

Community Development and Planning Committee
Minutes and Report to Council
4:00 p.m., March 28, 2023

Roll Call: Alan Shoemaker
 Tim Hoey
 Scott Day
 Mayor Dan Kleiss
 Drew Hoel
 Brian Moody
 Alta Long

- Long presented the proposed budgets for all three TIF Funds for committee review and discussion:
 - TIF I
 - Revenues consist only of interest income and loan repayment on the Boutilier agreement. TIF revenues have ended through the property tax cycle.
 - Administrative expenses are projected for 6 months of the year. The TIF fund will be closed and any surplus distributed to overlapping taxing districts as of November.
 - Remaining fund balance is budgeted in Public Works Improvements for 1) the ongoing Downtown Alleys and Greenspace Project – Phase II and 2) the ongoing and possible future due diligence and redevelopment activities at the outlet mall.
 - Amishland TIF
 - Revenues consist only of interest income on remaining fund balance. TIF revenues have ended through the property tax cycle.
 - The entire remaining fund balance is budgeted in Public Works Improvements for the completion of a possible walking path to connect with Carle Clinic’s planned walking path.
 - Barker/Prairie Street TIF
 - Interest expense to General Fund is increased tremendously due to current interest rates.
 - All expenses are reimbursement to developer under original redevelopment agreement and reimbursement to General Fund.
- Committee members agreed with the presentation of the draft budget.
- Committee members discussed the status of the outstanding loan to Apgar Investments for the former Daylight Donuts property. The repayment of the loan was suspended for construction of the Burgers & Beers restaurant, and was anticipated to be forgiven entirely upon completion. That project was delayed indefinitely due to the COVID-19 pandemic. Hoel and Moody will follow up with the developers to determine if a completion timeline is known. Committee members expressed a need to resolve the outstanding loan before TIF close-out in November.

- Cast Iron Pub has recently completed construction of a commercial kitchen, which some of the committee members reported having toured. Limited food service has begun recently, with an expanded menu and hours reportedly upcoming. Committee members felt this likely will satisfy the developer's obligations under the redevelopment agreement.
- Committee members discussed the status of new home construction in the Barker/Prairie Street TIF. As of the end of 2022, developer Owen Tucker has not kept pace with the redevelopment agreement obligation to build three homes per year. This requirement was waived for one year by the City Council already. Hoel will meet with Tucker to discuss remedies.
- Hoel pointed out that the agreement to provide \$100,000 annually to Tuscola Chamber and Economic Development expires at the end of September. This is paid through salary and benefits for Brian Moody. Six months of this expense (actually through October) are accommodated in the budget, but a new agreement and funding source will be necessary. Moody reported that he is working on securing commitments from other units of government and private partners to make TCED more of a regional entity. Those discussions are progressing, and Moody expects a new agreement and organization structure could be in place before November. Committee members directed Hoel and Long to budget \$25,000 (based on \$50,000 annually) for the second half of the fiscal year as Tuscola's anticipated contribution to the new organizational structure. This will be divided between the General Fund and the Tourism Fund.

Meeting adjourned at 5:18 p.m.