

MEETING AGENDA
November 21, 2023 at 7:30 am
Tax Increment Finance Authority
City of Hillsdale
97 N Broad Street

I. Consent Agenda - Action

- A. Minutes from Meeting 9/19/2023
- B. Financial Reports

II. Public Comment

Agenda items only – 3 min.

III. Officer Elections

IV. Committee Reports

- A. Program Committee – Cindy Bieszk, Chair
 - 1. General Report
 - a. Facade Grant Application – 40 E Bacon St
- B. Targeted Development Committee – Chris Bahash, Chair.
 - 1. General Report
- C. Beautification Committee – Margaret Braman, Chair
 - 1. General Report
- D. Dawn Theater Governance Committee – Mary Wolfram, Chair
 - 1. General Report

V. Old Business

- A. Keefer Hotel Promissory Agreement

VI. New Business

- A. Donation Policy

VII. Economic Development Update/Board Round Table

VIII. Public Comment

TIFA item – 3 min.

IX. Adjournment

Next Meeting: Meeting January16, 2024 at 7:30 am.



CITY OF HILLSDALE

Tax Increment Finance Authority TIFA Regular Meeting September 19, 2023

Minutes

I. Call to Order at 7:35 am

- A. Members Present: Chair Andrew Gelzer, Cindy Bieszk, Councilman Greg Stuchell, Kevin Conant, Felicia Finch, Mary Spiteri, Margaret Braman, Darin Spieth, Chris Bahash, Tim Dixon, David Hambleton
- B. Others present: Alan Beeker, Jack McLain
- C. Members Absent: John Spiteri, Mike Clark

- II. Consent Agenda** – Andrew requested an amendment to the agenda to table the Keefer Hotel Promissory discussion to the November meeting and add discussion of the donation from Jack McLain as well as add the minutes from the 8/19/2023 DTGB minutes and the September DTGB report, Darin moved to amend the agenda, Tim seconded. Andrew clarified the reasons for the tabling which is due to the developer stating a ‘flurry’ of activity would begin this month until the end of the project. Motion passed. Kevin moved to approve the amended consent agenda, Margaret Spiteri seconded. Motion passed.

- III. Public Comment**
No public comment.

IV. Officer Elections

- A. Andrew spoke to John Spiteri about his current position as Vice Chair. Andrew suggested re-nominating himself as Chair and Margaret Spiteri as Vice Chair, Cindy moved to accept the nominations, Margaret Braman seconded. Motion passed.

V. Committee Reports

- A. Program Committee – Cindy Bieszk, Chair
 - 1. General Report – Nothing new to report.
- B. Targeted Development Committee – Chris Bahash, Chair.
 - 1. General Report – the next project that the committee would like to undertake is the restoration of the Ferris parking lot. Committee discussed budgeting up to \$5000 for engineering construction documents. The City Engineering Dept. will do the documents. The Committee moved to allocate \$5000 for design and

drafting of construction documents for the Ferris parking lot project, Cindy seconded. Motion passed.

C. Beautification Committee – Margaret Braman, Chair

1. General Report – Lights of Howell committee is still working with BPU for planning and implementation of Christmas lights over Howell St. between North and McCollum Streets. Felicia asked about the decorating for fall. The annual scarecrow contest will be Oct. 18.

D. Dawn Theater Governance Board – Margaret Braman, Liaison

1. General Report – Drew read the September report submitted by Mary Wolfram

VI. Old Business

- A. Hillsdale College Call Center – the letter Drew sent to the College referencing the property tax exempt status was also presented to Council. Council was to contact the College to discuss.
- B. Keefer House Hotel Promissory Agreement – tabled until the November regular meeting.

VII. New Business

- A. 2023-24FY Budget Amendments – Alan reviewed the amendments to the current budget year. The amendment would also include the refund of Mr. McLain’s donation. David moved, Andrew seconded. Motion passed.

VIII. Economic Development Roundtable

Food trucks – Council is discussing a fee. Cindy thought it sounded like a money grab. Restaurateurs like the added variety and the challenge of competition. They think an annual registration fee may be a good idea. The City currently has a peddler’s license, the food trucks should just get a peddler’s license annually.

David asked about storm water issues in buildings downtown. TIFA will ask the DPS Director to come to the November meeting to answer questions.

IX. Public Comment

Jack McLain– had hoped the theater would have been able to show movies within the two year stipulation of his donation. He thanked the Board for refunding his donation.

- X. **Adjournment** – Chris moved to adjourn, Kevin seconded. Meeting adjourned at 8:26 am.

Next regular meeting on November 14, 2023 at 7:30 am.

PERIOD ENDING 10/31/2023

GL NUMBER	DESCRIPTION	2023-24	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
		AMENDED BUDGET	10/31/2023	MONTH 10/31/2023	BALANCE	
			NORMAL (ABNORMAL)	INCREASE (DECREASE)	NORMAL (ABNORMAL)	
Fund 247 - TAX INCREMENT FINANCE ATH.						
Revenues						
Dept 000.000						
247-000.000-402.000	CURRENT TAXES	108,000.00	104,396.28	0.00	3,603.72	96.66
247-000.000-573.000	LOCAL COMMUNITY STABILIZATION SHARE	16,000.00	14,916.97	14,916.97	1,083.03	93.23
247-000.000-665.000	INTEREST	0.00	1,241.57	252.33	(1,241.57)	100.00
247-000.000-667.002	RENTS - DAWN THEATER	5,000.00	2,708.33	625.00	2,291.67	54.17
247-000.000-692.005	OTHER REVENUE - DAWN THEATER	0.00	1,041.66	1,041.66	(1,041.66)	100.00
Total Dept 000.000		129,000.00	124,304.81	16,835.96	4,695.19	96.36
TOTAL REVENUES		129,000.00	124,304.81	16,835.96	4,695.19	96.36
Expenditures						
Dept 900.000 - CAPITAL OUTLAY						
247-900.000-801.000	CONTRACTUAL SERVICES	6,000.00	0.00	0.00	6,000.00	0.00
247-900.000-801.005	CONTRACTUAL SERVICES - DAWN THEATER	80,000.00	0.00	0.00	80,000.00	0.00
247-900.000-801.247	CONTRACTUAL SERVICES - FACADE GRANT	6,000.00	6,000.00	6,000.00	0.00	100.00
247-900.000-806.000	LEGAL SERVICES	1,000.00	0.00	0.00	1,000.00	0.00
247-900.000-817.000	ECONOMIC DEVELOPMENT GRANT EX	1,000.00	0.00	0.00	1,000.00	0.00
247-900.000-818.000	INSURANCE	1,800.00	0.00	0.00	1,800.00	0.00
247-900.000-930.000	REPAIRS & MAINTENANCE	0.00	241.00	0.00	(241.00)	100.00
247-900.000-993.000	INTEREST EXPENSE	5,610.00	3,000.00	3,000.00	2,610.00	53.48
Total Dept 900.000 - CAPITAL OUTLAY		101,410.00	9,241.00	9,000.00	92,169.00	9.11
TOTAL EXPENDITURES		101,410.00	9,241.00	9,000.00	92,169.00	9.11
Fund 247 - TAX INCREMENT FINANCE ATH.:						
TOTAL REVENUES		129,000.00	124,304.81	16,835.96	4,695.19	96.36
TOTAL EXPENDITURES		101,410.00	9,241.00	9,000.00	92,169.00	9.11
NET OF REVENUES & EXPENDITURES		27,590.00	115,063.81	7,835.96	(87,473.81)	417.05

Fund 247 TAX INCREMENT FINANCE ATH.

GL Number	Description	Balance
*** Assets ***		
247-000.000-001.000	CHECKING ACCOUNT - COMMON	79,453.57
247-000.000-001.002	CHECKING ACCOUNT - ACCTS PAYABLE	0.01
247-000.000-017.700	INVESTMENTS - MICHIGAN CLASS	63,398.99
247-000.000-041.000	PROVISION FOR BAD DEBTS	(265,000.00)
247-000.000-082.001	DUE FROM OTHERS - BRIDGE LOANS	265,000.00
247-000.000-130.000	LAND	65,000.00
247-000.000-136.000	PLANT & EQUIPMENT	2,468,124.48
247-000.000-137.000	ACCUMULATED DEPRECIATION-EQUI	(450,605.12)
247-000.000-159.000	INFRASTRUCTURE	381,672.00
247-000.000-189.000	LEASE RECEIVABLE-LONG-TERM	98,943.00
Total Assets		2,705,986.93
*** Liabilities ***		
247-000.000-202.000	ACCOUNTS PAYABLE	6,000.00
247-000.000-214.582	DUE TO ELECTRIC	80,000.00
247-000.000-250.000	BONDS PAYABLE - CURRENT	40,000.00
247-000.000-251.000	ACCRUED INTEREST	2,950.33
247-000.000-300.000	BONDS PAYABLE - LONG TERM	260,000.00
247-000.000-360.100	DEFERRED INFLOW-LEASES	89,317.00
Total Liabilities		478,267.33
*** Fund Balance ***		
247-000.000-381.247	RESTRICTED FUND BALANCE-TIFA	1,494,058.00
247-000.000-390.000	FUND BALANCE	531,697.86
Total Fund Balance		2,025,755.86
Beginning Fund Balance - 22-23		2,025,755.86
Net of Revenues VS Expenditures - 22-23		86,899.93
*22-23 End FB/23-24 Beg FB		2,112,655.79
Net of Revenues VS Expenditures - Current Year		115,063.81
Ending Fund Balance		2,227,719.60
Total Liabilities And Fund Balance		2,705,986.93

* Year Not Closed

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TIFA \$10,000 Historic Building Grant Application

Applicant Information:

Name	Margi Eldert
Mailing Address	40 E Bacon St.
Phone Number	517-607-9476
E-Mail Address	jmelks@comcast.net
Business Name	Tree of Health Natural Wellness Center LLC
Project Address	40 E Bacon St Hillsdale, Michigan

Description of Proposed Improvements: (including design and/or architectural elements to be used)

new canvas canopy for front of Business
 description and quote attached
 replace torn canvas

(Attach additional pages as necessary).

Estimated Total Cost of Proposed Improvements: 4,759.40 as of 9-23

Agreement and Signature

Margi Eldert

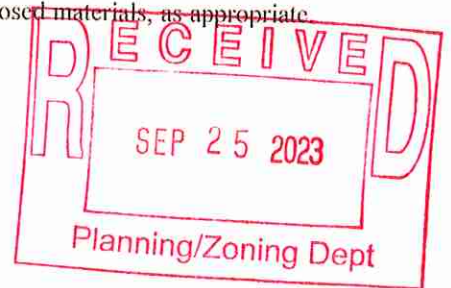
By submitting this application, I (we):

- Affirm that the information provided herein is true and accurate to the best of my (our) knowledge and
- Acknowledge that I (we) have read and understood the terms and conditions of the City of Hillsdale TIFA Historic Building Grant.
- Understand that if my (our) application is approved that I (we) will be required to sign a Historic Building Grant Agreement prior to commencement of work on proposed project.
- Understand that no work prior to TIFA approval may be included in the project application.
- Allow any photos, renderings, or descriptions of the work to be performed on said project to be used by the City of Hillsdale TIFA for promotional purposes.
- Understand that this application and all supporting documentation are subject to the Freedom of Information Act (FOIA).

Name (printed)	Margi Eldert
Signature	<u>Margi Eldert</u>
Date	9-16-23
Name (printed)	
Signature	
Date	

Please attach the following items:

- 1) Brief narrative explaining the scope of the project.
- 2) Color photos or renderings of the existing project area.
- 3) Color photos or renderings showing the proposed improvements.
- 4) Samples of proposed materials, as appropriate.
- 5) Detailed cost estimate(s) from licensed contractor(s).
- 6) Proposed project timeline.



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~~~~~  
Celebrations Unlimited  
40 E. Bacon  
Hillsdale, MI 49242  
Margie  
517-607-9476  
[imelks@comcast.net](mailto:imelks@comcast.net)

September 1, 2023  
Proposal

~~~~~  
Recover lower awning complete with materials, labor, take down, installation and sales tax.

Frame – Existing

Material – Sunbrella acrylic to match existing

Size – Approx. Width 10" & 25'6"
 Total height 54"
 Projection 36"
 Valance 6" with wave scallops

- Customer is responsible for removal & installation of electrical wiring underneath frame

Completion – Approx. 8 weeks from time of order, awning will be down for approx. 2 weeks

Terms – 1/3 down, net complete

Price - \$4,490.00
Tax - \$ 269.40
Total - \$4,759.40

Thank you,
Tony Krupa





PROMISSORY NOTE

1. For value received, **The Keefer House Hotel, LLC**, a Michigan Limited Liability Company of 315 Fifth Street, Peru, Illinois 61354 (hereinafter "Borrower" or "Holder") promises to pay to **The City of Hillsdale, Michigan Tax Increment Finance Authority** of 97 N. Broad Street, Hillsdale, Michigan 49242 (hereinafter "Creditor"), the principal amount of \$265,000.00 and interest on the unpaid principal balance at a rate per annum of **zero (\$0.00) percent**.
2. **Payment.** The principal of this note shall be paid in full on or before November 25, 2022. Borrower shall receive credit towards payment of the principal in the form of application of all "Developer Fees" due Borrower's affiliate, CL Real Estate Development, LLC pursuant to that Development Services Agreement between Creditor and CL Real Estate Development, LLC for the Dawn Theater Project dated February 13, 2018. In addition, if Borrower completes construction and renovation of the Keefer House Hotel property on or before November 25, 2022, pursuant to the terms set forth in that certain Purchase Agreement previously executed between Borrower and Creditor on May 15, 2018, Borrower shall be entitled to forgiveness of any remaining principal owing to Creditor and Creditor agrees that this Promissory Note shall be considered paid in full after application of all "Developer Fees" earned, payable, and due Borrower's affiliate, CL Real Estate Development, LLC pursuant to that Development Services Agreement between Creditor and CL Real Estate Development, LLC for the Dawn Theater Project dated February 13, 2018. In the event that Borrower fails to complete construction and renovation of the Keefer House Hotel property on or before November 25, 2022, pursuant to the terms set forth in that certain Purchase Agreement previously executed between Borrower and Creditor on May 15, 2018, all outstanding principal shall be immediately due and payable from Borrower to Creditor.
3. **Expenses.** Borrower shall reimburse Creditor for all out-of-pocket expenses that Creditor incurs in connection with making the loan evidenced by this note and any renewals, extensions, or modifications and with taking any security for it, including, without limitation, filing and recording fees, attorney fees and expenses, and costs of credit reports, surveys, appraisals, title work, and mortgagee's title insurance.
4. **Prepayments.** Borrower may prepay all or part of the principal of this note at any time.
5. **Default and Acceleration.** Each of the following shall be an event of default under this note:

- a. A default in the payment of any installment of principal or interest under this note or of any late charge or out-of-pocket expense that Borrower at any time owes to the holder of this note or in the payment of any other indebtedness or obligation that Borrower now or in the future owes to the holder, as and when it shall be or become due and payable.
- b. A default in the performance of any other obligation to Creditor under this note or any security document or any other agreement that has been or in the future is entered into between Borrower or its affiliate CL Real Estate Development, LLC and Creditor.
- c. In the event that any warranty or representation made to Creditor by Borrower or in any security document or in any financial statement or other document given to Creditor, was false in any material respect.
- d. Borrower dissolves, becomes insolvent, or makes an assignment for the benefit of creditors.
- e. Borrower ceases development of the Keefer House Hotel property prior to completion of the project or prior to complete payment of all outstanding principal owing hereunder.
- f. If at any time the holder of this note for any reason in good faith believes that the prospect of payment or performance of this note or any other indebtedness or obligation of Borrower to the holder is impaired.

On the occurrence of any event of default, all or any part of the indebtedness and all or any part of all other indebtedness evidenced by this note and obligation then owing by Borrower to the holder shall, at the option of the holder, become immediately due and payable without notice or demand. If a voluntary or involuntary case in bankruptcy, receivership, or insolvency is at any time begun by or against Borrower, or if any levy, writ of attachment, garnishment, execution, or similar process is issued against or placed on any property of Borrower, all such indebtedness shall automatically become immediately due and payable. All or any part of the indebtedness evidenced by this note also may become, or may be declared to be, immediately due and payable under the terms and conditions contained in any security document or other agreement that has been or in the future is entered into between Borrower and the holder of this note.

In the event that Borrower fails to complete construction and renovation of the Keefer House Hotel property on or before November 25, 2022, pursuant to the terms set forth in that certain Purchase Agreement previously executed between Borrower and Creditor on May 15, 2018, all outstanding principal shall be immediately due and payable from Borrower to Creditor. In the event of a default under the terms of this promissory note, any and all "Developer Fees" earned, payable, and due Borrower's affiliate, CL Real Estate Development, LLC pursuant to that Development Services Agreement between Creditor and CL Real Estate Development, LLC for the Dawn Theater Project dated February 13, 2018, shall be discharged and Creditor shall have no obligation to pay any such fees to Borrower's affiliate, CL Real Estate Development, LLC, nor shall Borrower receive any credit towards the payment of the indebtedness evidenced by this Promissory Note for Developer Fees" earned, payable, and due Borrower's affiliate, CL Real Estate Development, LLC pursuant to that Development

Services Agreement between Creditor and CL Real Estate Development, LLC for the Dawn Theater Project dated February 13, 2018.

In the event of a default under the terms of this Promissory Note, Creditor in its sole discretion shall have the right to demand full payment of the outstanding sums owing hereunder or, alternatively, demand reconveyance of the Keffer House property, free and clear of all encumbrances, pursuant to the terms set forth in that certain Purchase Agreement previously executed between Borrower and Creditor on May 15, 2018, regarding the real property described as:

Lot(s) 58 and the North 28 feet in width of Lot 57, Old or First Plat of the Village, now City, of Hillsdale, according to the recorded plat thereof, as recorded in Liber E of Deeds, Page 380.

More Commonly Known as: 100 -104 N. Howell Street, Hillsdale, Michigan.

In the event that Creditor elects to compel Borrower to reconvey the above described real property, such reconveyance shall have the effect of fully satisfying Borrower's obligations pursuant to this Promissory Note.

6. Place and Application of Payments. Each payment on this note shall be made at Creditor's address set forth above or any other place that the holder directs in writing. Any payment on this note shall be applied in the following order: first to any expenses (including expenses of collection) then due and payable to Creditor under this note, second to any unpaid late charges; and third to the unpaid principal balance. If Borrower at any time owes the holder of this note any indebtedness or obligation in addition to the indebtedness evidenced by this note, and if any indebtedness owed by Borrower to the holder is then in default, Borrower shall have no right to direct or designate the particular indebtedness or obligation on which any payment made by or collected from Borrower or other security shall be applied. Borrower waives any such right and agrees that the manner of application of any such payment, as between or among such indebtedness and obligations, shall be determined solely by the holder.

7. Setoff. The holder of this note shall have the right at any time to set off any indebtedness that Creditor then owes to Borrower against any indebtedness evidenced by this note that is then due and payable.

8. Remedies. The holder of this note shall have all rights and remedies provided by law. Any requirement of reasonable notice with respect to any sale or other disposition of collateral shall be met if the holder sends the notice at least 10 days before the date of sale or other disposition. Borrower shall reimburse the holder for all expenses, including reasonable attorney fees and legal expenses that the holder pays or incurs in protecting and enforcing the rights of and obligations to the holder under any provision of this note or any security document.

9. Waivers. No delay by the holder of this note shall be a waiver of the exercise of any right or remedy. No single or partial exercise by the holder of any right or remedy shall preclude any other or future exercise of that or any other right or remedy. No waiver by the holder of any default or of any provision of this note shall be effective unless it is in writing and signed by the holder. No waiver of any right or remedy on one occasion shall be a waiver of that right or remedy on any future occasion.

Borrower waives demand for payment, presentment, notice of dishonor, and protest of this note; waives all defenses based on suretyship or impairment of collateral; and consents to any extension or

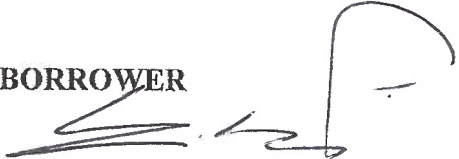
postponement of time of its payment, to any substitution, exchange, or release of all or any part of any security given to secure this note, to the addition of any party, and to the release, discharge, waiver, modification, or suspension of any rights and remedies against any person who may be liable for the indebtedness evidenced by this note.

10. **General.** In this note, "maturity" means the time when the entire remaining unpaid principal balance shall be or shall become due and payable for any reason, including acceleration as provided in paragraph.

11. **Applicable Law and Jurisdiction.** This note shall be governed by and interpreted according to the laws of the State of Michigan without giving effect to conflict-of-laws principles. Borrower irrevocably agrees and consents that any action against Borrower to collect or enforce this note may be brought in any state or federal court that has subject-matter jurisdiction and is located in, or whose district includes, Hillsdale County, Michigan, and that any such court shall have personal jurisdiction over Borrower for purposes of such action.

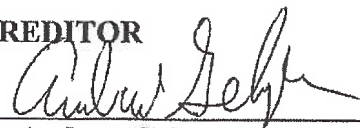
The Keefer House Hotel, LLC

BORROWER


By: Peter Limberger, Member

Accepted:

CREDITOR

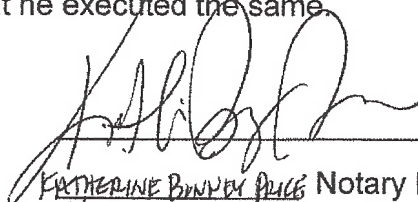

By **Andrew Gelzer, its Chairman**
City Hillsdale Tax Increment Finance Authority

STATE OF MICHIGAN)

)SS:

COUNTY OF HILLSDALE)

On April 22, 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared ANDREW GELZER, Chairman of the City of Hillsdale, Tax Increment Finance Authority, known to me to be the person whose name is subscribed to the within instrument and he acknowledged that he executed the same.



KATHERINE BUNNELL PRICE Notary Public
HILLSDALE County, Michigan
Acting in Hillsdale County, Michigan
My Commission Expires: June 01, 2026

STATE OF MICHIGAN)

)SS:

COUNTY OF HILLSDALE)

On April __, 2021, before me, the undersigned, a Notary Public in and for said State, personally appeared Peter Limberger, Manager of The Keefer House Hotel, LLC known to me to be the person whose name is subscribed to the within instrument and he acknowledged that he executed the same.