

TIF Committee Minutes and Report to Council
3:00 p.m., May 6, 2019

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

- Meeting called to order at 3:00 p.m.
- Financial Statements. Long distributed the preliminary April financial statements and noted no material change in financial position since the last meeting.
- Delinquency Report. Long distributed the end of April delinquency report, which was largely unchanged from the prior report.
- Long discussed the long-range cash flow projections for the TIF funds, and noted that the county's estimated TIF disbursements were down substantially over the current year. Part of this is attributable to lowering of several properties' assessments, including the mall property. There is also a bond levy for the school district which has been satisfied, resulting in an overall lowering of the tax rate. However, it is not clear that these two things account for all of the reduction, so Long continues to work with the County to understand and update the estimate.
- Hoel reported that the property closing has occurred on the Moore property. 3-D Development is now in title, and they have transferred a portion to Roserock (for Love's Travel Center) and the borrow pit property to the City. Some of the construction permits have been received, and the developer's engineer is in the process of obtaining the remainder of the permits. Construction should begin by early summer.
- Hoel reported that Kenny and Angela Hogue have requested additional TIF funding in the amount of \$95,687.50 to complete the Cast Iron Pub project. The developers have explained that they encountered significant unforeseeable expenses related to the electrical service, HVAC systems, and structural repairs on the property. Hoel offered that he has visited the site several times, along with Building Inspector Salmon, and that he agrees with the necessity of the expenditures. Hoel also reported that the developers have spent considerable private funds on the project, and that they have obtained SBA financing for furniture, fixtures, and equipment. Committee members discussed that others have been denied the opportunity to apply for TIF funding, as the program is nearing its end. However, committee members agreed that additional funding was necessary in order for the project to be completed and agreed to forward that recommendation to the full council.
- Hoel discussed the status of the request for proposals for the Old North Ward site. One proposal was received from Northward Square, LLC. Mike Carroll wrote the proposal on behalf of the LLC, and it includes an offer to purchase the property for \$60,000, payable with \$20,000 upon completion of a redevelopment agreement and \$10,000 per lot sold. The full balance would be guaranteed within 2 years. The proposal calls for the construction of 14 to

16 stand-alone homes between 1,400 and 2,000 square feet, with estimated fair market values between \$200,000 and \$250,000. The development will be structured as a condominium association, and will include an interior “courtyard” around which the homes will be built. The proposal also includes a 5 month due diligence period, during which the developers can complete engineering and cost estimates for the necessary infrastructure improvements. Committee members supported the idea generally, and agreed that it would result in the preferred type of development, rather than higher density alternatives. Committee members recommended forwarding the proposal to the full council for consideration.

- Hoel reported that he has recently been involved in discussions with the Ironhorse Homeowners’ Association concerning flooding problems in the subdivision related to a private drainage line that serves homeowners basement and crawl space sump pumps. The line is damaged and several residents are interested in replacing it. Hoel has discussed the possibility of a Special Service Area, which is a voluntary, additional property tax assessment mechanism such that the homeowners, and not the City or the taxpayers generally, pay for the improvements. The homeowners’ association board is considering a request to the City Council to implement a Special Service Area for this purpose.
- TCED Update. Moody provided an update on his activities, which includes several potential business prospects looking for commercial space in and around Tuscola. Moody also discussed the status of the Cronus Chemicals project, which continues toward completion of financing and ground breaking. Moody reported that he believes a significant project announcement is forthcoming.

Meeting adjourned at 4:04 p.m.