

Local Development Finance Authority (LDFA)

Minutes – October 13, 2020

Smartzone 2345 Meridian St.

1. Call to Order

The meeting was called to order at 1:54 pm by Chair Sharp.

2. Roll Call

Members Present:

Fred Smith	Kristin Collins	Carmen Fazzari
Angie McArthur	Tom Veum	Morrie Walworth
Gary Sharp	Fred Molnar	

Staff Present:

Jeff Holt	Tracey Laitinen
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Others Present:

Kali Brosco, Accountant/Deputy Treasurer
Brian Chapman, City Manager
Tina Fuller, City Assessor
Dan Dasho, EDC Board member

3. Agenda: Changes, Additions, or Deletions – None at this time.

4. Matters presented by the Public - None at this time.

5. Approval of Minutes

A motion was made by Collins to approve the minutes of May 21, 2020. Support by McArthur. Motion carried.

6. Approval of the Financial Report

Collins explained the revenue and expense reports ending August 31, 2020 noting that over \$52,000 was refunded to Meijer. Estimated revenue was \$132,200 but has now dropped to \$46,900 which includes taxes refunded.

A motion was made by McArthur to approve the financial report as presented. Support by Fazzari. Motion carried.

7. Update on tax projections/repayment of loan to TIFA III

Collins reported more in-depth on the Meijer MTT case and that the new projections. Revenue shows to be very unpredictable due to tax appeals. The City has settled several cases, but there are an additional 7 stores in the pipeline. For this fiscal year, \$52,600 has been refunded to date and revenues are estimated at \$46,900. With the bond payment due as well as the previous year's repayment for the \$80,000 loan from general fund (\$40k due last fiscal and the remainder due this fiscal), the total estimated amount coming from TIFA III to cover the LDFA shortfall is estimated to be \$145,000. Total estimated funds to date that LDFA would need to repay TIFA III are \$647,619.33 through 2024.

8. Follow up on LDFA call from June 18, 2020

Holt recapped the June call and the options of redistricting and or extending the LDFA plan. Molnar shared details about how Grand Rapids reset their plan to focus on high development areas. Currently the entire City is in the LDFA plan. Discussion was had regarding MTT cases, and exempt properties. Smith reported that house sales were booming and that with the changes for potential marijuana developments, it would seem like things are trending up. Options are; 1. Do nothing and let LDFA expire in 2024, 2. Reset the geography and see if we can minimize our risk, 3. Reset the geography and apply for a 5 year extension. Fuller explained that a rebound would take time noting that 2% growth is estimated. Molnar added that having a plan for funds is required, and that extending to repay TIFA III would seem to fit. Molnar also gave examples of cities that extended beyond their City limits, but the group agreed this most likely was not feasible. McArthur reported that any revenue redirecting away from schools would be looked at negatively. Molnar added that schools are made whole by the State as far as Smartzone funding goes.

9. Update on bond re-fi

Collins gave an update and at this time the bond advisors did not want to look at refinancing the bond due to the small amount remaining (\$510,000) and short time left (2024). Sharp recommended determining any penalties and legal fees as a local institution may be able to negotiate a better rate. Walworth explained LSSU's current refinancing and that it is working out to their advantage. Collins and Chapman will look into the feasibility and report back to the board. Smith asked about selling the building to get out of debt and Holt explained the EDA grant expectations.

10. Updated on SSMart

Holt reported that SSMART is now officially dissolved and included the paperwork from the attorney general in the packet.

11. Gateway Grant – Current & Extension

Laitinen reported that the grant extension is 6th in line at MEDC and will be through legal soon. The next grant report is due this week (10.15.2020) and then we can ask for our next disbursement. Collins inquired on the grant and Laitinen reported that it will pass through the City's SIGMA account.

12. Other Matters

FOIA/OMA materials were distributed to new members.

13. Adjournment – Smith made the motion to adjourn at 2:44 pm. Support by Collins. Motion passed.

**There is no meeting scheduled at this time. A Doodle Poll will go out in March 2021 to schedule the April meeting.*