

MEETING MINUTES
LOCAL DEVELOPMENT FINANCE AUTHORITY (LDFA) MEETING
Wednesday, June 29, 2005
9:00 – 10:00 AM
Fremont City Hall
Council Chambers

I. Welcome and Opening Remarks

The meeting was called to order at 9:08 AM. Mr. Yonker thanked the Authority for their willingness to serve. Each member then introduced themselves.

Members Present:	Dan Slate	Hendon & Slate
	Bing Hanson	Fremont Public Schools
	Stanley Nieboer	Newaygo County Commissioner Dist. # 3
	Jean Palmerton	Coldwell Banker
	J.R. Smith	Dura Automotive Systems, Inc.
	Jon Sovinski	Hi-Lites Graphics Inc.
Advisors Present:	Chris Yonker	Fremont City Manager
	Todd Blake	Fremont City Clerk
	Michele Ribant	Fremont Neighborhood & Economic Development Director
Members Absent:	Dr. John Kingsnorth	Fremont Public Schools

II. Oath of Office

The Oath of Office was administered by City Clerk Todd Blake to the following members:

- Dan Slate
- Bing Hanson
- Stanley Nieboer
- Jean Palmerton
- J.R. Smith
- Jon Sovinski

III. Election of the LDFA Chair

Stan Nieboer made a motion to nominate Dan Slate as the Chair of the Local Development Finance Authority; the motion was seconded by Jon Sovinski and carried.

IV. Discussion on the Role of the LDFA

Because the Chair was newly elected, the City Manager offered to provide information to the Board on the role of the LDFA and the background of the Authority. Mr. Yonker indicated that the LDFA came into existence in 1992 with the purpose to acquire the land for the Fremont Industrial Park (FIP) and to provide for future improvements. He indicated that a Development Plan and Tax Increment Financing Plan were then created to provide for the acquisition, construction and financing of the improvements within the FIP. The public facilities would ensure further use of the Industrial Park by industry, therefore creating economic growth (jobs and tax base) and development within the LDFA's District.

Mr. Yonker indicated that the Authority's role was and is to oversee the physical improvements that were and are planned to be made in the Park. It is anticipated that this coming year the Authority will oversee improvements that will include new entryway signage and landscaping around those entries. The LFDA should also review landscape plans for proposed tree plantings in the Park's rights-of-way and in the Outlots that contain the stormwater ponds.

The City Manager outlined the various economic development tasks that are to be performed within the City as outlined in the handout entitled "Comparison of Economic Development Services Rendered by the Fremont Chamber, Real Estate Firms, NCEDO, EDC, City, NC-RESA & MEDC."

Mr. Yonker summarized the status of the City's marketing efforts in relation to the FIP. He said that in the past the City has used three different real estate firms to market the Park: S.J. Wisinski of Grand Rapids, Investment Property Associates (IPA) of Grand Haven and Grubb & Ellis Paramount of Grand Rapids. Mr. Yonker indicated that only one of these firms (IPA) produced any major leads, which was the location of Shoreline Packaging in the new building on Industrial Drive. The other companies locating in the park were generated through local contacts with real estate firms, bankers and other parties.

There is no current listing contract on the FIP property and that any realty firm may bring forth prospects and that the City will entertain any and all offers. The City has previously paid a flat commission of about \$4000 - \$5000 per acre to any real estate firm that brought forth an offer leading to the sale of FIP property. The City Council has established an asking price of \$12,500 per acre fully developed with no special assessments.

Mr. Yonker commented on the slow build-out of the Park, noting that it is due primarily to three main factors: 1) our location off of a major interstate or highway; 2) the downturn in the national and state economy; and 3) the severe reductions in manufacturing companies and employment, especially in Michigan. There is currently a glut of vacant industrial buildings in West Michigan. Therefore, it will take a while for the market to absorb these properties before the interest in new properties increases. Mr. Slate commented that a return in confidence in the economy should bring about some more interest in the Park.

V. Budget & Finance

Mr. Yonker reviewed the LDFA's use of Tax Increment Financing (TIF) for debt service on FIP bonds. He referred the Board to the LDFA Capture Spreadsheet handout and explained that the LDFA tax revenues have decreased due to the lower TIF capture needed for the debt payments on the LDFA bonds. Mr. Yonker indicated that the total LDFA debt obligation for FY 05/06 is \$58,590 and that this must be spread out proportionately among all taxing bodies. Due to changes in the capture of TIF funds under Proposal A, the LDFA cannot capture any school debt levy and can only capture from the school operating levy for the retirement of the bonds. TIF captures for other LDFA current or future costs can only come from the levies of the City, Newaygo County and the Fremont Area District Library.

The City Manager reviewed the FY 05/06 Budgets for both the LDFA Operating Fund (298) & Debt Service Fund (389). He indicated that money from land sales goes into the operating fund, which is included in its fund balance. Mr. Yonker reported that the budget includes a 50% MDOT enhancement grant (estimated at \$50,000) for the M-82 detour route (Locust Street & Industrial Drive) during the reconstruction/widening of M-82 between Market & Industrial Drive in the spring of 2006. Mr. Yonker also informed the Board that monies out of the LDFA budget will be spent to update the general marketing brochure for the Fremont Industrial Park.

Mr. Yonker reviewed with the Board Appendix E entitled “DDA/LDFA Indebtedness as of June 30, 2003.” He stated that the City has paid off water and sewer bonds and three DDA bonds and that the City is in a good debt position.

A motion was made, seconded and carried to recommend to the Fremont City Council approval of the FY 05/06 Budgets for the Fremont LDFA Operating Fund (298) & Debt Service Fund (398).

VI. Future Meetings

Chris Yonker indicated that the Fremont Downtown Development Authority (DDA) will identify a design firm who will work with them to develop a signage plan for the City. The LDFA will have an opportunity to review and comment on the proposed signage plan because the same design will be used in the Fremont Industrial Park. Mr. Yonker noted that the selected design firm will also be asked to create a landscape plan for the planned projects in the Industrial Park and the LDFA will review and offer input to those designs, too.

It was decided that the next meeting of the LDFA Board would be as follows:

Monday, September 12, 2005
4:00 – 5:00 PM
Fremont City Hall
Council Chambers

VII. Adjournment

Being no further business, the meeting adjourned at 10:35 AM.