

City of Mt. Pleasant
Central Business District (CBD) Tax Increment Finance Authority (TIFA)
Mission–Pickard Downtown Development Authority (DDA)
Industrial Park North TIFA
University Park TIFA

MINUTES
July 7, 2009
City Hall, Commission Chamber

- I. Vice Chair Krapohl called the meeting to order at 8:07 a.m. Roll call:
- Present: Tim Dolehanty, Kathie Grinzinger, John Hunter, Tom Krapohl (Vice Chair), Doug Ouellette, Joe Pius, Steve Silverberg, Jeff Smith, Rich Swindlehurst.
- Absent: Tim Coscarelly (Chair), Rick McGuirk.
- Staff: Rich Morrison, City Economic Development Director; Mary Ann Kornexl, City Treasurer; Nancy Ridley, Finance Director; Jeff Gray, Community Development Director.
- Guests: George Dunn, MMDC; Phil Seybert.
- II. Approval of Agenda:
- Motion by Grinzinger, second by Ouellette, to approve the agenda as presented. Motion carried.
- III. Approval of Minutes
- A. June 2, 2009 Regular Meeting.
- Motion by Pius, second by Krapohl, to approve the minutes as presented. Motion carried.
- IV. Old and New Business:
- A. Election of Officers.
- Vice Chair Krapohl opened the floor for nominations for Chair and Vice Chair, nominating Coscarelly as Chair. Krapohl indicated that, given the recent focus on Mission Street activities, he would prefer to see someone with a direct Mission Street interest serve as Vice Chair. Grinzinger nominated Ouellette as Vice Chair. There were no further nominations.
- Motion by Pius, second by Silverberg, to close the nominations and cast a unanimous ballot for Coscarelly as Chair and Ouellette as Vice Chair. Motion carried.
- B. DDA – P.S. Equities, Inc./Firstbank – Request for funding of access management, decorative screening, and demolition of the existing pylon sign for the property located at 2015 S. Mission Street.
- Due to his employment with Firstbank, Ouellette requested that Krapohl continue as chair. Gray briefly reviewed the request for funding, noting that Mr. Seybert was before the DDA at the previous meeting. There had been an agreement in concept that the DDA would participate in up to 50% of the cost of the access drive, up to 50% of the cost of the decorative screening, and up to 100% of the cost of the sign removal, pending the receipt of

estimates to complete the work. Estimates have since been provided in the amount of \$69,740 for the access drive; \$17,500 for the decorative fence; and \$1,550 for the sign.

Morrison noted that the costs to install the decorative screening are higher than initially anticipated. Fence contractors are recommending that industrial grade fencing be utilized along Mission Street due to the salt, snow plows, and the like that will impact the fences. However, industrial grade fencing has a significantly higher cost than commercial grade.

Discussion followed regarding the cost difference and other potential options for decorative fencing. It was noted that the proposal for brick piers with decorative fencing had previously been suggested by the DDA to have a similar look to the decorative walls downtown.

Motion by Grinzing, second by Swindlehurst, to approve the following reimbursements:

1. Reimbursement of 50% of the costs to install an access drive in accordance with the approved site plan for the site in an amount not to exceed \$34,870.
2. Reimbursement of 50% of the costs to install decorative screening in accordance with the approved site plan for the site in an amount not to exceed \$8,750.
3. Reimbursement of costs to remove the existing pole sign in accordance with the approved site plan for the site in an amount not to exceed \$1,550.

Motion carried, Ouellette abstained.

C. DDA – Mission Street Activity:

1. Discuss low interest loan program.

Morrison reviewed his memorandum regarding the proposed low interest loan program. He noted that staff has met with the local lenders who were generally supportive of the program. Based on the meeting with the lenders, there are four decision points for the DDA:

- Interest rate
- Rebate term
- Total project cap amount
- Loans to be offered on a first-come, first-served basis

There was consensus, given that current interest rates are around 7 to 8% that the loan program would write the loans down to 3%. The write down rate would be revisited as needed if interest rates change.

The DDA also agreed that the term of the rebate would be 5 years. Property and business owners would be eligible to borrow from their banks for a longer term, but the DDA would write down the interest for a maximum of 5 years.

There was also consensus that the maximum loan amount would be \$50,000. Applicants could certainly consider borrowing additional funds from a lender beyond the cap amount. The DDA would entertain rebates on loans larger than \$50,000 on a case by case basis.

The DDA agreed that applicants would be considered on a first-come, first-served basis.

It was also noted that the loan program guidelines should address rebate rules for tax-exempt entities. In addition, it was recommended that the DDA coordinate with the lenders regarding the marketing of the program. Morrison indicated that staff would

present these decision points to the lenders for additional input and would bring a program proposal back to the DDA for consideration at a later date.

2. Discuss decorative screening and screen walls.

Gray reviewed his memorandum and the draft “menu” of options for decorative screen walls along the Mission Street right-of-way. He noted that the intent is to provide the development community with some guidance regarding the styles of fencing that the DDA will approve. More traditional styles are recommended along north Mission, given its proximity to Downtown. Contemporary styles have been recommended along south Mission. The menu may be modified as deemed appropriate by the DDA.

The costs of industrial grade fencing versus commercial grade fencing, as were reviewed with the Firstbank request for reimbursement, were briefly discussed.

Motion by Silverberg, support by Swindlehurst, to approve the Mission Street Decoratve Screen Options as presented. Motion carried.

D. DDA/CBD TIFA/Industrial Park North TIFA/University Park TIFA – Consider and recommend adoption of 2009 budget amendments and 2010 budgets.

1. Mission/Pickard DDA budgets.

Kornexl reviewed the proposed 2009 amended budget and 2010 budget, as provided in the packet.

Dolehanty indicated that he had some philosophical questions about the potential impacts to programs in capturing special voted millages in all of the tax capture districts, such as the millages to support the Commission on Aging and the library. There was discussion about the short term impacts of those captures. It was the consensus of the group that there would be long term impacts to these programs if the investments that are encouraged through these captures do not occur.

Motion by Krapohl, second by Pius, to approve the 2009 amended and the 2010 proposed budgets for the Mission/Pickard DDA, as presented. Motion carried.

2. University Park TIFA budgets.

Kornexl reviewed the proposed 2009 amended budget, as provided in the packet.

George Dunn, MMDC, noted the proposal to install a sidewalk and pedestrian lighting along the west side of Three Leaves Drive, extending from the end of the existing sidewalk south to Deerfield Road that has been included in the proposed amended budget.

Discussion followed regarding the need for the sidewalk, timing of construction, and coordination with sidewalks along Deerfield Road.

Motion by Grinzinger, second by Smith, to approve the 2009 amended budget for the University Park TIFA, as presented. Motion carried.

Kornexl reviewed the proposed 2010 budget. Dunn noted the request from the Mt. Pleasant Industrial Development Corporation (IDC) to add an expenditure of \$67,269 for infrastructure costs related to Project 20.

Discussion followed regarding the proposal.

Motion by Dolehanty, second by Pius, to approve the proposed 2010 budget for the University Park TIFA with the addition of the request for an expenditure of \$67,269 as requested by the IDC to reimburse for infrastructure costs. Motion carried.

3. Industrial Park North TIFA budgets.

Kornexl reviewed the proposed 2009 amended budget and 2010 budget. Dunn noted the proposal to add \$60,000 to the 2009 amended budget for the purpose of acquiring the vacant property at the ITW Foils site.

Discussion followed regarding the proposal. It was noted that the TIFA could participate in a purchase if it was determined that it was necessary to accomplish a project.

Motion by Smith, second by Dolehanty, to approve the 2009 amended and 2010 proposed budgets for the Industrial Park North TIFA, as presented. Motion carried.

4. Central Business District (CBD) TIFA budgets.

Kornexl reviewed the proposed 2009 amended budget and 2010 budget.

Discussion followed regarding the addition of funding to support LeTour de Mt. Pleasant. Staff noted that the City incurred expenses getting the Downtown ready for this event this year and would anticipate costs in the future. If these expenses are not offset by the CBD TIFA, they will be absorbed entirely by the general fund.

It was also noted that the salary of the Downtown Development Director is paid from this fund. It was requested that there be some additional reporting and coordination with the TIFA regarding the activities of that position.

Motion by Silverberg, second by Krapohl, to approve the 2009 amended budget for the CBD TIFA, as presented. Motion carried.

Motion by Grinzinger, second by Dolehanty, to approve the 2010 proposed budget, for the CBD TIFA as presented. Motion carried.

E. Other:

There was no further discussion.

V. Adjournment:

There being no further discussion, Vice Chair Ouellette adjourned the meeting at 10:30 a.m.