

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 OF THE REGULAR MEETING July 10, 2014 10:00 AM City Hall, Conference Room A

I. Call to Order

The meeting was called to order by Chair Rich Swindlehurst at 9:58 am.

Present: Tom Krapohl, Rick McGuirk (Vice-Chair), Lisa Orlando, Nancy Ridley, Jeff Smith, Rich Swindlehurst (Chair),

Absent: Tim Coscarelly, Tim Driessnack, John Hunter, Margaret McAvoy, Terri Zitzelsberger

Also attending: (Staff): Mary Ann Kornexl, William Mrdeza, Michelle Sponseller; (Guests): Brian Anderson, Russ Alwood

Lisa Orlando was welcomed to her first board meeting and given the opportunity to introduce herself. She indicated she was a business banker with PNC Bank with eighteen years of experience in the field. She works in both Midland and Mt. Pleasant and resides in Midland. Welcome Lisa!

II. Approval of Agenda

It was moved by McGuirk, seconded by Krapohl, to approve the agenda as presented. **The motion passed unanimously.**

III. Approval of the June 12, 2014 Meeting Minutes

It was moved by Ridley, seconded by Krapohl, to approve the minutes of the June 12, 2014 meeting. **The motion passed unanimously.**

IV. Old and New Business

A. TIFA

1. Approval of the 2014 Amended and 2015 Proposed Budgets

Kornexl was asked to review the 2014 amended and 2015 proposed budgets for each of the three TIFA districts. The first of these was the CBD TIFA district budget. Kornexl indicated that the proposed replacement of personal property taxes is not reflected in the budget due to the uncertainty about whether or not this will become a reality. If received in 2016 she will then record that in the

budget. Kornexl also pointed out that the budget reflects a reduction in capital improvements for 2014 as a result of postponing the reconstruction of Lot 8. Instead of that work, a number of items listed on the bottom of the page will be completed instead, as approved at the last TIFA Board meeting. Also, four capital projects are proposed for 2015 as listed in the footnotes of the budget.

Industrial Park North had no major adjustments since there is not much tax capture occurring there. Kornexl indicated that this district can operate for another six years before the Board will need to determine how it will accommodate on-going maintenance requirements.

Kornexl next presented the budget for the University Park TIFA district. She explained that the captured taxes show an increase over the budgeted amount in 2014 due to a delay by the state in implementing the elimination of industrial personal property taxes. Related to this, the amended 2014 budget proposes an increase in the transfer of funds to the LDFA since there now are more captured funds available for the reason stated above. A recommendation to amend the agreement between the TIFA and LDFA will be discussed later in the agenda related to this line item. Finally, Kornexl reminded the Board that the TIFA district is set to expire in 2015; should the decision be made to not renew the district at that time, the budget reflects a return of approximately \$51,347 to the local taxing units as a result.

It was moved by Smith, seconded by Krapohl, to approve the 2014 amended and 2015 proposed TIFA budgets. **The motion passed unanimously.**

2. Consider Amending the Contract with the LDFA

Mrdeza reminded the Board that the University Park Tax Increment Finance Authority (TIFA) is a tax capture district set up to provide infrastructure and related incentives to help attract research and high tech firms to locate in this technology park adjacent to Central Michigan. An agreement has been in place between the TIFA and an overlapping Local Development Finance Authority (LDFA) district whereby the TIFA collects a portion of the allowable taxes generated in the district and provides those revenues to the LDFA to implement the priorities established by both Boards. As indicated above unless renewed, the TIFA District is set to expire in 2015 and there is a desire to begin to use a portion of the captured funds currently available to make repairs and improvements to some of the infrastructure in the park. As a result, the staff recommends the University Park TIFA Board consider amending the contract with the LDFA to include some necessary maintenance items in the Smart Zone which include tree removal and replacement, sign repair, road surface assessment, and lighting replacement for a total estimated cost of \$90,645. After a brief discussion, it was moved by Ridley, seconded by Smith, to amend the 2014 contract with the LDFA for the above maintenance items in the amount of \$90,645. **The motion passed unanimously.**

B. DDA

1. Approval of the 2014 Amended and 2015 Proposed Budgets

Kornexl reviewed the amended and proposed budget with the DDA Board. She highlighted the working capital available at the beginning of 2014 of \$666,438 which included captured taxes of \$264,000 and a contribution of \$147,000 from CMU for the construction of the next grid street. There were no questions on other items in the budget. It was moved by McGuirk, seconded by

Smith, to approve the 2014 amended and 2015 proposed DDA budgets. **The motion passed unanimously.**

2. Update on the Special Olympics Grid Street

Mrdeza briefly updated the DDA Board on the Special Olympics grid street project. He indicated that bids on the project were due next week and it was likely a short special meeting of the DDA Board would be needed to approve the recommended contracted amount. Mrdeza also noted that CMU was contributing to the cost of pedestrian lighting they requested as well as a portion of the construction costs. He also informed the Board that MDOT was likely to require the new street to be a right turn in/right turn out due to its proximity to Bellows street.

V. Other Business

A. Meeting Attendance

Swindlehurst noted the copy of the By-Laws included in the packet and the section pertaining to meeting attendance. He wondered if there was a method to encourage more consistent meeting attendance by some of the members since having a quorum is difficult at times when the majority of members are unable to make it to the meetings. After some discussion, it was agreed to have the Chair contact those members who have had difficulty attending meetings in the past to determine their continued ability and interest in serving on the Board and report their findings at the next meeting.

B. Adjourn

There being no other business, the meeting adjourned at 10:50 am.

