



MINUTES TIFA Board Meeting October 14, 2016

CALL TO ORDER

Chairperson Ron Armstrong called the meeting to order at 7:02 AM at City Hall located at 28 N. State Rd., Newaygo MI 49337.

Presiding officer: Ron Armstrong, Chairman
Secretary: Kim Biegalle

Present: Ron Armstrong, Jim Badgero, Scott Faulkner, Doug Day, Larry Lethorn, Morgan Heinzman, Peg Mathis (left meeting at 7:34 am), Ed Fedell, Adam Geers, Larry Ivens,

Absent: Wayne Bumstead, John Buckley, Jr., Vacancy position

Guests: Rhonda Wert-Carr from The Stream, Teresa Cooper of Sui Generis

Motion by Heinzman, second by Day to excuse absent members. AIF/MC

Motion by Lethorn, second by Faulkner to approve the agenda as presented. AIF/MC

Motion by Fedell, second by Lethorn to approve the 04/15/16 regular meeting minutes. AIF/MC

PUBLIC COMMENTS

RESERVED TIME

UNFINISHED BUSINESS

NEW BUSINESS

Motion by Faulkner, support by Fedell to approve the conflict waiver from Dickinson Wright. There was a conflict waiver in the TIFA packets regarding the use of the law firm of Dickinson Wright to assist the City on matters relating to a potential expansion project of Magna Mirrors factory. Schneider briefly explained the need for the waiver. Heinzman had some questions and concerns and voiced that he was not in favor of this law firm due to previous issues. The City Council was in favor and approved this on 10/10/16. Roll Call: Yea: Day, Faulkner, Ivens, Fedell, Geers, Mathis, Badgero Absent: Buckley, Jr., Bumstead Nay: Armstrong, Lethorn, Heinzman CARRIED

Schneider briefly reviewed the TIFA/LDFA first quarter budget. TIFA gets most of its revenue upfront and expenses come in throughout the year. Overall TIFA revenue is at 70% and expenses are at 21%; 25% is where the budget should be at this time. Stream principal and interest payment and Division Street sidewalk project bulk of expenses at this time. Schneider explained that the LDFA district has a surplus and the City is looking at putting sidewalks on Cooperative/Mundy Ave. by the new Brook Retirement facility.

Motion by Fedell, support by Heinzman to approve signage proposed by Sui Generis including vinyl lettering in windows of Stream and allow Sui Generis to put a sign on east elevation of the Stream building which faces Independent Bank. AIF/MC Schneider explained that because The Stream building is a site condominium,

TIFA and Visser Brothers (condo association members) have to approve the exterior signage. The side facing Independent Bank is designated for the second floor tenant, thus the need for TIFA (2nd floor owner) to approve 1st floor signage to go there. Faulkner very supportive of the business putting signage there.

Motion by Heinzman, support by Lethorn to approve signage for River Country Chamber of Commerce and allow the River Country Chamber to put a sign on the upper glass portion of the back door (parking lot side) of The Stream. AIF/MC This area is designated for the second floor tenant usage. Chamber is flexible if and when they would have to remove it if more 2nd floor tenants need to share the space.

Motion by Heinzman, support by Mathis to approve Resolution T16-03 which approves the TIFA Board meeting dates for the 2017 calendar year. AIF/MC

Teresa Cooper spoke to the board regarding her business, Sui Generis; gave some history of her business and stated she was moving into the first floor of The Stream building. Explained how useful The Stream, some of its programs and staff have been in helping her during this process. She also stated she will be renting office space on the second floor. She is hoping to be open by the Christmas Walk festival.

Wert-Carr updated the board on some of the items they are working on. She updated the board on the Rustic Fork Bakery & Bistro, a façade grant that is being put together *involving nine businesses*, grants for Digital Works, mentioned the new Subway/Bigby coming in the spring and the river view development. Wert-Carr stated that the 2016 membership is up 10% over last year and gave several other statistics *that indicate the Stream is an important part of the City's economic development*. Fedell mentioned there is additional interest in the 1st floor with possible use of 2nd floor as well; downstairs would then be full.

Armstrong stated that there was a NEDO (Newaygo Economic Development Organization) Board a few years ago but was disbanded shortly after he left office as Mayor. Need to re-establish this board now and stated the City needs its own economic development board. This board was established by ordinance at the City level and will be an 11 member board. The current Stream Ops board will be disbanded and those members will be a part of the new NEDO Board along with seven others. These members will be appointed in December by recommendation of the Mayor and approved by City Council. Armstrong mentioned a couple people they would like to see join this board, former Mayor of Grand Rapids, George Heartwell, who now lives in Garfield Township and State Representative Jon Bumstead. This board will meet quarterly starting in January. Eric Johnson, Council member present for this meeting, was asked to be on this board; he will let the Mayor know if he wants to be on the board.

Heinzman asked that the surrounding townships (Brooks and Croton) be involved in talks when referring to growth and expansion. Heinzman would like to see representatives from both townships on the NEDO Board as well. Lethorn will contact individuals in both Brooks and Garfield Townships to see if there is interest in being on this board.

Armstrong gave some history on the early days of TIFA and the financial struggles TIFA has seen over the years. He also mentioned some of the financial struggles of The Stream since it was taken back by the City. He focused on some upcoming positive things happening in the next three to four months and how TIFA has money in its fund balance. There is a lot happening with potential growth in several areas.

Heinzman pointed out that there was an *untrue* statement made in the City's Council minutes *printed in the Times Indicator that TIFA can't make its water system project payment*. Fedell confirmed that said statement was untrue. He explained the agreement between the City and TIFA regarding the water project and that TIFA had made every payment requested by the City under the terms of the agreement. The last time the City request a payment was 2013. Schneider also gave some clarifications regarding the statement. Fedell then explained why the City was unable to get grant funds for the water system project, which was due to the water rates being too low. He explained that now there is an escalator each year for a minimal increase in the water/sewer rates that was passed by Council; years ago Council would not pass any increases. Had rates been increased over the years the City would have been eligible for more grant funds. It is the hope now that the rates are at a level where grants can be applied for and received. Schneider explained that the City does put money away each year in both water and sewer reserves as is required to be done. Armstrong stated that the TIFA budget doesn't have a line item to pay the water payment and hasn't for a couple years; Council approves the TIFA budget and they haven't asked TIFA to help make that payment.

Heinzman had some questions regarding the Stream Ops Committee and a law suit they threatened against NCEDO. He stated that the TIFA Board should have been made aware of this potential litigation and how it was settled. He also questioned whether 11 members on the NEDO Board would cause inefficiency. Armstrong stated that the NEDO Board would work on the economic development of the City; if they need

money it would come from TIFA. A representative would attend City Council meetings to give updates. Schneider would like clarification of his role with regards to The Stream employees and what powers are delegated to the various boards; needs to be well defined.

Fedell commented on the Council's previous meeting and the various issues that were brought up at that meeting. Fedell shared his thoughts on many of the issues from that meeting and clarified some strong implications that were made. *He commented on several issues including the bonus issue, questions on the minutes, the Consultant role of the previous City Manager, and the spending of funds by the Stream Ops Committee for their personal gain. Fedell strongly expressed that he is offended when someone who does not attend meetings makes implications that he and other board members are using the Stream funds to enrich their own lifestyle. He explained that all business entertainment provided by Armstrong, Faulkner, Lethorn, Blachford and Fedell was paid for with their personal funds and that none of them ever requested reimbursement for any of their expenses from the City.* Fedell praised the Stream Ops Committee and the businessmen that sit on it *for their intellectual property, capital and time they volunteer.* He is not in favor of a formal listing of The Stream *for sale at this time, as it would send an absolutely wrong message to business considering moving to Newaygo.* Schneider also clarified some issues and his stance on the bonus issue, that in his opinion a team approach should be used that recognizes the work of all departments. He also expressed that the City is poised for many good things to come. Armstrong stated that the bonus program is done; Council voted to remove it.

PUBLIC COMMENTS

Mike King, 233 State St. thanked everyone for talking about the issues; he expressed his concerns about accountability. Hopes the boards keep the conversation going. King mentioned the contract between TIFA and the City regarding payment of the water system debt and his concern that the City has high water/sewer rates. He is concerned about lack of communication among board members.

BOARD COMMENTS

Motion by Armstrong, second by Heinzman to adjourn the meeting. AIF/CARRIED.

Meeting adjourned at 9:30 AM.

Kim Biegalle, TIFA Secretary

"Italicized" words/sentences are the amended version of the original meeting minutes that were approved by all board members present at the meeting held on 01/20/17.