

CITY OF COOPERSVILLE
REGULAR DOWNTOWN DEVELOPMENT AUTHORITY MEETING
Coopersville City Hall; 289 Danforth Street, Coopersville, Michigan

October 8, 2024

Board Chairman Veldman called the meeting to order at 5:15pm

Roll Call

Present:

Board Member Cooper
Board Member Datema
Board Member Gerard
Board Member Noel
Board Member Slater
Board Member VerBerkmoes
Board Member Orent
Chairman Veldman
Staff: Terpstra
Director: Luce

Absent: Board Member DuPilka

Board Member Slater motioned to support Board Member DuPilka's absence; motion supported by Board Member Datema. Motion carries unanimously.

Additions/Corrections to Agenda

None

Minutes

Motion to support and file the August 2024 DDA meeting minutes was made by Board Member Cooper and supported by Board member Noel. Motion carries unanimously.

Citizen Input and Suggestions

Sue Buth – 293 Main Street – Congratulated Staff Terpstra for a great fundraiser on the past Saturday evening. Thanked Board Member Noel and Director Luce for attending the event. Stated that it would be nice to see more board members in attendance of these events. Thanked Fairlife for all of their support of the event. Asked how we can provide the DDA marketing person with more tools and stated that she would like to see Staff Terpstra have more authority in the downtown. She stated she was disappointed by the removal of Michigan Main Street, and that it could have been a good tool to use when considering developments like the one proposed on Randall and 64th Avenue. She stated that she hoped the DDA Board Members would do visionary planning meetings especially considering the state of some of the buildings in the area. She stated that we have a big beautiful expensive park but then across the street is a rundown building that no one is in. She also questioned if the DDA capture and cap amount could be discussed in consideration of the Brownfield Development project and what could happen with it at a future date.

Dan Feldt, Spoelman, Hovingh and Feldt, 719 Randall Street is representing the four partners of the tax consulting firm. They recognize that the piece of property is already zoned for living but they are against the Brownfield Tax Capture. He stated that the funds would help them build the development but what funds would be used to sustain and maintain the property after the TIF funds were no longer received.

Scheduled Guest

Coopersville MFD, LLC Development Team brought Jake Eckhome from the City of Muskegon to discuss the impact of the new Brownfield Tax Increment Financing Housing Program on the City of Muskegon. City of Muskegon utilizes brownfields on a wide range of properties, rebuild vacancies in single family housing spaces, cost of sale and loss on construction. They used the private sector to help return 200 single family units at a rate of 60% new construction. The 2023 Brownfield Act has been modeled after City of Muskegon and proves a direct result of localized funds paying back quickly.

Roman Wilson from Fishbeck spoke next and stated that there are several housing challenges that they observe including aging housing stock built prior to 1970, limited availability for multi family housing, increased rent rates, and cost of building a house. Ottawa Counties latest report states that they need 110,000 units by 2027. This project will target the missing middle class. A slide show was shared with several pieces of information. The current taxable base for the property discussion is \$11,000, when the project is finished, they estimate the base value to be \$12,000,000. 20% or 43 units will be income based for the duration of the Brownfield Plan. They are asking for up to \$6,500,000 in TIF funds to recuperate funds from infrastructure, site preparation and rent loss. The rent rates will not change for residents living within the development. Reimbursement would begin after the completion of the development, estimated to be in 2026, and continue for 12 years with the final year funds going to Ottawa County for similar brownfield projects. This property will serve as a catalyst for the full development of the other 7 acres of property at this location not included in the Brownfield Development. An agreement is being offered to the city, currently in negotiations, for \$25,000 being paid to the City of Coopersville to cover expenses incurred by the city for the property. Board member VerBerkmoes stated that she totaled the numbers of all filled apartments for one month and got a total of roughly \$324,000 and asked how that does not help recuperate the costs. Scott Olsen of Fishbeck explained that those costs wouldn't be profit because they go back into the development. He also stated that this development was a private road and would not be part of the city's costs. The developers have to pay \$860,000 a year before receiving the funds because of the taxes owed for school and library millage. Board member VerBerkmoes asked moneywise, what are our benefits for the state, county and all tax collected. Olsen responded that the state would not receive benefits, and the county was there to facilitate the brownfield but not receive money until that last year. Board Member VerBerkmoes stated that how much you make per month and per year does not agree with all the tax breaks you will receive.

Petitions & Communications

7. A. Board Member Cooper motion to support the Brownfield Tax Increment Financing Resolution, with support from Board Member Orent. Discussion was opened before the vote. Board Member Slater would like a contingency added that we would agree to the resolution as long as a minimum of \$25,000 was paid to the city for the duration of the Brownfield. He stated that he understands that it's a "hot button" issue in a community and understands as a business owner it is difficult. Board Member Datema supported adding the contingency to the resolution. Board Member Verberkmoes asked if it actually mattered to the council or city what the board voted or added as a contingency. Director Luce stated that it's always important to hear what the boards within our municipality have to say. Board Member Noel stated that we don't know how long the property will sit if undeveloped with this project. Chairman Veldman stated that it had already sat vacant for a long time. Board Member Noel stated a lot has changed within that whole area in the past ten or fifteen years though. Board Member Slater stated there aren't many large pieces of property within the city limits that are able to be developed like this. Director Luce stated that the property has been vacant for 25 years. David Eberly of Bloom Slugget Lawyer for the City of Coopersville wanted to make sure the DDA Board was clear on the next steps in the process. After the meeting tonight the resolution would move on to Coopersville City Council, the County Brownfield and Development Board and Michigan State Housing Development for approval of a work plan. The municipal services funds are not normally attached to an agreement like this and are not necessary to move forward. The Brownfield needs the DDA Board to approve the resolution to forego the TIF funds in order for another entity to capture it because it is within the DDA district. He stated that this is the beginning of the planning process and suggests there are two options. Option one is to approve the Brownfield, and it goes to City Council for approval or option 2 if the DDA Board votes no it does not kill the plan but the developer would need to relook at the numbers. Board Member Slater asked if we forego the capture does it do anything to our existing

capture or does it remain the same. Director Luce stated that the capture is not changing. Board Member Slater asked if we can make an agreement then contingent upon the \$25,000. Eberly stated theoretically yes. Chairman Veldman stated that the number has not yet been agreed upon by the City Council.

Chairman Veldman called for a consensus of the board to determine what members would vote for the resolution if there was a change made to the resolution adding the \$25,000 minimum to the municipality stipulation.

Consensus was 4 yes, 2 no.

Discussion ensued before the vote on the resolution. Board Member Cooper stated that Continental Dairy received tax breaks when first moving here. If you look at what it brought to the city overall it was a good thing. He stated that we all need to look at what the overall benefit of a project like this does for a city. The state of the City of Coopersville now compared to when Continental Dairy moved here is much better. He stated that you have to look at the tangibles, such as over \$1,000,000,000 has been invested in Coopersville in the over sixteen years the business has been here. Board Member VerBerkmoes stated that the people here do not want this. The big thing is that is \$1,500,000 that the city will not recoup. Board Member Cooper stated that the city would recoup that in sales tax. Roman Wilson asked to verify that Continental Dairy's incentives have sunset, and the city is now getting the funds. Board Member Cooper verified that statement. Board Member Noel stated that our tax capture doesn't allow us to benefit from the TIF capture, only the City will benefit so it's a hard concept for the DDA Board to agree with. Scott Knowlton of Westwind Construction stated that there are several acres of commercial frontage that the city will receive tax capture on so your cap very well could change. Board Member Datema stated that he had a lot of questions and asked if he could get his thoughts in order and send an email to the board. Chairman Veldman stated that he needed to remember he would be called to vote on the resolution this evening. Board Member Cooper stated that it really depends on whether you want growth in the city or not. When Continental Dairy moved here, they were not sure they would actually be able to build on the property. Board member Cooper came to work with the knowledge that if it didn't happen, he would receive a one-year severance. He stated that he thought the whole board could agree that it was a very successful addition to what it once was. A lot of small businesses, such as Alliance Analytical, have grown because of this. In Texas at another location during the first year of construction they brought over 300,000 construction workers into a city and ended up being the highest sales tax year increase the city had ever seen. Today his business is paying full boat in taxes and the city is reaping those benefits, but you need to realize the cost it takes to bring those projects here. Board Member Noel stated that him and Board member Verberkmoes hear a lot of what the community has to say because of the retail businesses. He stated that he is there to represent the community and what the community members have to say but he can see Board Member Coopers side of it as a business owner. Board Member Noel stated that we see a lot of store fronts that is already empty so it's hard to allow those tax dollars not to come to the DDA to help put the funds back into what it is there to do. Scott Knowlton of Westwind Construction absolutely, I would expect the DDA would get some of the new funds to put towards those store fronts. Chairman Veldman called for a roll vote and the resolution failed with 4 no votes and 3 yes votes. *Chairman Veldman abstained from voting and stated his vote would not change the outcome. Motion to support the Brownfield Tax Increment Financing Resolution failed.

7. B. – Building Improvement Grant - Staff Terpstra gave a brief overview of the three grant applications received and the reasoning behind each suggested total. There was no discussion. VerBerkmoes made a discussion to approve the staff recommendations of the grants with support from Board Member Orent. Voting ensued with 6 yes votes and 1 no vote with one board member absent. Motion carries.

DDA Information Packet

Motion by Board Member Gerard with support by Board Member Slater to receive and file the DDA Information Packet. Motion carried unanimously.

Citizen's Input and Suggestions

Sue Buth – 293 Main Street – She asked if any one on the current board has visited other projects similar to this in the area. She has looked at Sly Flats in Zeeland and Peerless Flats in Grand Haven and asked if the board knew what those cities did to help them develop. She stated that the more quality people we bring in, the more

business it is those of us here. She stated that back in the day, the DDA used to take field trips together to look at projects like this and wondered if anyone was doing that.

City Manager/DDA Director's Report

- Thanked everyone for their tough decision on a contentious topic.
- Stated that the Grove Street Bridge project will be done in about 2.5 years with a state grant that saves the city \$3.2 Million which is what has freed up funds for the current road projects like Deer Creek and others yet to come.
- He has reviewed other properties with Brownfields in both Hudsonville and Spring Lake. Next week he will be visiting Shelby Acres for small footprint homes. (VerBerkmoes asked if there was even any property left) He stated that yes 68th Avenue and Cleveland is planned for future residential use.

DDA Marketing & Economic Administrator Comments:

- Let the Board know that we are no longer on the Michigan Main Street engaged level. We can use their resources, but we will not be recognized as part of the program.
- October 2 a TAP Grant was submitted for the North Bank Trail from 48th Avenue to 64th Avenue and explained that it would partner with the Safe Routes to School Grant.

Board Member Comments are available from Staff member Terpstra.

Adjournment Motion by Board Member Noel with support from Board Member Gerard to adjourn the meeting. Motion passed unanimously. Meeting adjourned at 5:11pm.

Chairman, Ron Veldman