increment revenue is anticipated to increase in 2025 for the following reasons:

1. Parcel 13 5/50 "rule" has ended. This allows MITC to capture the full amount of tax increment revenue. (Plymouth)
2. Chocktaw Building has 100% build-out. (Plymouth)
3. Meijers has estimated capture beginning in Summer 2025. (Plymouth)
4. Verita and Coldwater have anticipated capture beginning in Summer 2025. (Northville)
5. Northville Lumber will have a full year of capture. (Northville).

This increase in tax increment revenue is anticipated to add an additional **\$419,360** to fund balance.

### **Grant Activity**

Budgeted grant expenditures have off-setting budgeted grant revenue, leaving \$0 impact to fund balance.

1. Michigan Infrastructure Grant (\$1MM)
  - a. Sunsets in 2025
  - b. Approximately \$35,000 of unencumbered Sanitary Sewer Engineering Funds
  - c. Budget includes anticipated payout of unencumbered funds

2. MDOT Grant (\$500K)
  - a. Sunsets in 2025
  - b. Approximately \$134,000 of unencumbered road engineering funds
  - c. Budget includes anticipated payout of unencumbered funds
  
3. MEDC Special Legislative Road Grant (\$10MM)
  - a. Anticipated project close-out in 2025
  - b. Approximately \$240,000 of unencumbered road construction funds
  - c. Budget includes anticipated payout of unencumbered funds
  
4. SEMCOG Carbon Reduction Grant
  - a. No budgeted revenue/expenditures in 2025
  - b. Budget amendment will be introduced when information is available
  
5. HUD
  - a. No budgeted revenue/expenditures in 2025
  - b. Budget amendment will be introduced when information is available

**Sanitary Sewer Construction Project**

The construction of the sanitary sewer will be funded with local contributions of \$1,062,124, shared 86/14 between Plymouth and Northville, per the Intergovernmental Agreement. This project has been budgeted for completion in 2025.

## Michigan International Technology Center Redevelopment Authority 2025 Budget

	2023 Actual (Audited)	2024 Original Budget	Amendments	2024 Amended Budget	2024 Actual (Projected)	2025 Proposed Budget	Funding Sou
<b>---Revenue---</b>							
A. Grants							
Department of Housing and Urban Development	\$ -	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ -	HUD
Michigan Department of Transportation	328,024	153,000	-	153,000	37,976	134,000	MDOT
Michigan Infrastructure Grant	239,395	107,100	47,890	154,990	69,500	42,300	MIF
MEDC Special Legislative Road Grant	-	-	9,609,606	9,609,606	8,423,606	1,336,000	Road
B. Tax Increment Revenue:							
Plymouth TIR	66,072	67,000	-	67,000	235,850	354,000	TIR
Northville TIR	15,636	16,000	-	16,000	37,790	103,500	TIR
C. Township Contributions							
Michigan Infrastructure Grant	-	16,000	-	16,000	-	-	MIF
HUD Community Project Funding	-	375,000	-	375,000	-	-	HUD
Sanitary Sewer Construction Contributions	-	-	-	-	-	1,062,124	Sewer
D. Investment Income	-	-	-	-	100,000	-	MI Class
<b>Total Estimated Revenues</b>	<b>649,127</b>	<b>2,734,100</b>	<b>9,657,496</b>	<b>12,391,596</b>	<b>8,904,722</b>	<b>3,031,924</b>	

<b>--- Expenditures ---</b>							
<b>1. ESTIMATED ADMINISTRATIVE COSTS</b>							
A Auditing Services	Plante Moran	-	-	-	-	-	Townships
B Bank Fees	Comerica	2,539	-	-	2,700	7,300	MIF
C Brownfield Operations Consultant	J Harless	4,718	-	-	28,000	78,000	Road
D Legal Expenses	Miller Canfield	464	-	-	6,000	16,000	Road
E Planning Consultant	GD Roberts	1,560	-	-	6,000	16,000	Road
F Printing and Publishing	Public Notices	227	-	-	-	-	Road
G 3 Mills SET	SOM	8,575	-	-	24,070	38,140	TIR
		<b>18,083</b>	<b>-</b>	<b>-</b>	<b>66,770</b>	<b>155,440</b>	

2. ESTIMATED CONSULTING SERVICES

A. Engineering Services

(1) Road Engineering - Ridge to Beck	OHM	34,700	-	-	-	1,800	-	MIF
(2) Sanitary Sewer Engineering	OHM / Stantec	195,187	123,100	47,890	170,990	65,000	35,000	MIF
(3) Sanitary Sewer Engineering	Stantec	-	-	-	-	-	110,719	Sewer
(4) Road Engineering - Ridge to Napier	OHM	328,024	153,000	-	153,000	37,976	134,000	MDOT
(5) Road Engineering - Ridge to Beck	OHM	-	-	990,000	990,000	865,000	125,000	Road
		<b>557,911</b>	<b>276,100</b>	<b>1,037,890</b>	<b>1,313,990</b>	<b>969,776</b>	<b>404,719</b>	

B. Construction Services

(1) Sanitary Sewer Construction	WTUA	-	2,375,000	-	2,375,000	-	951,405	Sewer
(2) Road Construction - Ridge to Beck	Fonson	-	-	8,619,606	8,619,606	7,518,606	1,101,000	Road
		<b>-</b>	<b>2,375,000</b>	<b>8,619,606</b>	<b>10,994,606</b>	<b>7,518,606</b>	<b>2,052,405</b>	

Total Estimated Costs

<b>\$ 575,994</b>	<b>\$ 2,651,100</b>	<b>\$ 9,657,496</b>	<b>\$ 12,308,596</b>	<b>\$ 8,555,152</b>	<b>\$ 2,612,564</b>
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<b>Beginning Fund Balance</b>	<b>\$ 154,168</b>	<b>\$ 227,301</b>	<b>\$ 227,301</b>	<b>\$ 227,301</b>	<b>\$ 576,871</b>
<b>Net estimated costs in excess of cash flows</b>	<b>73,133</b>	<b>83,000</b>	<b>83,000</b>	<b>349,570</b>	<b>419,360</b>
<b>Ending Fund Balance</b>	<b>\$ 227,301</b>	<b>\$ 310,301</b>	<b>\$ 310,301</b>	<b>\$ 576,871</b>	<b>\$ 996,231</b>