



**ECONOMIC DEVELOPMENT CORPORATION
SPECIAL MEETING AGENDA FOR
MONDAY, JUNE 15, 2020 7:00 P.M.
TO BE HELD VIA ZOOM.COM AS DETAILED
IN THE INSTRUCTIONS ATTACHED
161 E. GRAND RIVER AVE. WILLIAMSTON, MI 48895
Phone (517) 655-2774 Fax (517) 655-2797
Website- www.williamston-mi.us**

1. Call to Order – 7:00 p.m.
2. Roll Call
3. Audience Participation- Maximum 5 minutes per presentation. Subject matter on non-agenda items only.
4. Approval of Agenda
5. Approval of EDC Special Meeting Minutes of May 21, 2020
6. Treasurer- Budget Report
7. Accounts Payable
8. Action Items
 - a. Interfund Loan to Downtown Development Authority for Boardwalk Replacement
 - b.
9. Discussion Items
 - a.
 - b.
10. Audience Participation- Maximum 5 minutes per presentation. Subject matter on non-agenda items only.
11. EDC Attorney Comments
12. Adjournment

Individuals with disabilities requiring special assistance who are planning to attend an EDC meeting should contact the City Clerk by writing or calling in advance of the date of the meeting that will be attended.

Important Message from the Williamston City Hall Clerk's Office:

The Williamston Economic Development Corporation will be holding a virtual meeting on Monday, June 15, 2020 at 7:00 p.m.

Due to the COVID-19 State of Emergency declared by the Governor's Executive Order 2020-75, as well as recommendations for social distancing, the Regular Meeting of the Williamston Economic Development Corporation will be conducted via remote participation. All members of the public will be permitted to participate during the public comment portion of the meeting. The standard time limits will apply.

To participate remotely:

Copy and paste the link below or call a number below for audio connection.

Topic: Economic Development Corporation

Time: June 15, 2020 07:00 PM Eastern Time (US and Canada)

Join Zoom Meeting

<https://us02web.zoom.us/j/84102609523>

Meeting ID: 841 0260 9523

One tap mobile

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+13017158592, 84102609523# US (Germantown)

Dial by your location

+1 929 205 6099 US (New York)

+1 301 715 8592 US (Germantown)

+1 312 626 6799 US (Chicago)

+1 669 900 6833 US (San Jose)

+1 253 215 8782 US (Tacoma)

+1 346 248 7799 US (Houston)

Meeting ID: 841 0260 9523

Find your local number: <https://us02web.zoom.us/j/84102609523>

For special accommodations, please call the Williamston City Clerk's Office at 517-655-2774 ext. 102 to make arrangements.

Holly M. Thompson, City of Williamston City Clerk



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**CITY OF WILLIAMSTON
ECONOMIC DEVELOPMENT CORPORATION
MAY 21, 2020
SPECIAL MEETING MINUTES**

1. Call To Order:

The virtual meeting was called to order at 7:50 p.m. by Chairman Pete Porciello, and the Pledge of Allegiance was recited. Due to the COVID-19 State of Emergency declared by the Governor's Executive Order 2020-75, as well as recommendations for social distancing, this regular meeting was conducted via remote participation.

2. Roll Call:

Chairman Peter Porciello, Vice Chair Paul Joseph, EDC Members Kenneth Szymusiak, Denise White, Dan Rhines, Robert McPherson, and John Roy Castillo. Absent: Bruce Bellingar.

Also Present: City Clerk Holly Thompson, City Manager Corey Schmidt, and EDC Attorney John Gormley.

Motion by **Rhines**, second by **Szymusiak**, to excuse Bellingar. Yes: Szymusiak, Porciello, White, Rhines, McPherson, Joseph, Castillo. No: None. **Motion passed.**

3. Audience Participation:

Chairman Porciello called for public comments at this time and there were none.

4. Approval of Agenda:

Motion by **Szymusiak**, second by **Rhines**, to approve the agenda as presented. Yes: Szymusiak, Porciello, White, Rhines, McPherson, Joseph, Castillo. No: None. **Motion passed.**

5. Approval of EDC Special Meeting Minutes of October 17, 2019:

Motion by **Joseph**, second by **Szymusiak**, to approve the EDC special meeting minutes of October 17, 2019 as presented. Yes: McPherson, White, Szymusiak, Joseph, Rhines, Castillo. No: None. **Motion passed.**

6. Treasurer- Budget Report:

A budget printout for April 2020 was provided for EDC review.

7. Accounts Payable:

Motion by **Rhines**, second by **Joseph**, to approve invoice #31136 in the amount of \$164.78 and #29254 in the amount of \$119.84 from Gormley and Johnson Law Offices, PLC. Yes: McPherson, White, Porciello, Joseph, Szymusiak, Rhines, Castillo. No: None. **Motion passed.**

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8. Action Items

8a. Consideration of EDC Budget for Fiscal Year 2020/2021:

Motion by **Joseph**, second by **Rhines**, to approve the Economic Development Corporation 2020/2021 Fiscal Year budget as presented. Yes: Rhines, Joseph, Castillo, White, Szymusiak, Porciello, McPherson. No: None. **Motion passed.**

8. Audience Participation:

Chairman Porciello called for public comments at this time and there were none.

9. EDC Attorney Comments:

None.

10. Adjournment:

Motion by **Castillo**, second by **Joseph**, to adjourn. Yes: Joseph, Porciello, Szymusiak, McPherson, White, Rhines, Castillo. No: None. **Motion passed.**

The meeting adjourned at 7:59 p.m.

***THE PRECEDING MINUTES ARE A SYNOPSIS OF AN ECONOMIC DEVELOPMENT CORPORATION MEETING AND DO NOT REPRESENT A VERBATIM RECORD.**

Respectfully Submitted by: _____
Holly M. Thompson, City Clerk

Date Approved: _____

Fund 244 Economic Development Fund

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GL Number	Description	Balance
*** Assets ***		
244-000-002.00	Cash - Savings	7,972.82
244-000-120.01	Investments	66,757.33
Total Assets		74,730.15
*** Liabilities ***		
244-000-214.00	Due To General Fund	414.78
Total Liabilities		414.78
*** Fund Balance ***		
244-000-390.00	Fund Balance	74,309.40
Total Fund Balance		74,309.40
Beginning Fund Balance		74,309.40
Net of Revenues VS Expenditures		5.97
Ending Fund Balance		74,315.37
Total Liabilities And Fund Balance		74,730.15

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GL NUMBER	DESCRIPTION	2019-20 AMENDED BUDGET	YTD BALANCE 05/31/2020		ACTIVITY FOR MONTH 05/31/2020 INCREASE (DECREASE)	AVAILABLE BALANCE		% BDGT USED
			NORMAL (ABNORMAL)	NORMAL (ABNORMAL)		NORMAL (ABNORMAL)	NORMAL (ABNORMAL)	
Fund 244 - Economic Development Fund								
Revenues								
Dept 000								
244-000-665.01	Interest Income	1,000.00	1,082.74		35.59	(82.74)	108.27	108.27
Total Dept 000		1,000.00	1,082.74		35.59	(82.74)	108.27	108.27
TOTAL REVENUES		1,000.00	1,082.74		35.59	(82.74)	108.27	108.27
Expenditures								
Dept 729 - Comm. & Econ. Dev. Administration								
244-729-720.01	Fund Administration	500.00	500.00		125.00	0.00	100.00	100.00
244-729-801.01	Legal Services	500.00	415.16		164.78	84.84	83.03	83.03
244-729-803.00	Contract - Audit	150.00	150.15		0.00	(0.15)	100.10	100.10
244-729-955.00	Miscellaneous	200.00	11.46		0.00	188.54	5.73	5.73
Total Dept 729 - Comm. & Econ. Dev. Administration		1,350.00	1,076.77		289.78	273.23	79.76	79.76
TOTAL EXPENDITURES		1,350.00	1,076.77		289.78	273.23	79.76	79.76
Fund 244 - Economic Development Fund:								
TOTAL REVENUES		1,000.00	1,082.74		35.59	(82.74)	108.27	108.27
TOTAL EXPENDITURES		1,350.00	1,076.77		289.78	273.23	79.76	79.76
NET OF REVENUES & EXPENDITURES		(350.00)	5.97		(254.19)	(355.97)	1.71	1.71

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City of Williamston

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To: EDC Board

From: Corey Schmidt, City Manager

Date: June 15, 2020

Subject: Interfund Loan to Downtown Development Authority for Boardwalk Replacement

Requested Action

Motion to support creation of an interfund loan agreement between Williamston Economic Development Corporation (EDC) and Williamston Downtown Development Authority, whereby the EDC would loan the DDA up to \$62,747 at an annual interest rate of 2.25% to provide the DDA with matching funds for the downtown boardwalk replacement project, subject to formal approval by the EDC and DDA.

Background

Earlier this year, the City received a grant notice award regarding the 2021 Transportation Alternatives Program grant through our regional transportation planning organization to remove and replace the Red Cedar Boardwalk in Old Mill Park (the boardwalk that runs from the North Putnam Bridge and west to the end of the parking lot behind Szechuan Garden). The total grant award is \$250,986, which represents 80 percent of the construction cost. Thus, a 20 percent local match of \$62,747 is required.

The original boardwalk was installed as a DDA project in the mid-to-late 1980s. The boardwalk has deteriorated over the years. A structural assessment that was done two years ago revealed several needed repairs with significant price tags. The replacement of the boardwalk with a paved asphalt trail and associated features is timely and will result in less maintenance over the long term. It will tie in nicely with the paved trail system in McCormick Park and future trail plans.

In January, staff led a presentation to the DDA Board regarding the boardwalk project and other priorities within the district. The board was supportive of sponsoring the boardwalk replacement project's match and engineering/design over the next two fiscal years. However, in the following months, the DDA's revenue forecast has decreased due to a correction that was made to how we capture school-type taxes. The resulting revenue decrease has put a pinch on an otherwise solid plan for the DDA Fund to provide the matching dollars for the boardwalk grant.

Staff has looked for creative ways to fund both the match and the design/engineering. First, we asked the regional transportation planning organization about swapping our project with another project to a future year. Unfortunately, by doing this, we would stand to lose about \$60,000 from the grant funding. Second, we have looked at using an interfund loan from another fund in the City. This led us to look to the City's Economic Development Corporation (EDC) for potential funding through an interfund loan agreement.

Proposal

Staff proposes the EDC provide an interfund loan to the DDA totaling \$62,747 to fund the 20% match required for the boardwalk project. To make this compelling for the EDC, the DDA would consider paying an interest rate that is a bit higher than what the EDC currently earns.

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The EDC has a cash investment balance of \$74,315.37. The EDC cash is invested in the Michigan CLASS Local Government Investment Pool account, where it currently earns an annual interest rate of approximately 0.60 percent. This is considerably lower than pre-COVID-19 yields, which were around 1.80 percent at the beginning of 2020. For several years, the EDC's annual interest has been enough to cover its minimal annual costs.

At an interest rate of 2.25%, the interest generated from the loan would be about 45 basis points above the MiCLASS rate at the beginning of the year. The annual interest earned would continue to cover EDC's minimal expenses. For the EDC, the greatest risk is in losing its ability to tap \$62,747 of its principal while it is loaned to the DDA. However, the loan would put this balance to use, rather than sitting in a savings account. The loan would benefit downtown Williamston in the short and long term, by providing the DDA with cash resources needed to take advantage of a \$250,000 grant. The replacement of the boardwalk will greatly improve a tired asset and better tie together Old Mill Park to McCormick Park and the rest of the downtown district.

The DDA would also cover the expenses of the DDA/EDC Attorney to draft the interfund loan documents.

Sample Repayment Schedule

The below repayment schedule is provided as an example. The precise repayment schedule would be developed as part of the interfund loan agreement to be approved by both the EDC and DDA Boards. This schedule assumes a 2.25% interest rate, with quarterly payments made from the DDA to the EDC. Notably, it anticipates paying off the entire principal balance on 9/30/2024, which will be possible because the DDA Fund will have no other debt remaining at the start of the 2024-25 fiscal year.

No.	Due Date	Payment Due	Additional Payment	Interest	Principal	Balance
						62,747.00
1	9/30/20	1,235.08		352.95	882.13	61,864.87
2	12/30/20	1,235.08		347.99	887.09	60,977.78
3	3/30/21	1,235.08		343.00	892.08	60,085.70
4	6/30/21	1,235.08		337.98	897.10	59,188.60
5	9/30/21	1,235.08		332.94	902.14	58,286.46
6	12/30/21	1,235.08		327.86	907.22	57,379.24
7	3/30/22	1,235.08		322.76	912.32	56,466.92
8	6/30/22	1,235.08		317.63	917.45	55,549.47
9	9/30/22	1,235.08		312.47	922.61	54,626.86
10	12/30/22	1,235.08		307.28	927.80	53,699.06
11	3/30/23	1,235.08		302.06	933.02	52,766.04
12	6/30/23	1,235.08		296.81	938.27	51,827.77
13	9/30/23	1,235.08		291.53	943.55	50,884.22
14	12/30/23	1,235.08		286.22	948.86	49,935.36
15	3/30/24	1,235.08		280.89	954.19	48,981.17
16	6/30/24	1,235.08		275.52	959.56	48,021.61
17	9/30/24	1,235.08	47,056.65	270.12	48,021.61	0.00

Timing

This is presented as an Action Item to determine the EDC's level of support for this concept. That said, the timing of the interfund loan could wait until the formal engineer's estimate is developed after design or even until the bids are received, but it is important to have a commitment of the funding and repayment plan prior to investing funds in the upfront design, permitting, and engineering work. The DDA will meet also meet this week to consider this concept.