

**VILLAGE OF KENT CITY
REGULAR COUNCIL MEETING
March 13, 2008
83 Spring Street, Kent City MI**

2008-43 CALLED TO ORDER AND ROLL CALL

The meeting was called to order at 7:03 p.m. by President Petruska.

Council present: Merry Barron, Steve Buckner (arrived during DDA hrg.), Jill Krikke, John Petruska, Tom Pieper, Bert Rose and Sandy Wylie.

Council absent:

Officers present: Darrell Rotier, Treasurer, Jennifer August-Deputy Clerk

Others present: Mark Nettleton – MMBJ., Dan Spangenberg-Fillmore Equipment, Lynette Nawrot, Jim Nawrot, Scott Mouthaan, Stan Bertog, Tim Grice, Cheryl Mortensen, Ray Averill, Andrew Bostwick, Ione Stark, Dean Anderson, Julius Koenigsknecht.

2008-44 APPROVAL OF MINUTES

Motion by Pieper 2nd by Rose to approve the February 14, 2008 regular minutes as written.

Vote: 6 Ayes; 0 Nays. Motion CARRIED

Motion by Wylie, 2nd by Barron to approve the February 28, 2008 special minutes as written.

Vote: 6 Ayes; 0 Nays. Motion CARRIED

2008-45 PUBLIC TIME – No comments.

2008-46 CORRESPONDENCE – None.

2008-47 APPROVAL OF AGENDA

Motion by Pieper, 2nd by Rose to approve the agenda as presented.

Vote: 6 Ayes; 0 Nays. Motion CARRIED

2008-48 PUBLIC COMMENT ON AGENDA ITEMS - No comment.

PUBLIC HEARING TO EXPAND THE BOUNDARIES OF THE DDA AND
ON PROPOSED AMENDMENT NO. 2 TO THE DEVELOPMENT PLAN
AND TAX INCREMENT FINANCING PLAN FOR THE DDA.

The hearing opened at 7:05 p.m.

Lynette Nawrot – 240 W. Muskegon Street

She is not in favor of it.

Q. Is a seller obligated to tell a buyer that property is located in a DDA district?

A. No – it is not part of the mandatory disclosure requirements. The use of the property doesn't change until it is rezoned. The DDA does not have the authority to change zoning.

Mr. Jim Nawrot – 240 W. Muskegon Street

Q. Is there a maximum number of residents that can reside in a DDA district?

A. No – a Citizens Council would need to be established as a sounding board for the DDA if there are more than 100 residents.

Q. Can the DDA tell property owners they have to sell to developments?

A. No.

Q. Why did the village feel they had to establish a DDA?

A. It was established in 1990. Incremental financing allows areas to keep funds to renovate, beautify properties. The plan has to list the projects.

Q. Where do the funds come from?

A. The DDA activities are paid thru tax increment financing. A portion of the taxes paid in the DDA district are captured and reinvested into these projects. A new tax is not imposed.

Q. Would the DDA have any affect on resale transactions in the village?

A. No, other than to improve property values.

Q. Is Alyce Mortensen's property included in the DDA?

A. No – the focus was to include the addresses on 17 Mile Road (W. Muskegon St.) everything on 17 Mile Road is included in the district up to Johnson's property. (The other proposed properties were mentioned.) All of the properties on the north side are already in the district between Ball Creek and M37.

Q. Any ramifications if Alyce Mortensen's property is not included – spot zoning?

A. This is not spot zoning – separate from zoning.

Ione Stark, Tyrone Township Supervisor

Q. What has DDA done with funds in the past?

A. John explained the proposed Streetscape Project.

At a later time, the question was reintroduced.

A. Sidewalk project out to Houseman Foods, playground equipment, the fire department's well, a portion of the sewer expansion to Valley Ridge (Choice One).

Q. Is the school a taxing jurisdiction?

A. Under the original DDA plan, the school millage was captured up until proposal A was passed. And those communities that did not have projects they were working on, were not eligible to capture school millage.

Ione stated that the cost of the streetscape project will continue to increase.

Mike Frankenberger (O & M, 6 Ball Creek) DDA Member

Commented that he supports expanding the DDA district only to include the Speedway property and Kent City Ford property. The purpose is to renovate a deteriorating downtown area and the other areas do not conform. Moving the downtown area out to 17 Mile Road will hurt the current “downtown” area. There was discussion about Mike’s support when the DDA districts were first established which included 17 Mile, and the DDA money that was spent to apply for the grant that was denied. At a later date, Mr. Frankenberger realized the purpose of a DDA. Mr. Frankenberger stated that if we do not have enough money coming in to pay for the project, 2 mills can be levied against taxpayers by the DDA if they need to borrow. He doesn’t feel that the DDA has half the money they need for the Streetscape project.

A. The DDA is consulting the state and MDOT to find out if we would be eligible prior to submitting the grant.

Tim Grice (Grice’s Pharmacy) President of the DDA

Commented that the DDA cannot pass any laws or [change] zone. These taxes remain in our district and the taxing jurisdictions are Kent County, Village of Kent City, Tyrone Township and G.R. Community College. Taxes are not captured from Kent District Library or the Fire Department. In the past 6 years, they have saved up to \$175,000. Since the DDA had to include the property at Speedway to make the district legal and they are spending about \$10,000, the decision was made to

expand the area to actually use those dollars, extend the duration and the scope. The amount of money gaining out of the increase (expansion) is very small. The capture to 2037 is \$84.00 for Tyrone Township. So far, most of the infrastructure has been along 17 Mile Road.

A. Can Alyce Mortensen’s property be added in the district?

B. Not at this proceeding. The process would need to start from the beginning with public notices.

Tim expressed his concern to include everything that the DDA felt should be done at this time. He would like to include this property because it will cost more to do later.

Cheryl Mortensen, 196 W. Muskegon

Q. Can the DDA purchase property? A. Yes

Q. Can the DDA force you to sell? A. No – the village council has that authority with or without property being in the DDA district.

Q. Why would you want to be in the DDA?

A. That property values would continue to increase.

Steve Buckner- Village Trustee

He addressed the 2 mill issue with the attorney. If you are bonding for a project and the bonds are backed by the village, then the village has obligation to stand behind the DDA. If the DDA doesn’t have the funds, the village funds will be available up to a maximum amount that the village can levy and in addition to that, the village council could also levy 2 mills.

Sandy Wylie – Village Trustee

Q. Is there a negative reason for people to own property in the DDA?

A. The 2 mill levy.

Scott Mouthaan – 260 W. Muskegon

He is not in favor of being included in the DDA, because he doesn't like the fact of taxation without representation. Concerned about the Streetscape project with overruns, power to purchase property and condemn, creating an island excluding Alyce Mortensen's, and the recommendation to include the Baptist Church located on N. Main Street. Scott commented on Sparta's streetscape; they struggle to keep business downtown.

The DDA can spend money without the council's consent if the projects are listed in the plan, unless the project is bonded.

The residential properties between the Speedway and the RR tracks are not included in this expansion.

Ray Averill – 196 W. Muskegon

He wondered why the properties west of Speedway were not included.

Jill Krikke – 37 S. 2nd Street (Village Trustee)

Q. Are all the meetings public? A. Yes, they are all posted.

The hearing closed at 8:05 p.m.

Tonight starts the 60-day opt-out period for the taxing jurisdictions that are filed with the Village Clerk which expires on May 12th. A special meeting will need to be schedule to approve an ordinance that week to capture taxes for 2009. During this 60 day period, a decision can be made regarding the Ball Creek property.

2008-49 REPORTS

A. Equipment Report – *Jill Krikke*

- Mr. Dan Spangenberg from Fillmore Equipment gave specs on a John Deere Tractor. The committee will bring information again to the April meeting for final discussion.

B. Health & Safety Report – *Jill Krikke*

- The quarterly walk-thru was done, the DPW employees had their hearing tests that were passed, and Mr. Pike will be scheduled to have his Hepatitis B shot.

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C. Sewer Administrator's Report – *Mary Portell*

- Written report is with the Clerk's report.

D. Street Administrator's Report – *Thomas Pieper*

- Asset Management report is to be filed by April 1, 2008 and data can be changed later.

- E. President's Report – *John Petruska*
- Fall Festival is scheduled for September 13th.

2008-50 Other Reports

The following written reports / information were included in the packets.

- Clerk's March 6th report.
- The Treasurer's March 13th report.
- Zoning Administrator's February 28th report.

2008-51 APPOINTMENTS/RESIGNATION

- Planning Commission – Charlie Portell has chosen not to renew his term that expires April 13, 2008. He has served the P.C. for 21 years.
Darrell Rotier and Ed Lain will renew their terms.

2008-52 FINANCE

- A. **Motion** by Pieper, 2nd by Barron to approve payment of the bills for the amount of Seven thousand, seventy-six and 72/100 (\$7,076.72) dollars.

Roll Call Vote:

Ayes: Barron, Buckner, Krikke, Petruska, Pieper, Rose Wylie.

Nays: None. Motion CARRIED

- B. **Motion** by Wylie, 2nd by Buckner to adopt Resolution No. 2008-06 to Authorize Payment of Principal & Interest for Sewer Bonds.

Roll Call Vote:

Ayes: Buckner, Krikke, Pieper, Rose Wylie, Barron, Petruska.

Nays: None. Motion CARRIED

2008-53 OLD BUSINESS –

- A. Hamburger Helper Hometown Grant for Swing set – *Jennifer August*
A new amount will be submitted for the grant after we get updated quotes on playground equipment, installation, groundcover, and pricing for the DPW to do the area preparation work.

2008-54 NEW BUSINESS – None.

2008-55 ADJOURNMENT

The meeting adjourned at 8:50 p.m.

Respectfully submitted,

Jennifer August, Deputy Village Clerk