



City of Jonesville Local Development Finance Authority FY 2019-20 Annual Report

This report is provided in accordance with the Michigan Recodified Tax Increment Financing Act, Public Act 57 of 2018. It reports the Authority's operations during the 2019-20 fiscal year and is intended to fulfill the requirements of the annual synopsis of activities of the authority, required in Section 910(1)(h) of the Act. The authority fiscal year begins on July 1st and ends June 30th.

Authority Accomplishments

- Collaborated with the Hillsdale County Economic Development Partnership on a grant application for industrial park marketing and promotions. When grant funds were depleted due to COVID-19, the grant application was directed toward extending broadband internet. The Michigan Economic Development Corporation (MEDC) has announced issuance of the grant and the project will be executed in the 2020-21 fiscal year.
- Completed preventative maintenance on Industrial Park streets.

Projects and Investments

- Continued annual investment of \$15,000 to support the collaborative economic development activities of the Hillsdale County EDP.
- Invested in the City's water system improvement project with a commitment of \$25,000 per year for the second of 10 years to maximize affordability of water utility costs, especially for industrial customers.
- Invested \$105,000 in dedicated reserves for future projects – \$45,000 for future expansion of the Industrial Park, \$35,000 for future infrastructure needs, and \$35,000 for other special projects called out in the development plan.

Events and Promotions

- Pursued grant funds for marketing and promotions of the Industrial Park; will focus on broadband internet improvements.

Fund Balance and Capital Project Planning

The LDFA retains an estimated fund balance at the close of the fiscal year of approximately \$1.25 million. Due to sizable future projects, as well as uncertainty of future revenues following the elimination of personal property taxes in Michigan, the LDFA has established several designated reserves. \$240,000 is reserved for future expansion, \$200,000 for special projects and development incentives, and \$240,000 for future infrastructure improvements. The balance of the reserve is undesignated for projects authorized in the Development Plan.

The LDFA has a street infrastructure project planned for the next 5 years whose cost would exceed \$400,000, including a \$66,000 milling and paving project for Gaige Street in 2021. Additional savings will be needed to accomplish the long-term goals of the Development Plan, including Industrial Park expansion. These investments are more likely to take place nearer the end of the term of the plan in 2036. Projects are summarized on pages 19-23 of the FY2020-21 through 2025-26 Capital Improvement Plan and the LDFA Development and Tax Increment Financing Plan, both available for review at City Hall or on the City's website, www.jonesville.org.