



MINUTES

Central Business District Development Authority (CBDDA) Meeting Thursday, January 12, 2017 7:30 a.m. Village Hall - E.O.C. Room

I. Call to Order

Chairman **Draeger** called the meeting to order at 7:35 a.m.

II. Roll Call:

Present: Draeger (Chair), Dean(arrived-7:42), Dull, Hanks, Heins(arrived-7:38), Moore, Nauta(arrived-7:40) and Willison.

Staff Present: Chris Burns (Village Manager) & Maryann Fonkert (Deputy Clerk)

Absent: Blake

III. Approval of Minutes (12/08/2016)

Motion by **Moore**, second from **Hanks**, to approve the Minutes of the December 8, 2016 regular meeting. All in favor, motion carried.

Yes: 5 No: 0

IV. Approval of the Agenda:

Motion by **Moore**, second from **Hanks**, to approve the Agenda as presented. All in favor, motion carried.

Yes: 5 No: 0

V. Financial Reports:

Draeger asked if there was anything the Board should be concerned about as far as the finances. **Hinga** said no, money was coming in as expected and demolition came in under budget and the Village would get reimbursed from the State for that. **Hinga** went over some other budget items.

Draeger asked if there was a written plan for infistructure improvements that might be coming out of the DDA. **Burns** said that was in motion now with a SAW Grant that was being implemented to work on infistructure throughout the whole Village and they were working on a Water Reliability Study that was due in January to the State of Michigan. **Burns** also said that at the Council's Strategic Planning session

their #1 priority was infrastructure improvements and the funding that went along with it and another high priority was to do a long term (3 to 5 year) forecast looking at the very expensive needs of the stuff that was in the ground.

VI. Business:

- A. Isabelle's House Façade Grant Application – **Burns** introduced this item. The **Board** discussed the façade changes and updates that Nauta would like to do on Isabelle's House.

Motion by **Moore**, second by **Heins**, to approve a Facade Grant for Isabelle's House.

Yes: 7 No: 0

Disincorporation Update – President **Hatton** joined the meeting at 8:00. **Nauta** asked **Hatton** how the disincorporation process would affect the Village applying for Grants. **Hatton** said she thought you would just go along with the situation that you were in and she couldn't believe that it could affect the grant because if you were a village you were a village. **Willison** thought it would depend on the rules of the grant. **Nauta** said that he had to live at his house for 5 years or he had to pay it back. **Burns** said that the Trust Fund Grant had stipulations like that too. **Burns** explained that once you apply for a grant, if it was given to you, it had to be there in perpetuity or they prorate it and you pay moneys back. **Burns** said that she didn't know what the answer to **Nauta's** question was but she would assume that if the Village's future was in limbo they would not look highly upon scoring that grant application. **Nauta** asked if the Township would be responsible for what the Village agreed to. **Hatton** said sure. **Burns** said that somebody would have to pay, that it was like buying a car, you can't decide you don't want to pay on it anymore and just give it to someone else without an agreement so we really don't have the answer to these questions. Dr. **Moore** asked if the Township would create a special assessment district to pay that debt? **Burns** said that was a possibility. Dr. **Moore** said he didn't think the Township would look kindly on acquiring a debt that they hadn't had import into. Township Supervisor **Nash** joined the meeting to answer questions on Disincorporation. **Draeger** asked how the DDA would be affected by a disincorporation relative to the Township. **Nash** said that the DDA was very worthwhile and the whole area would lose if it wasn't here and the Townships Master Plan says that the Village was the business area of the Township, so with that in mind, he was sure the Board would support the DDA staying here. **Nash** said as far as exactly what would happen with disincorporation and the DDA, he could not give an answer other than the Township supports this being the business area and has no interest in competing. **Draeger** said another ramification with disincorporation was how do you fund your DDA and what happens to the Village owned property, would it gifted be to the Township? **Burns** said they were waiting for a legal ruling on

a couple of deed restricted pieces of properties, with the Yacht Club being one of them and Tanglefoot being the other one. **Burns** said, as for the other Village owned property, whether you liquidate assets to pay off debt or gift it, she couldn't answer that. **Hatton** said that Chris had mentioned that a lot of money was spent for the Township piece of property, so maybe it could be "tit for tat" so if we own it and we become one, maybe we could get our money back and that goes as a credit to us against something else because that was something that could be sold. **Draeger** said there were just an awful lot of questions and he, for one, would not be inclined to vote in favor of disincorporation unless he had an answer to a lot of the questions and that was why he was staying involved in the process. **Draeger** said, as Chris commented, every time you get one question halfway answered it raised a whole pothouse full of other questions. **Hatton** passed out papers with question and answers that she had passed out 5 years ago. **Nash** said that the big question with the Township now was, that if the Village did disincorporate, would the Township automatically have to take them on. **Nash** said they have researched this and heard different legal opinions with no definitive answers. **Nash** said that he thought the Township Board currently would say that if they had a choice the only way the Township would even consider it would be with numerous special assessments depending on what the Village residents wanted as services. **Hatton** said that the law says that 2/3 of the Village had to vote for it and 2/3 of the Township had to vote for it. **Hatton** said that some people have asked why, if it would cost them more, would the Township want to take on the Village. **Nash** said that there are 3 primary issues and they are the Village has some debt and significant infrastructure problems and the Village residents are used to having services that aren't provided in the Township. **Nash** said that unless those issues were solved, his vote would be no. **Nauta** said that it seemed like there was no way to answer these questions up ahead, that it was going to depend on the generosity of the Township because when this all happens, this all depends on what the Township was going to do. **Nauta** also said it doesn't seem like there was an answer to this question. **Draeger** said the people wanting the disincorporation should have all the answers to all the questions before he would vote favorably for it, and the other thing was with the difference of opinions between the Township and the Village attorneys he can see years of law suits. **Nauta** added that the residents would be funding it. **Draeger** said his point was that you have the pros and the cons and the answers to the same questions are different then what was the public supposed to do. **Willison** said he thinks that lowering taxes was what this was all about and maybe instead of asking what will happen to this entity or that entity we should be asking not how it's done but what can be done. **Nash** agreed that rather than disincorporation, which could take years, give the residents a choice to bring the taxes down. **Burns** said that cutting taxes was as easy as the swipe of a pen during the budget process and they could make that millage whatever was palatable by simply eliminating services. **Burns** said that it was up to the resident to decide what services they want to pay for, but no one comes to the Budget Workshops.

The **Board** discussed, instead of disincorporation, the best way to find out what services were wanted and what residents felt they could live without in order to lower taxes. **Hatton** said that she was a member of the Township and she pays the same as everyone else and the elephant in the room was the double taxation cost because we insist on having our own little government for 2300 people, and we were included and were taxed like everyone else on the government of 15,000 people and the double taxation we want a choice. **Hatton** said that she was told by a member of the Township board that it would cost one penny more to add what the taxes are for the Village to the Township bill. **Nash** said that the Village taxes to the township go for the same services that the Township gets. **Nash** said that people are confused and that water and sewer were enterprise accounts and that Township residents pay water bills just like Village residents pay water bills. **Nash** said the Township provides assessing, elections and other services that would cost the Village the same or more if the Village didn't pay the Township. **Nash** also said that he could tell them, definitively, that if you take what you pay and what you get, you are getting a hell of a deal. **Draeger** said that was true and that the study that was put together showed that.

- B.** Business Update & Miscellaneous - **Burns** updated the Board on Tri-City Auto, Best Financial, Barrett Boat Works and the new gastro pub going into the Chan's building. **Burns** also updated the Board on the community engagement for the proposed Village Square/Farmers Market. **Hatton** said she had heard that public parking was what was needed so she shared her design ideas with the Board saying that she would suggest taking out the covered farmers market area, cut the property in half and create parking on one half weaving trees throughout because she had seen that and it made it attractive and less expensive, and then the other half could be developed. **Hatton** said she would think; 1. would be cost 2. would be time and 3. would be year around usefulness. **Hatton** also said she would not go with something that would only be used 4 months out of the year and then only twice a week because the developer (Moore & Bruggink) said it was very expensive. **Dull** asked how much additional parking did she think was needed because he counted 50 parking spots on the proposed design. **Hatton** said she did not know without figuring it out but it was more for a cost savings because the covered farmers market was very expensive. **Dull** said, his point was, that there were 50 parking spots that could be used year around and with the size of the Village he could not imagine all 50 spots would ever be used year around. **Hatton** said that if the Village was part of the Township they would increase the size by 13,000 people. **Dull** said you couldn't say that because all 13,000 would not move to the Village. **Hatton** said she was not saying that, she was saying they would pay for it. **Hatton** said she had asked John Nash about the DDA, because in a list of things it had said the DDA would be disbanded, and he said no, the DDA was important and it would be the same group of people with maybe a few more included like Orchard Market and Burger King, so instead of having 2,000 people to pay for it there would be 15,000 people to pay for it. **Heins**

explained to **Hatton** that the DDA was not a direct taxing structure to the citizens, that it was based off of what the tax base was when the facility was put in verses where we are at now so the number of people living in the community would not impact the taxes that the DDA gets at all, but what it would do was create a new line, 2016 or 2017, where the base would start from and so all the tax increments we have from these buildings that have been established and around for a long time, we would lose that and we would start again at ground zero and it would be for new things that were developed after this. **Heinz** also said it would be a pretty big hit to the budget of what we have to work with here. **Nauta** said that part of the issue was that we would not get any money from a parking lot. **Draeger** agreed and said the Farmers Market does not bring in money either. **Draeger** asked if the church was opting out of the Farmers Market using their lot. **Burns** said no that it was not.

VII. Next Meeting: Thursday, February 9, 2017

VIII. Adjournment: There being no further business the meeting was adjourned at 8:48 a.m.

Louis Draeger, Chairperson

Maryann Fonkert, Deputy Clerk