



## **MINUTES TIFA Board Meeting January 20, 2017**

### **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  
Secretary: Kim Biegalle

Present: Ron Armstrong, Scott Faulkner, Doug Day, Larry Lethorn, Peg Mathis, Ed Fedell, Morgan Heinzman (7:04 am), Jim Badgero, Mark Guzniczak, Aaron Leestma, Kelly Tinkham

Absent: Larry Ivens, John Buckley, Jr.

Audience: Rhonda Wert-Carr, Chris Ortwein

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

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

Motion by Faulkner, second by Lethorn to approve amended 10/14/16 regular meeting minutes. AIF/MC

### **PUBLIC COMMENTS**

### **RESERVED TIME**

### **UNFINISHED BUSINESS**

### **NEW BUSINESS**

Motion by Heinzman, support by Badgero to keep Armstrong as Chairman and Faulkner as Vice-Chair for the 2017 calendar year. AIF/MC

Motion by Heinzman, support by Faulkner to change the April TIFA Board meeting date to the 21<sup>st</sup>. AIF/MC  
Faulkner, Chair of the new NEDO (Newaygo Economic Development Organization) Board, informed TIFA that they had their first meeting on the 13<sup>th</sup>. Four of the 11 board members were on the previously known Stream Ops Committee. Faulkner went over all the NEDO board members and gave some background information on them. All NEDO Board members were able to have a one-on-one to discuss what they can bring to economic development and what their goals are. NEDO meetings will be held quarterly (same day as TIFA meetings). Faulkner stated that the Stream Ops Committee is dissolved and NEDO has replaced that and they are an advocacy group who believe in economic development. Faulkner then gave the definition and fundamentals of economic development as well as touched on a couple of mission and vision statements they are looking at. NEDO's proposed range of vision is 2025. Faulkner discussed some positive attributes our City possesses such as The Stream, premium land inside the City limits and a TIFA district. He raised many thought provoking questions to the board and talked about creating and

implementing a “Integrated Manufacturing Campus”. NEDO would like to see harmonization between the downtown and uptown.

Motion by Faulkner, support by Lethorn to officially dissolve the Stream Ops Committee. AIF/MC

Armstrong gave the board an update on Digital Works; this has been a project that started approximately a year ago. He talked briefly about the program; currently they have eight locations in Ohio which are very successful. This is a four to eight week training program which is technical training and life skills training to be able to be a customer service representative. He informed the board that the Fremont Area Community Foundation (FACF) has approved a grant for this program in the amount of \$300,400 over two years. It is a “Pay-for-Success” program which means The Stream will be reimbursed when a student finishes the program. Armstrong, Faulkner, Schneider and others were able to get Digital Works to waive a lot of their fees to help cut costs. Colleen Buckley will be trained to be the facilitator of the program. FACF awarded the grant contingent on the USDA providing funds for technology. Faulkner was able to meet with the foundation and will be able to have that specific language changed; a letter will have to be written the first of February with technology costs, etc. that will be covered by TIFA. Lethorn and Buckley are working on a certification program with Montcalm Community College so these students can have additional, advanced training. This will help students get better, higher paying jobs. They are also working on collaboration with the Promise Zone as well. Armstrong stated that The Stream is all set and ready to accommodate students; great environment and has a good use of space. A program such as this could potentially create 50 – 100 jobs for people who have limited options. Buckley is working on a plan to market this and get students.

Schneider presented the “Non-disclosure” agreement relating to the Digital Works program. This agreement has been reviewed by City attorneys. Heinzman asked if this agreement was between TIFA and Digital Works or the City and Digital Works. Schneider said he would like approval by both entities. Motion by Fedell, support by Mathis that TIFA approves of the non-disclosure agreement and recommends Council to approve as well. Roll Call: Yea: Armstrong, Badgero, Guzniczak, Leestma, Day, Faulkner, Heinzman, Lethorn, Fedell, Mathis, Tinkham Absent: Ivens, Buckley, Jr. Nay: None CARRIED

Motion by Heinzman, support by Faulkner to have TIFA accept the grant from the FACF and allow for the purchase of technology items not-to-exceed \$25,000 for 20 work stations. Roll Call: Yea: Armstrong, Badgero, Guzniczak, Leestma, Day, Faulkner, Heinzman, Lethorn, Fedell, Mathis, Tinkham Absent: Ivens, Buckley, Jr. Nay: None CARRIED Information on the items purchased will be brought to the next TIFA Board meeting. Currently The Stream budget has funds to cover this cost.

Faulkner stated that NEDO wants to make The Stream successful; he questioned the current model set forth for fees at The Stream. He stated that The Stream needs to reduce costs and questions whether they are staffed properly. The NEDO Board may look at diversifying the revenue streams (i.e. cost of meeting rooms and not allowing rooms to be used for no cost). He would like to optimize what The Stream has and make it better. He would like to see more communication between TIFA, the City and Chamber; need to look for a process/system for the sharing of important information. The Allen’s have closed on the River Valley Antiques property and will be converting it to an upscale bed and breakfast. Armstrong noted that the downstairs floor of The Stream building is now full. There is an attorney office, hair salon, Sui Generis Home Furniture store and now Spectrum Home Health has taken the last of the space. Heinzman asked if the Plumb’s mall has been sold; it has. Armstrong stated that there is no new information regarding the Magna expansion as of yet, however, they have made some changes in management which is seen as a positive for potential expansion. He stated that there is expected expansion in the future but the level and how soon is yet to be determined.

Schneider touched on RRC (Redevelopment Ready Community). This is a program being promoted by the State and MEDC. Funding to communities for projects will be contingent on being a part of this program. Schneider stated that Guzniczak has been very helpful in explaining and providing good information. Guzniczak then briefly explained the program and what some of the requirements are to be a certified city. This program will be very helpful to streamline development processes and make government more transparent. Lethorn just asked that this be approached with caution and not to move to quickly; have to look out for the citizens. Because we have already met some of the program criteria, Fedell stated that the City was contacted and asked to provide some locations of available property. They were given information on the vacant property in the Industrial Park.

Schneider briefly went over the TIFA/LDFA financials. Heinzman asked a question regarding a revenue line item and Schneider explained it was the personal property tax reimbursement from the State. It was paid in

one lump sum and was more money than anticipated. Heinzman also questioned why there was so much money in fund balance to which Schneider responded that not all the debt payments and other expenses have been made yet; this balance is of 01/16/17. Fund balance will end the year with an amount similar to the beginning of the year. Armstrong asked about the LDFA other services and charges line in the LDFA budget and why it was at \$111,000. Schneider explained that was money to go towards sidewalks, storm drains, etc. in the LDFA district (by The Brook).

### **PUBLIC COMMENTS**

Chris Ortwein, County Commissioner, was present and commended this board and the NEDO Board for the great things they want to accomplish in economic development but stated that the City of Newaygo needs to lower its property taxes to attract new business/new residents. Small business cannot support 64 mills and could hurt new growth. He stated that there needs to be an aggressive approach to reducing the taxes by 15 to 20 mills. Armstrong stated that this has been the City's challenge over the last 20 years but reducing taxes has to happen. There are too few residents and the City provides so many services. Development outside the TIFA district would actually create more money in the general fund. Ortwein suggested imposing an income tax to offset the mills; he believes that it will not discourage business; a 1 or .5% income tax. NEDO may look at this income tax issue as a project. Lots of discussion from numerous board members regarding the 18 mills homestead tax and options to mitigate that as well. Several board members felt that citizens need to drive these topics at the State level. May look at communities such as Rockford or Ada as models and learn from them; gather ideas. Armstrong stated that sometime in March there will be a workshop with all the boards and this income tax issue would be a good topic to discuss.

### **BOARD COMMENTS**

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

Meeting adjourned at 8:44 AM.

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Kim Biegalle, TIFA Secretary