CITY OF WHITEHALL
BROWNFIELD, LDFA, and TIFA MEETING
January 9, 2020
12:00 noon

AGENDA

1. Meeting Called to Order
2. Approval of Agenda
3. Election of Officers
4. Approval of the October 2019 Meeting Minutes
5. Communications
6. Unfinished Business
7. New Business
   A. Annual Report
8. Public Comment
   Persons wanting to address the Board on any subject may do so at this time. Come forward
to the podium, provide your name, and keep your comments to three minutes or less.
9. Adjournment
Jerry McDowell (BRA, LDFA, and TIFA) and Marty McDermott (LDFA) have been reappointed to terms expiring in 2023. Tom Moore has been appointed to complete Shon Cook's term expiring in 2020. The remaining board members include Darrel Copley, Mike Guinon, Dan Hain, Debi Hillebrand, Gary Langlois, Ken Mahoney, Don Nordlund, and Paul Voss.

Elections for Chair, Vice Chair, Director, Treasurer, and Secretary are required annually. The following is a list of the current officers:

- **Chair**: Darrel Copley
- **Vice Chair**: Shon Cook
- **Director/Secretary**: Scott Huebler
- **Treasurer**: Laurie Audo
CITY OF WHITEHALL
BROWNFIELD, LDFA, TIFA
October 10, 2019

PRESENT
M. Guinon, D. Hillebrand, J. McDowell, D. Nordlund, P. Voss

ABSENT
S. Cook, D. Copley, D. Hain, G. Langlois, K. Mahoney, M. McDermott

ALSO PRESENT
Treasurer L. Audo, Director/Secretary S. Huebler

Member McDowell called the meeting to order at 12:06 p.m.

APPROVAL OF AGENDA
Motion by Guinon, second by Hillebrand, CARRIED, to approve the agenda as submitted. All ayes.

APPROVAL OF MINUTES
Motion by Nordlund, second by Hillebrand, CARRIED, to approve the July 11, 2019 minutes as submitted. All ayes.

COMMUNICATIONS
Huebler provided an update on Phase IV (North Mears Parking Lot) to include an electric car charging station, expanded event center, and alley improvements. Preliminary designs will be brought back to TIFA for review.

UNFINISHED BUSINESS
The WaterDog Project is still moving forward. None of the downtown businesses took advantage of the ADA accessibility assessment grant.

NEW BUSINESS
A. Lapham Façade Grant Request

Motion by Nordlund, second by Guinon, CARRIED, to approve a grant award of $5,000 towards the $15,638 roof replacement. Roll Call Vote – Ayes by Nordlund, Guinon, Voss, Hillebrand. Nays – McDowell.

While an eligible expense, there was concern raised that a roof does not improve the aesthetics of a façade.

B. Home Services Façade Grant Request

Motion by Nordlund, second by Guinon, CARRIED, to approve a grant award only for qualified expenses up to $5,000. Roll Call Vote – Ayes by Nordlund, Guinon, Voss, Hillebrand, McDowell. Nays – none.
It was noted that the contractor is a relative and part owner of Home Services. Our guidelines prohibit fees paid to the applicant (owners and part owners), relatives, or employees. TIFA will thus reimburse for materials only.

PUBLIC COMMENT

ADJOURNMENT
There being no further business, motion by Voss, second by Hillebrand, CARRIED, to adjourn the meeting at 12:53 p.m.
CITY OF WHITEHALL

BROWNFIELD REDEVELOPMENT AUTHORITY
LOCAL DEVELOPMENT FINANCE AUTHORITY
TAX INCREMENT FINANCE AUTHORITY

ANNUAL REPORT
Fiscal Year 2018/19
Board Members
Chair Darrel Copley, Arconic Engines
Vice Chair Shon Cook, Shon Cook Law
Virginia DeMumbrum, White Lake Community Library
Mike Guinon, Real Estate Appraiser
Dan Hain, Fetch Brewing
Mayor Debi Hillebrand, Lewis House Bed & Breakfast (1)
Gary Langlois, Greenridge Realty
Ken Mahoney, Muskegon County Commissioner
Martin McDermott, Muskegon Community College
Dr. Jerry McDowell, Whitehall District Schools Superintendent
Donald Nordlund, Pitkin Drugs and Gift Shoppe
Dr. Paul Voss, Retired Dentist

Director/Secretary Scott Huebler
Treasurer Laurie Audo

The BRA and TIFA Boards have the same members and also serve on the LDFA along with four other legislatively required members. This has facilitated all three Boards meeting concurrently.

(1) Replaced DeMumbrum
The Michigan Legislature passed Public Act 57 in 2018 to recodify seven tax increment financing acts and repeal two. The law included new requirements on filing the development plan, public meetings, and website postings. It also created enforcement provisions for the Department of Treasury. Libraries can now opt out of their millage being captured upon retirement of debt; if the boundaries of the district are expanded; or if the plan duration is extended, which can only be up to five additional years.

Tax increment financing was created "...to correct and prevent deterioration in residential, commercial, and industrial areas and certain other areas; to authorize the acquisition and disposal of interests in real and personal property; to promote residential and economic growth; to authorize the issuance of bonds and other evidence of indebtedness; and to authorize the use of tax increment financing..."

Tax increment financing generates revenues by “capturing” the growth in taxable value above a base year. The funds are then used to accomplish the tasks listed in the development plan. Ant revenue not used in a fiscal year must be returned proportionately to the taxing jurisdictions. As one of the very few communities that do so, our Local Development Finance Authority (LDFA) and Tax Increment Finance Authority (TIFA) have returned an average of $510,000 over the last four years.

**TAX INCREMENT FINANCE AUTHORITY**

The City's original TIFA was established in 1984 encompassing the Howmet industrial facilities. A downtown TIFA was created a year later. These were combined into a single TIFA in 1999. The combined base value was $21M and reached a peak in 2015 at $46M. Due to the elimination of personal property taxes, our base has now plummeted to $11.6M, roughly half of where we started 20 years ago.

<table>
<thead>
<tr>
<th>TIFA AUDITED FINANCIALS</th>
<th>YE 2019</th>
<th>YE 2018</th>
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<tbody>
<tr>
<td>Property Taxes</td>
<td>$311,981</td>
<td>$406,299</td>
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<tr>
<td>Community Stabilization</td>
<td>$784,946</td>
<td>$606,445</td>
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<tr>
<td>Investment Earnings</td>
<td>$6,261</td>
<td>$2,840</td>
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<td>Other</td>
<td>$0</td>
<td>$22,101</td>
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<td><strong>REVENUES</strong></td>
<td>$1,103,188</td>
<td>$1,037,685</td>
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<td>General Government</td>
<td>$41,539</td>
<td>$40,647</td>
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<td>Public Works</td>
<td>$120,831</td>
<td>$398,587</td>
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<td>Primary Government</td>
<td>$70,658</td>
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<tr>
<td>Other (Pass Through)</td>
<td>$400,000</td>
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<tr>
<td><strong>EXPENSES</strong></td>
<td>$633,028</td>
<td>$909,892</td>
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<tr>
<td>Ending Fund Balance</td>
<td>$923,830</td>
<td>$453,670</td>
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Expense activities for last fiscal year were light as funds are being set aside for the North Mears parking lot improvements and activities center construction planned for the summer of 2020. TIFA currently has $850,000 available for this project.

The TIFA is due to expire in 2024. The Board will have to debate dissolving the Authority at that time or seek a five year extension.

LOCAL DEVELOPMENT FINANCE AUTHORITY
The LDFA was created in 1988 to stimulate industrial growth by building and marketing a city owned industrial park. The park is fully developed and has no debt resulting in minimal expenses. There are 55 acres remaining for development. The base taxable value began at $50,000 and is currently at $5.8M. It reached a high of $17M but plunged following the elimination of personal property taxes.

The Authority will expire in 2024 along with the TIFA. There presently appears to be no option to extend the term.

<table>
<thead>
<tr>
<th>LDFA AUDITED FINANCIALS</th>
<th>YE 2019</th>
<th>YE 2018</th>
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<tbody>
<tr>
<td>Property Taxes</td>
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<td>Community Stabilization</td>
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<td>Investment Earnings</td>
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<td><strong>REVENUES</strong></td>
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<td>Public Works</td>
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<td>Other (Pass Through)</td>
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<td><strong>EXPENSES</strong></td>
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<td>Ending Fund Balance</td>
<td>$165,313</td>
<td>$180,526</td>
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BROWNFIELD REDEVELOPMENT AUTHORITY
The Brownfield Redevelopment Authority (BRA) encompasses the entire city. Redevelopment plans are adopted for specific sites. The City’s only active site is the former Genesco Leather Company on Lake Street. A plan for this site was adopted in 2005. A development agreement between the City and Eastbrook Homes, the site’s owner and developer, was approved as well. This agreement allows for the reimbursement of eligible due care environmental activities. The City will have adequate funds in FY 2019/20 to begin reimbursing Eastbrook.
Construction of homes began in 2016 after more than fifteen years of environmental testing, negotiating, and remediation. The base taxable value has grown from $16,000 to $5.5M.

<table>
<thead>
<tr>
<th>BRA AUDITED FINANCIALS</th>
<th>YE 2019</th>
<th>YE 2018</th>
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<td>Property Taxes</td>
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