

CITY OF REED CITY
REGULAR COUNCIL PROCEEDINGS
January 13, 2025

Mayor Meinert called the meeting to order at 6:00 P.M. in Council Chambers, 227 E. Lincoln Avenue, Reed City, Michigan.

Present: Mayor, Roger Meinert, Mayor Pro-Tem Dan Burchett. Council Members: Nicole Woodside, Brad Nixon, Trevor Guiles, Charles Lupo, and Nate Bailey. Department Heads attending were Amye Hensel, Kadee Kidd, Jeffery Stein, Chris Lockhart, Amanda Grant, Rich Saladin and Curt Brackenrich. The meeting was opened with the pledge to the flag. There were citizens in the audience.

Public Hearing on the creation of a DDA was opened at 6:01.

City Manager, Rich Saladin, explained this is something that the City has discussed in the last 8-10 months. Council has worked through a resolution with our intention to create a DDA. This public hearing is a step in that process. Bob Toland is here as our advisor on this process. Nothing can happen until 60 days after this meeting, that allows anyone with taxing authority to file authority to exempt out of the taxing process. The ordinance has been reviewed by Cindy Wotila, our city attorney. She has submitted a statement to be read by the mayor. One point to make note of is that this boundary line can always be enlarged but cannot be decreased.

Meinert read the letter submitted by Cindy Wotila:

A public hearing has been scheduled for Monday, January 13, 2025, to receive input on the proposed Ordinance Creating a Downtown Development Authority for the City of Reed City. A Resolution of Intent was adopted at the November 17, 2024 meeting and Notice of the Public Hearing was provided in accordance with the Act. The City has asked our firm to review and comment on the proposed Ordinance.

Statutory Process

The Recodified Tax Increment Financing Act establishes the procedure for creating a Downtown Development Authority. I have reviewed the documents provided by the City and find the statutory requirements preceding the public hearing have been met.

At the public hearing, the City Council shall take comment and receive input on the creation of the DDA. Following the public hearing, the governing body shall not adopt an ordinance establishing the authority until at least 60 days after the hearing. This provides other taxing jurisdictions otherwise subject to capture of funds to declare an exemption.

Ordinance Language

As drafted, the proposed Ordinance complies with the Act. As a practical matter, the existing Code needs to be updated to avoid confusion and/or duplication. As currently posted on the Reed City website, Chapter 284 Downtown Development Authority is still included in the Code of Ordinances. This Downtown Development Authority was terminated in 2018, but it appears the Ordinance was not repealed. It is recommended the Clerk check with the company that publishes the Code as to how to correct this oversight.

Once the current Code is updated, the new ordinance should be numbered consistent with the City Code. Attached is a proposed draft.

Subsequent Action

Adopting an Ordinance creating a Downtown Development Authority is the first step in the process. Once the Downtown Development Authority is in place, the City will need to develop a plan and tax increment financing ordinance to fund the Authority.

Meinert asked if there are any comments from the audience.

Audience member John Steinbach supports the City of Reed City creating a DDA, he's been on the DDA board in Ludington and Grand Haven for about 18 years. He says they advocate for growth and help current and future businesses.

Audience member Gail Bailey from Crossroads Reality asked if we could hear from Bob (Toland) as to what the DDA is.

Bob explained the state law enabling downtown development authorities was adopted in 1975 originally. He wasn't sure if there was a City in Michigan that doesn't have a DDA. The State of Michigan adopted or enacted that statute for the purpose of encouraging economic development in our

downtown cities and communities that is the heart of the community that are worth preserving. Specifically, to help stabilize and encourage growth in our downtown area. The primary function of the DDA is to encourage economic development. It's anything from beautification, recreation, parks, street scaping, electrical, and quality of life issues.

Bob explained what incremental taxing is. The DDA tax increment financing mechanism allows for the capture of the incremental growth of local property taxes over a period of time to fund downtown development activities. A community can capture future tax increment and additional millage and focus their investment in targeted areas. By borrowing against future tax increments, the DDA can fund large-scale projects, which can lead to new development opportunities within the downtown area. In addition to the financing mechanism, the DDA structure results in the creation of a public board dedicated solely to the improvement of downtown.

Rich Saladin explained the DDA map and its boundaries to the audience.

Audience member Chris Demerell asked what happens to the expenses if there isn't any money in the DDA.

It is explained that the expenses stay the same, only the growth will be used to support the DDA.

Audience member, Gary Bailey, mentions that he is concerned about the County, townships and the City's relationship going forward with the DDA.

Mayor Meinert responded that we currently have a good working relationship and doesn't see that changing.

Guiles added that the township already has a DDA in place and supports the City of Reed City getting one.

Mayor Meinert adjourned the public hearing at 6:25

Agenda: Motion by Guiles, seconded by Woodside, **CARRIED**, to approve the agenda. Affirmed by voice vote.

Minutes: Motion by Guiles, seconded by Woodside, **CARRIED**, to accept the minutes of December 9, 2024, regular meeting as presented. Affirmed by voice vote.

Bills: Motion by Nixon, seconded by Lupo, **CARRIED**, to approve paying bills as presented for a total amount of \$1,322,040.23. Roll call vote. Voting yes were Nixon, Meinert, Guiles, Burchett, Bailey, Lupo, Woodside.

Dept. Head Reports:

Fire Chief Jeffrey Stein, Police Chief Christopher Lockhart, Rich Rehkopf, DPW, and Curt Brackenrich, WWTP, filed written reports. Kadee Kidd provided by email Financial Reports including a Revenue/Expenditure Report as of December 31, 2024. Motion by Woodside, seconded by Bailey, **CARRIED**, to approve the Department Head reports as submitted. Affirmed by voice vote.

New Business:

Discussion and action on creating a DDA

No action can happen for 60 days from this meeting date. Discussion amongst the council recapped the public hearing information.

Documents for Destruction

Motion made by Guiles, seconded by Bailey, **CARRIED**, to approve the destruction of the presented list of documents. Roll call vote. Voting yes were Guiles, Nixon, Woodside, Lupo, Burchett, Meinert, and Bailey.

Change order 5 DWSRF23, Gerber Construction

Motion made by Guiles, seconded by Lupo, **CARRIED**, to approve the DWSRF23 change order in the amount of \$85,920. Roll call vote. Voting yes were Burchett, Nixon, Woodside, Bailey, Lupo, Meinert and Guiles.

Time Capsule

Motion made by Meinert, seconded by Bailey, **CARRIED**, to approve the location of the time capsule to be buried at the Museum, with the understanding that ownership of said property will convert back to the City in the event of dissolution of the Museum. The deed should be changed to reflect that the Museum has possession of the time capsule and is filed with the county. Audience member Gary Bailey offered to do this at no charge. Roll call vote. Voting yes were Guiles, Nixon, Woodside, Lupo, Burchett, Meinert and Bailey.

Consent Agenda

Motion by Bailey, seconded by Guiles, **CARRIED**, to approve consent agenda. Affirmed by voice vote.

City Manager's Report

City Manager, Rich Saladin provided an update on additional tree grant awarded to the City. The planning commission will begin to discuss the park and recreation proposal. Bids came in for the Pocket Park, Gerber was the lowest bid, however, the bid was substantially higher than the grant we received. The July completion date is going to be tough to meet until some adjustments are made. The new sick time process is being worked on with city Attorney Mike Figliomeni. Rich acknowledged, thanked and gave a tearful goodbye to Amye Hensel as this was her last Council meeting as the City Clerk before her retirement.

Mayor's Report:

Board of Review Member Appointment

Motion made by Meinert, seconded by Guiles, **CARRIED**, to approve nominating Kathy Fiebig to the Board of Review. Affirmed by voice vote.
Dan Burchett has bill review for February.

Council Member Comment:

All council members thanked Amye for her service to the City and wished her well in her future.

Audience Comments:

Joan Williams asked the Council what avenues they felt she could explore regarding assisting the homeless, possibly creating an advocate group. She will do more research and get back to Council with her findings.

Russ Nehmer introduced himself as the new County Commissioner. He updated the Council on their meeting last week. He plans on attending Council meetings in the future and will continue to be a liaison between the two Councils.

Adjourned: Mayor Meinert adjourned the meeting at 7:15 PM.


Amanda Grant,
City Clerk