

**City of Marine City
City Commission
Special Meeting
December 29, 2015**

A special meeting of the Marine City Commission was held on Tuesday, December 29, 2015, in the Fire Hall, 200 South Parker Street, Marine City, Michigan, and was called to order by Mayor Skotarczyk at 7:00 pm.

Present: Mayor Raymond Skotarczyk, Commissioners Terrance Avery, Elizabeth Hendrick, Dianne Lovett, Raymond Meli, David Simpson, James Turner, City Manager Elaine Leven, City Clerk Kristen Baxter

Communications

The following Communications were received:

- Janet DeMist
- C. Smith

Motion by Commissioner Lovett, seconded by Commissioner Simpson, to accept the Communications and file. All Ayes. Motion Carried.

Public Comment

No one addressed the Commission.

Approve Agenda

Motion by Commissioner Lovett, seconded by Commissioner Simpson, to approve the Agenda, as presented. All Ayes. Motion Carried.

PUBLIC HEARING

Resolution to extend the Development Plans and Tax Increment Financing Plans of the City of Marine City Tax Increment Finance Authority

Motion by Mayor Skotarczyk, seconded by Commissioner Lovett, to open the Public Hearing at 7:02 pm to receive public comments for Resolution #035-2015 which would extend the duration of TIFA #2 and TIFA #3 to December 15, 2018. All Ayes. Motion Carried.

In addition to the Communication received from Janet DeMist and C. Smith, a letter was received at the meeting from Rita M. Roehrig, and was read aloud by Commissioner Hendrick.

Bill Haas, 203 Pleasant, spoke in favor of disbanding the TIFA Plans and having the money go towards extra police coverage and code enforcement. Mr. Haas said the citizens needed the money for additional services.

Keith Jenken, 809 S. Water Street, spoke about the role TIFA has played in Marine City, such as the new police department, historic city hall, façade and rental rehab grants, sidewalks, flowers, and Discover the Blue Campaign.

Chuck Seigneurie, 224 N. Elizabeth, said that TIFA has done a lot recently for the city including new Christmas decorations, mulch in the city parks, and the implementation of New Business Start-up Grants. Mr. Seigneurie said TIFA funds fill the gap for the needs the city has, but can't afford.

Mayor Skotarczyk closed the Public Hearing at 7:21 pm.

NEW BUSINESS

Resolution #035-2015 ~ Extend the duration of TIFA #2 & TIFA #3 Plans to 12/15/2018

Commissioner Meli began the discussion and said that TIFA has done a lot of good things for the city, but without updated plans in place for TIFA #2 and TIFA #3, he did not support extending them.

Commissioner Avery said the TIFA fund should not be used for the city's normal business, but should be considered a savings account for emergencies. He asked what the implication of ending the TIFA Plans would be and how much of the monetary gain would go to other entities.

Commissioner Simpson spoke about how TIFA has positively affected the city with the library expansion, sidewalk and street improvements, local business grants, beautification grants, and park improvements. He said he was in favor of syncing all three TIFA Plans to expire in the same year so the city has an opportunity to do research on what TIFA would do long-term for the city.

Commissioner Lovett said that TIFA had a specific purpose to enhance city businesses and

make improvements for the betterment of the city. Commissioner Lovett said by dissolving the TIFA Plans, a large amount of money would be lost and the city had no other resource to recoup the loss.

Commissioner Hendrick spoke in support of dissolving the TIFA Plans and provided City Clerk Baxter a copy of her comments that she asked be included with the meeting minutes for the record. The copy will be added to the December 29, 2015 official minutes in the City Commission Minute Book.

Mayor Skotarczyk said he had been involved with TIFA extensively in the past and said that TIFA funds brought revenue that the city would never have otherwise to use to invest in itself. He further said the city would benefit very little by the dissolution and pointed out that the city could not have another TIFA Plan in the future. Mayor Skotarczyk said because TIFA has done a lot for the community, and continues to do a lot, he was strongly in favor of extending the plans to give the city time to plan.

Commissioner Hendrick said she was okay with keeping the TIFA Plans if the funds were used for what they were intended for and a plan put in place.

Mayor Skotarczyk called the question, seconded by Commissioner Lovett.

Motion by Commissioner Lovett, seconded by Commissioner Simpson, to approve Resolution #035-2015 for TIFA #2 Plan, and Resolution #35-2015 for TIFA #3 Plan, which would extend the duration of the Plans to December 15, 2018, as presented. Roll Call Vote. Ayes: Skotarczyk, Avery, Lovett, Simpson, Turner. Nays: Hendrick, Meli. Motion Carried.

Adjournment

Motion by Commissioner Hendrick, seconded by Commissioner Meli, to adjourn at 7:53 pm. All Ayes. Motion Carried.

Respectfully submitted,

Kristen Baxter

Kristen Baxter
City Clerk

For the Record Dec 29 Public Hearing:

Why were the TIFA's created 30 years ago? They were to prevent urban deterioration and encourage economic development and activity and to encourage neighborhood revitalization and historic preservation in the district.

The Purpose: To halt the decline in property value; to increase property tax valuation; to eliminate the causes of the decline in property values; and to promote growth in the area within the TIFA district.

What I have seen is that the TIFA board is not currently doing any of this in TIFA 2 and TIFA 3. So, let's ask the question, what has the TIFA board done for either district in the last several years? There has not been any projects suggested or completed within these districts since the Library expansion. Where is the proof that the districts still need the use of the TIFA money ?

I sat through the last TIFA meeting and wonder if anyone on that board has ever read the TIFA law?

Why are we having a public hearing tonight to approve a plan amendment to extend the plan ³ years without a plan for the use of the money.

All aspects of the development plan will be open for discussion at the public hearing, not just the date as was presented in the public hearing notice. The law also says the notice for public hearing must contain a description of the proposed development area in relation to highways, streets, streams or otherwise. The map that was attached did not contain any of that information and was illegible and only used in one publication. Those descriptions were available in each TIFA plan. Why weren't they used? Was the law really followed?

With the City having a population of less than 5000, the Planning Commission of the municipality could be used as the TIFA board. This would eliminate one board and combine the 2 boards into one per the law.

From the State Tax Commission webpage: Can TIFA plan spend revenue outside of its development area?

According to state law, the plan may spend revenue only for projects described in the development plan and/or TIFA and the projects must be allowable under the law. The Revenue must be spent for the **benefit of the development area. Revenue of one plan may not be used to pay an obligation or expense of another plan.**

The State Tax Commission's policy is that revenue must also be spent on improvements or properties located in the plan's development area. The STC will enforce this policy on a prospective basis as of April 14, 1998, but not retroactively. **After April 14, 1998, a plan may not start any new projects outside of that plan's development area. The STC may waive this requirement for certain infrastructure improvements made in the development plan that must extend outside the developments area's boundaries.**

Attorney Pat McGow of Miller, Canfield, Paddock & Stone addressed the TIFA board on January 18, 2005.

Attorney McGow said if the money was not spent on the plan, or there was no future need for those funds, then the funds go back to the TIFA properties.

Attorney McGow also noted that the State Tax Commission had issued guidelines on spending funds of the TIFA. The TIFA should not spend monies outside the boundaries for projects. The monies need to be spent for improvements within the district.

Attorney McGow said that there was a process to waive that requirement for certain infrastructure improvements in the development plans that have to extend outside the boundaries.

So, an attorney reiterated what the State Law says to the TIFA board at that time. The City Hall project in no way helped the people or their property values in any of the TIFA's, including 2 and 3. Should the money have gone back to the TIFA properties?

So, what has TIFA done for districts 2 & 3. Well, in TIFA 2, Short Cut road was paved, and trees along M29 were planted. The City Sewer plant bonds have been paid off. No other work has been done down in that district. There was a proposed King Road extension, but that was determined to be too expensive and TIFA money could not be used to purchase property outside the district for that expansion.

In TIFA 3, money was used to purchase a building for the Police Department. The City overpaid for a building and piece of property that went way over budget. The City also expanded the Library. Some streets were paved and a few sidewalks have been replaced. An overpriced sign that is now for city use only. But nothing has been done in this district since then. The money from both TIFA 2 & 3 has been used for projects in the other district. TIFA 1, currently only has 35K remaining and must be used to pay for the Seawall project for downtown.

The people in TIFA 3 petitioned the TIFA board in 2007 to stop the spending of their TIFA money outside the district. The Petition, signed by 129 property owners said: We the undersigned, are concerned citizens who urge our leaders to act now to keep TIFA funds in our district to make improvements. But did anyone listen?

Can the City verify that TIFA 2 and 3 are still necessary? Where are the facts and figures. Where are the reports. Why isn't Section 9 Annual Report being done each year for these TIFA plans. Why hasn't the Refund of Surplus Tax Increments been rebated for any non-committed surplus money in the project fund at the end of a year.

These TIFA's should be used for the districts if needed or be disbanded. The money should go back to the General Fund to be used to operate the city instead of the city asking for a PA33 tax which they claim will replace the existing money the city has for Police and Fire and then that extra money will be used for other purposes. The 700K that would go into the General Fund would be used to operate the city.

Lisa Hendrick
