

**THE CITY COUNCIL  
NILES, MICHIGAN  
PUBLIC HEARING  
DOWNTOWN DEVELOPMENT AUTHORITY  
TIF RENEWAL**

At 5:30 pm, Mayor Shelton asked if anyone in the audience wished to address the council on the proposed TIF renewal for the Downtown Development District.

**Council Member DiCostanzo** spoke about the purpose of the Downtown Development District. He talked about how the TIF money is being entrusted to the DDA to improve property values. He would like there to be expectations and plans to measure the progress of the DDA. He explained that if the city is committing the funding to the TIF we need to have some definite expectations and plans and measure the progress. He wants to see financial goals and metrics. If expectations are not being met, we might have to rework and change the course of things and do them a little differently.

**Lisa Croteau** explained that the DDA is willing to comply with keeping the City Council up to date with DDA progress and expectations. Lisa hopes the DDA continues to help the residential and downtown grow. She hopes to bring more new businesses to the downtown. She hopes the DDA can help make the downtown the heart and soul of the community. She hopes downtown can be as lively as it is during the Hunter Ice Festival on a regular basis. She wants to focus on business development, money invested in the downtown buildings, people living downtown, and the value of the properties.

**City Administrator Ric Huff** explained that the TIF could be cancelled at any time. If the DDA is disbanded the TIF automatically goes away.

**Mayor Nick Shelton** explained that metrics are important but a lot of what the DDA does isn't black and white. My expectations for the DDA is that the City and the Council have a great partnership with the DDA. We need to work together to create goals. We need to ask for feedback from the downtown businesses. The TIF makes sense because it is security in the DDA's funding every year. That way they do not have to come ask for City money every year. If they are not living up to the expectations the TIF can be taken away at any time.

**Council Member DiCostanzo** questioned what would happen if the DDA was highly successful in increasing the property values in the future. If there was a large increase in the TIF amount due to the increase in property values would that money remain with the DDA?

**Council Member Bertschy** explained that if the increase in property values was a direct result of the DDA than the increase in TIF funds should remain with the DDA. If the DDA is bringing more business downtown by talking to people who would like to open a business downtown and putting them in touch with building owners then they continue to be the ones deserving of the increase in TIF revenue.

**Council Member DiCostanzo** my vision of what will significantly increase property values downtown is not just superficial improvements to the buildings. It's also supply and demand. The ability for the marijuana business to come to Niles. A new opportunity that makes Niles desirable. DiCostanzo sees the TIF as a temporary budget for the DDA to use to do the work necessary to increase the property values to increase the revenue generated to provide extra revenue to the City. At what point do we branch off and

start splitting the money so the general fund has more? The City does a lot of things for the downtown that doesn't come out of the TIF. The TIF is a tool to ultimately help the DDA to increase the General Fund. The TIF isn't intended to be permanent.

**Council Member Nelson** explained that her husband Charles Nelson wouldn't have been able to open his business downtown without the assistance of Lisa Croteau and the DDA. The DDA knows the available properties downtown and puts prospective business owners in touch with the building owners. The DDA is the best place for someone to go to ask where they should put their business downtown.

**Council Member Timm** explained the DDA is necessary for the community at this moment in time. He would like to see the DDA put on a summer festival as successful as the Hunter Ice Festival.

**City Administrator Ric Huff** explained that if the DDA is wildly successful at some point in the future and property values dramatically increase and the increment of the TIF is significantly larger my expectation would be for the Council to demand more services and for the cost of those services to be covered by the DDA. As well as investing in activities that continue to draw people into the downtown. Those dollars would be wisely spent and also come back into the General Fund if they were that successful.

**Council Member Vandenheede** explained that the Chamber of Commerce didn't really live up to the lease of the building that they were supposed to take care of and he thinks that is part of the concern with the DDA once they start having a budget. The model is that the DDA is supposed to take care of the whole downtown but they have never really had a big enough budget to do so. The ideal situation is that as the TIF amount is increased it could be a benefit to the City that some of the expenses were accruing will be taken care of by the DDA.

The public hearing was closed at 5:53 pm by Mayor Shelton.

**PUBLIC HEARING  
SECOND READING OF A PROPOSED ORDINANCE  
TO AMEND THE TAX INCREMENT FINANCE  
FOR THE DDA**

At 5:55 pm, Mayor Shelton asked if anyone in the audience wished to address the council on the proposed TIF renewal for the Downtown Development District.

**Mary Weimer** addressed the council. She knows of cities that did away with the TIF and they are very sorry they made that decision.

**City Administrator Ric Huff** explained what the TIF is. It stands for Tax Increment Financing. It is not an additional or new tax. It is a tax capture. The tax capture is the difference in taxes from forty years ago until today. That money is captured and transferred to the DDA. It is approximately \$45,000. It is not a new tax burden. It does not increase taxes. It can be cancelled at any moment in time by the council.

The Public Hearing was closed at 6:07 pm by Mayor Shelton.

**CITY OF NILES  
REGULAR CITY COUNCIL MEETING MINIUTES  
MONDAY, JANUARY 21, 2019**

The meeting was called to order by Mayor Shelton in the City Council Chambers, 1345 East Main Street, Niles, Michigan at 6:08 p.m., January 21, 2019. The Pledge of Allegiance was led by Mayor Shelton.

**PRESENT:** Gretchen Bertschy, Georgia Boggs, John DiCostanzo, Charlie McAfee, Jessica Nelson, Travis Timm Daniel VandenHeede, William Weimer and Mayor Nick Shelton

**ABSENT:** None

**STAFF:** Huff, Landgraf, and Barnett

**CITIZEN PARTICIPATION:**

**Lisa Croteau** stated doesn't have a lot of input from business owners regarding the Hunter Ice Festival. By the next meeting she will have input from downtown businesses. We had phenomenal press for the festival. 63,000 people came through the warming center at Ultra Camp on Friday, Saturday, and Sunday. It was a really successful weekend. Thank you to the City for your support and keeping the streets clean. Joe Ray and his crew did a great job with snow removal.

**CONSENT AGENDA:**

1. Approval of the Minutes of January 14, 2019.
2. *Due to the scheduled two-week billing cycle and the rescheduling of this council meeting, there is no bill report to approve at this time.*
3. Consideration of approving the purchase of 357 smoke detectors from Lowes Home Improvement of Niles at a cost of \$3,259.41.
4. Consideration of approving a request from the Utilities Department to approve the updates to the Asset Management Plan for the Water Division.
5. Consideration of approving the emergency purchase of one Honeywell electromagnetic meter from United System of Benton, Kentucky at a cost of \$2,902.82.
6. Consideration of approving the emergency expenditure of \$5,221.24 sent to H&G Services of South Bend, IN for the repair of an LTC motor for the Electric Division.
7. Consideration of accepting the quote of \$6,900.00 from 4 T Door Systems, Inc. of Elkhart, IN for the purchase of three garage door operators, one Liftmaster T33 Trolley, 1 Liftmaster Hoist and 1 Micann ProGH N-7 Explosion Proof.
8. Consideration of approving the payment of annual dues in the amount of \$15,045.00 to the Michigan Municipal Electric Association (MMEA) of Lansing, MI.

**Council Member Weimer** moved, **Council Member McAfee** seconded, **MOTION CARRIED**, to approve the consent agenda as submitted.

**ROLL CALL:**

**YEAS:** Gretchen Bertschy, Georgia Boggs, John DiCostanzo, Charlie McAfee, Jessica Nelson, Travis Timm, Daniel VandenHeede, and William Weimer

**NAYS:** None                    **ABSENT:** None                    **ABSTAIN:** None

**CITY ADMINISTRATOR'S REPORT:**

9. Consideration of approving entering into a contract with the Niles Daily Star to provide advertising in the amount of \$8,208.00 and consideration of authorizing the mayor to sign the contract.

**Council Member Bertschy** moved, **Council Member Boggs** seconded, **MOTION CARRIED**, to approve entering into a contract with the Niles Daily Star to provide advertising in the amount of \$8,208.00 and consideration of authorizing the mayor to sign the contract.

**ROLL CALL:**

**YEAS:** Gretchen Bertschy, Georgia Boggs, John DiCostanzo, Charlie McAfee, Jessica Nelson, Travis Timm, Daniel VandenHeede, and William Weimer

**NAYS:** None                    **ABSENT:** None                    **ABSTAIN:** None

10. Consideration of accepting the bid from MAAC Property Services of Niles for the completion of the FY 2019 Line Clearance Herbicide contract with addendums and consideration of authorizing the mayor to sign the contract.

**Council Member DiCostanzo** moved, **Council Member Weimer** seconded, **MOTION CARRIED**, to accept the bid from MAAC Property Services of Niles for the completion of the FY 2019 Line Clearance Herbicide contract with addendums and consideration of authorizing the mayor to sign the contract.

**ROLL CALL:**

**YEAS:** Gretchen Bertschy, Georgia Boggs, John DiCostanzo, Charlie McAfee, Jessica Nelson, Travis Timm, Daniel VandenHeede, and William Weimer

**NAYS:** None                    **ABSENT:** None                    **ABSTAIN:** None

11. Consideration of accepting the bid from Tree Core LLC of Harbert, MI for the completion of the FY 2019 Line Clearance contract with addendums and consideration of authorizing the mayor to sign the contract.

**Council Member DiCostanzo** moved, **Council Member Nelson** seconded, **MOTION CARRIED**, to accept the bid from Tree Core LLC of Harbert, MI for the completion of the FY 2019 Line Clearance contract with addendums and consideration of authorizing the mayor to sign the contract.

**ROLL CALL:**

**YEAS:** Gretchen Bertschy, Georgia Boggs, John DiCostanzo, Charlie McAfee, Jessica Nelson, Travis Timm, Daniel VandenHeede, and William Weimer

**NAYS:** None                    **ABSENT:** None                    **ABSTAIN:** None

12. Consideration of approving entering into a professional services agreement with Wightman & Associates of Benton Harbor, MI for assistance with construction management of the Pucker Street Dam Removal and River Restoration Project and consideration of authorizing the mayor to sign the agreement.

**Council Member DiCostanzo** moved, **Council Member Weimer** seconded. **MOTION CARRIED**, to approve entering into a professional services agreement with Wightman & Associates of Benton Harbor, MI for assistance with construction management of the Pucker Street Dam Removal and River Restoration Project and consideration of authorizing the mayor to sign the agreement.

**ROLL CALL:**

**YEAS:** Gretchen Bertschy, Georgia Boggs, John DiCostanzo, Charlie McAfee, Jessica Nelson, Travis Timm, Daniel VandenHeede, and William Weimer

**NAYS:** None                    **ABSENT:** None                    **ABSTAIN:** None

13. Consideration of approving the City of Niles Schedule of Fees.

**Council Member Nelson** moved, **Council Member Weimer** supported, **MOTION CARRIED**, to approve the City of Niles Schedule of Fees.

**ROLL CALL:**

**YEAS:** Gretchen Bertschy, Georgia Boggs, John DiCostanzo, Charlie McAfee, Jessica Nelson, Travis Timm, Daniel VandenHeede, and William Weimer

**NAYS:** None                    **ABSENT:** None                    **ABSTAIN:** None

**APPOINTMENTS:** None

**CITY ATTORNEY'S REPORT:**

14. **Second Reading and Enactment** of a proposed Revised Amendment to Ordinance 481: Authorization of Medical Marihuana Facilities

**DISCUSSION:** **Council Member VandenHeede** voiced opposition to the ordinance. **Council Member Boggs** concurred.

**Council Member DiCostanzo** moved, **Council Member Weimer** seconded, **MOTION CARRIED**, to enact a proposed ordinance for the Authorization of Medical Marihuana Facilities.

**ROLL CALL:**

**YEAS:** Gretchen Bertschy, John DiCostanzo, Charlie McAfee, Jessica Nelson, Travis Timm, and William Weimer

**NAYS:** Georgia Boggs and Daniel VandenHeede                    **ABSENT:** None

**ABSTAIN:** None

**ORDINANCE 488 ENACTED**

15. **Second Reading and Enactment** of a proposed Revised PILOT Ordinance for the Berkshire Apartments.

**Council Member DiCostanzo** moved, **Council Member Weimer** seconded, **MOTION CARRIED**, to enact a proposed Revised PILOT Ordinance for the Berkshire Apartments.

**ROLL CALL:**

**YEAS:** Gretchen Bertschy, Georgia Boggs, John DiCostanzo, Charlie McAfee, Jessica Nelson, Travis Timm, Daniel VandenHeede, and William Weimer  
**NAYS:** None      **ABSENT:** None      **ABSTAIN:** None  
**ORDINANCE 489 ENACTED**

**16. Second Reading and Enactment** of a proposed ordinance to amend the Tax Increment Finance (TIF) Plan for the Downtown Development Authority.  
**Council Member Nelson** moved, **Council Member Weimer** seconded, **MOTION CARRIED**, to enact a proposed ordinance to amend the Tax Increment Finance (TIF) Plan for the Downtown Development Authority.

**ROLL CALL:**

**YEAS:** Gretchen Bertschy, Georgia Boggs, John DiCostanzo, Charlie McAfee, Jessica Nelson, Travis Timm, Daniel VandenHeede, and William Weimer  
**NAYS:** None      **ABSENT:** None      **ABSTAIN:** None  
**ORDINANCE 499 ENACTED**

**COUNCIL MEMBER'S REPORT:**

**All Council Members** spoke about the importance of Martin Luther King Day and expressed their appreciation for him.

**Council Member Timm** stated that the Hunter Ice Festival was a huge success this year and it was nice to have proper weather. He would like there to be more events like the Ice Festival.

**Council Member McAfee** stated that she had a great time at the Ice Festival.

**Council Member Weimer** No report

**Council Member DiCostanzo** explained that he was very pleased with the discussion regarding the DDA and the TIF.

**Council Member Nelson** gave a speech on the history and importance of Martin Luther King.

**Council Member Boggs** stated that she enjoyed the Hunter Ice festival with her grandchildren.

**Council Member Bertschy** expressed appreciation for the people who asked questions and contributed to the TIF discussion. She encouraged community members to continue to speak out and ask questions at Council Meetings. She explained that the community was a great host for guests during the Hunter Ice Festival.

**Council Member VandenHeede** stated that the ice sculptures still look great and they have a lasting effect. The DDA discussion went well. Commended Nelson for her speech.

**MAYOR'S REPORT:** Stated that he is very proud of the DDA board and Lisa Croteau. The Hunter Ice Festival was a huge success. City crews did a great job clearing the snow during the festival. Congratulated the DDA on the TIF and he is looking forward to the partnership. Spoke about giving welcoming remarks at the Mount Calvary Baptist Church Martin Luther King Day breakfast. One of the most inspirational breakfasts he has ever been to. He explained that January 15<sup>th</sup> is Charlie McAfee day.

**ADJOURNMENT:** Council Member Weimer moved to adjourn at 6:45pm.

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Amanda Barnett  
Deputy Clerk

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Date

