

MEETING MINUTES
SPECIAL MEETING OF THE FREMONT CITY COUNCIL
AND THE
DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
AND ITS SUBCOMMITTEES

Tuesday, June 25, 2007
7:30 AM – 9:00 AM
Fremont City Hall
Council Chambers

Call to Order

The special meeting of the Fremont City Council and the Downtown Development Authority and its Subcommittees was called to order at 7:36 AM.

Members Present:

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| Lon Vredevel | DDA Chair |
| Marianne Boerigter | Executive Director, Newaygo County Council for the Arts |
| Kim Deur | Downtown Property/Business Owner |
| Bonnie Erber | DDA Marketing Subcommittee Chair |
| Rebecca Laing-Austin | Downtown Business Owner |
| Lorna Kosztowny | Downtown Property Owner |
| Gerry Rich | Downtown Business/Property Owner |
| Ron Vliem | Executive Director, Fremont Area Chamber of Commerce |

Members Absent:

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| Dusty Bitson | Downtown Business Owner |
| Rob Zeldenrust | Downtown Property/Business Owner |

City Council Present:

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| James M. Rynberg | Fremont Mayor (Also DDA member) |
| Jane Drake | Fremont City Councilmember |
| Larry Breuker | Fremont City Councilmember |

Staff Present:

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| Chris Yonker | Fremont City Manager |
| Michele Ribant | Fremont Neighborhood & Economic Development Director |

Welcoming Remarks

Chair Vredevel thanked the DDA members and Councilmembers for taking time to attend the special meeting. He indicated that the focus of the special meeting is to discuss the proposed DDA millage.

Approval of Minutes

A motion was made by Marianne Boerigter, seconded by Kim Deur and carried to approve the minutes from the June 19, 2007 DDA meeting as submitted.

Discussion on Proposed DDA Millage

Mr. Vredevel began the meeting by saying that at the DDA's June 19, 2007 meeting, the DDA voted to approve the FY 07/08 DDA Budget as approved by the Fremont City Council. The point was made that in future years the DDA should be given the opportunity to comment and to provide input into the budget before it is voted on by the Fremont City Council. City staff acknowledged that the budgeting process will have to be refined to include more input from the DDA. Staff stated, however, that the DDA Budget was very similar to last year's, except for the changes in debt service amounts due to the new \$1.7 million

bond issue for the DT northeast block parking lot & Fremont Market Place project. Both the DDA millage and the DT parking lot maintenance assessment were proposed in last year's budget as well as the DDA Amended Development & Tax Increment Financing (TIF) Plan approved by the DDA & City Council last September 2006. In March 2006, City staff also prepared a 4-page document entitled "Potential Funding Sources: DDA Capital & Operating Costs" that summarized the options the DDA & City Council had to fund the DDA's activities (a copy of this document was also handed out at this meeting.)

Chair Vredevelde stated that the DDA needs to discuss the proposed DDA millage and then vote on the proposed Resolution, which would establish the FY 07/08 DDA property tax millage rate at 0.15 mills. Chris Yonker said that the City Council voted to approve the DDA millage, but in order for the millage to be adopted, it requires the affirmative vote of the DDA. Mr. Yonker brought to the DDA Board's attention that it appears the rate for the proposed millage was inadvertently noticed at 0.15, which is approximately a third of what the millage needs to be to cover the \$31,000 in maintenance expenses it was intended to cover. Per staff's discussion with the City's Bond Counsel, this is not an issue.

It was reported that the DDA District Maintenance Department within the FY 07/08 DDA Budget, which does not include the Downtown Parking System Maintenance Department, is anticipated to cost \$62,000 during the 07/08 Fiscal Year. The proposed DDA millage is to cover 50% of that cost, or \$31,000. The remaining 50% will be covered by the Downtown Beautification Fund (\$16,000), and by only non-school Tax Increment Finance (TIF) captures (\$15,000). (Non-school taxing jurisdictions include the City's General Fund millage, Newaygo County's millages, and the Fremont Area District Library millage.)

Chris Yonker reported that per the City's Bond Counsel, the DDA has until the end of September to vote on the proposed millage in order for the millage to be collected with the winter tax bills that go out December 1, 2007. By consensus, the DDA Board tabled the vote on the proposed Resolution authorizing the DDA millage until the next DDA meeting, so that an exact millage rate could be determined and the spreadsheet of the cost per property owner could be revised.

Discussion on Proposed DT Parking Lot Maintenance Special Assessment

Several Board members inquired as to how the DT Parking Lot Maintenance Special Assessment as proposed in the FY 07/08 DDA Budget would be administered. Michele Ribant said that the DDA Parking Subcommittee would be the body that would initially consider this issue. They will be meeting soon to devise an acceptable formula for spreading the cost of the special assessment across only those properties within a specific DT parking lot benefit district. The assessment would not be applied to other properties within the DDA District; only within the DT assessment district.

The Subcommittee will make recommendations on the assessment district boundaries and assessment formula to the full DDA Board, which will then forward its final recommendations to the City Council. Ultimately, the City Council must follow the proper public notice & hearing requirements under both State law & the City Code. Once approved by the Council, the assessment payments would be due sometime in early calendar year 2008.

Adjournment

There being no further business of the DDA, the meeting adjourned at 8:36 AM.