



ACME TOWNSHIP SPECIAL BOARD MEETING
ACME TOWNSHIP HALL
6042 Acme Road, Williamsburg MI 49690
7:00 p.m. Thursday, September 9, 2004

Meeting called to Order at 7:00 with the Pledge of Allegiance

Members present: R. Agruda, D. Amon, D. Hoxsie, N. Knopf, C. Walter
Members excused: None
Staff present: D. Plude, Assessor
S. Lasher, Consulting Attorney
S. Corpe, Recording Secretary

INQUIRY AS TO CONFLICTS OF INTEREST: None noted

A. LIMITED PUBLIC COMMENT:

John Kennedy, 4765 Arthur Court, asked if the topic of this meeting overlaps at all with The Village at Grand Traverse application. Amon replied that it did not. Mr. Kennedy also asked if this topic overlaps with recent discussions regarding purchase and/or transfer of development rights and farmland preservation initiatives. Amon explained that both Grand Traverse and Antrim Counties have adopted PDR ordinances. Acme, Whitewater, Elk Rapids, Torch Lake and Milton Townships are asking their citizens for millages at the November election to fund the program. Mr. Kennedy asked if the PDR issue is inter-related with The Village at Grand Traverse; Amon replied that it is not. Mr. Kennedy asked if development rights can be sold between private parties; Amon stated that there are some new mechanisms in the state law that permit similar transactions under the umbrella of Planned Unit Developments. Mr. Kennedy asked what would happen if the township has a PDR fund containing millage dollars and it purchases development rights. Would those remain out of the total available development rights pool, or would they possibly be resold someday? Amon stated that development rights purchased by the township would be extinguished forever. Walter clarified that the township is asking for 1 mill for the township to purchase development rights in perpetuity directly from a landowner. This is separate from the possibility that one individual could sell development rights to another individual for use on a different piece of property in the township.

Rachelle Babcock, 4261 Bartlett Road, asked if the public will be voting on the DDA initiative after the public hearing and Board deliberations. Amon stated that Steve Lasher, an attorney hired to consult with the township on DDA formation, will address this and other questions in his presentation.

Amon stated that discussions about a possible Downtown Development Authority (DDA) and tax increment financing plan (TIF) began in the late 1990's with Sherrin Hood, and tonight's topic is nothing new. The topic was mentioned again in presentations in 2002 and 2003, and gradually the township has come to the point of wishing to investigate the possibilities further. The Board had more questions than answers, so they hired Mr. Lasher.

B. PUBLIC HEARINGS:

1. **Public Hearing regarding proposed DDA ordinance:** Steve Lasher introduced himself and gave a broad overview of the experience he and his firm, Foster, Swift & Collins, has with municipal governments and issues. In August the Board adopted a resolution of intent to form a DDA, which is the document that starts the discussion process. No DDA has been formed yet. Proposed boundaries for a DDA were drawn up and public notices sent out. Before the Board takes action to formally create the DDA comes the opportunity for public input, which occurs tonight. This is not intended to be a debate, but an opportunity for the public to ask questions and express viewpoints. No further action may be taken for 60 days after tonight's hearing. It is possible that the DDA boundaries may change after tonight's input. The

law says that the district can be decreased but not increased. For this reason, it is customary to draw the initial proposed boundaries to include a larger area than seems desirable, to leave room for this type of consideration.

If a DDA is formed, it will be governed by a largely autonomous DDA board appointed by the Township Board. The Township Supervisor serves as one member of the DDA Board. The DDA may raise funds independently, including the possibility of imposing up to 2 mills of new taxes within the boundaries of the district only. This may only occur with the Township Board's approval. The millage request is not statutorily subject to public referendum. It is unusual for a DDA to impose a millage; generally the DDA adopts a Tax Increment Financing (TIF) Plan that redistributes existing tax dollars rather than seeking to collect additional tax dollars.

Mr. Lasher stated that the Board will explain the process that has brought the Board and public to this point, and then the floor will be opened to questions and statements.

Amon displayed a map of the proposed DDA district, which is a starting point for discussion. He stated that one of the things that first prompted him to examine the idea of a DDA more closely after the early initial mentions of the idea was the revision of the Acme Township Parks, Recreation and Open Space Plan. He quoted from statistics in the plan developed during a community survey indicating that bicycle path development and park improvements were desired by roughly two-thirds of the respondents. A visioning session was also held as part of the plan revision process, and Amon next displayed a list of the people who participated in that open house session. He mentioned that the Parks & Recreation plan is available for review at the Township.

Next Amon displayed a table from the plan that displayed the priority ranking of desired recreation improvements created by the visioning session participants. The table indicates proposed costs for realizing each goal, and possible sources for funding. TART extensions ranked top on the list, as did additional park and waterfront land acquisition and development of improved baseball fields and boat launch facilities.

As Amon personally considered the desires for recreational improvements as compared to the available township funding, he came feel more strongly that formation of a DDA and an associated TIF might be a key way to fund the improvements. He mentioned that the township keeps only \$219,000 of over \$5 million in property taxes billed within the township annually. The township does receive some revenue sharing from the State, but the state budget is in a deficit position and Governor Granholm is making cuts in this funding source. The township has been fortunate in receiving several MDNR grants for major land acquisition activities in the past. He feels it's important to look for other funding sources that don't involve additional property taxes. Amon believes that the potential for reallocation of funds the public is already paying to benefit the township should be considered. A DDA and TIF program could be one tool in the township's "toolbox" for meeting public goals that might otherwise be unreachable.

Amon noted that if a DDA is formed, the DDA Board would decide how to spend any funds raised. He hopes that consideration of this issue can transcend political boundaries. He stated that he and Walter interviewed 6 individuals/firms to assist in answering the questions they couldn't answer.

Walter stated his feeling that in today's world, "DDA" is somewhat of a misnomer. He feels it could be thought of as an "Acme Development Authority" to assist development of the township as a whole.

Mr. Lasher stated that most people think of places such as Flint and Saginaw that had become notably deteriorated as the places where DDAs are needed. The law is actually pretty broad, although not as broad as Walter would have it. He expressed

eagerness to turn the meeting over to the true purpose, the ability for the public to ask questions and have input.

Public Hearing opened at 7:37 p.m.

Mr. John Shimmel, 6809 Deepwater Point, stated that he was “upset” with what he has heard so far tonight. He attended Monday’s meeting and wished to comment on its key issue, but was told he could only do so once the matter was decided. Tonight he is hearing that he can ask questions but not necessarily have dialogue about the DDA, they may table the issue for 60 days and then may decide without further public participation. He is further distressed to hear that an autonomous DDA board might be formed to take over some of the responsibilities that belong to the Board in his mind. A few days ago he came to the township hall to ask Amon for a list of the properties that have deteriorated in Acme Township. He has not received one, but would told that a DDA might fund improvements to US 31 and M-72. In his mind, these roads are under the care of the Road Commission and MDOT, and they should do their job and maintain them. He has researched DDAs on the Internet and finds that they are mainly constituted to promote development. He believes this is what is happening here, and he is unhappy about it.

Mr. Lasher responded by saying that he did not mean to convey the idea the interaction between the Board and public would be constrained. Anytime there is a public hearing, ultimately the Board are the group of people who make the decisions. A DDA Board would be a separate body, but are still somewhat subject to Township Board oversight. Any financing or improvement plan they come up with must be approved by the TB. The DDA can independently enter into contracts or be sued. The Board is not delegating authority it should retain by forming a DDA, it is following one aspect of state statute for addressing a particular set of circumstances.

Walter asked Mr. Lasher to describe the make-up of a DDA Board as required by law. Mr. Lasher responded it is the Supervisor plus 8-12 other individuals approved by the TB. Property owners within the DDA district must be represented on the Board, but the DDAB may include individuals outside of the district. If there are more than 100 residents within the DDA district, a Citizens Advisory Council must also be formed. Their input is advisory only, but when given a clear record must be made that their input was heard and deliberated, whether followed or not. Knopf asked about the idea that a DDA are formed for developers; he has not found this to generally be the case.

Bruce Griggs, 4598 Arthur Court and owner of property on Dock Road, hears that a primary objective of a DDA is to raise additional funds for the Township. Mr. Lasher stated that this is an incorrect assessment. Mr. Griggs asked how property values are raised over their current state. Is zoning designation changed? Mr. Lasher said that the mechanisms would be determined by the township. Other than the ability for a DDA to impose 2 mills with Board approval, which he has found to be rare, the primary fundraising mechanism is a TIF. It captures increased taxes on increased property values. Dollars are re-allocated within the township (diversion of funds from the township General Fund) or from outside of the township (the County, Commission on Aging, any non-public school millages). However, those other taxing authorities have the right to opt-out of allowing the township to divert their tax funding within 60 days of the public hearing being held tonight. The statute also allows that if a jurisdiction is planning to opt-out, the township can enter into a contract with them to share the funds between the parties rather than diverting them to the DDA entirely. Additional funding opportunities include grants, donations and bond issues. Most funding opportunities involve no tax increases to property owners above and beyond customary annual increases. Mr. Griggs asked whether it is likely that other taxing authorities will opt out. Mr. Lasher stated that opting-out is a new concept and some taxing units do so, but many others see the long-term benefit to themselves in participating.

Jim Hanna, 6368 Deepwater Point Road, is concerned about the boundaries proposed for the DDA. He neighbors a church and a school who don't pay taxes already. He is within the district and he pays enough taxes already. He is also concerned about possible creation of a bike trail down the road removing the natural foliage he treasures. He mentioned that the school's parking lot does not drain adequately, which causes a lot of runoff onto neighboring properties. He would not like to be included in the DDA district. (Plude is using her software in real time to look up individual properties to see if they are within or outside of the district.

Gail Hanna, 6368 Deepwater Point Road, understands the common feeling of needing more money. She believes she heard the Board say that a DDA is needed and would raise funds and make the decisions about parks and recreation priorities. The DDA Board would only be responsible to the Township Board. The TB is supposed to be responsive to the public, which she finds questionable in this place and time. It sounds like the public will have no say on what does and doesn't get done. Amon stated that he was asked to tell the public why he became interested in the possibilities of a DDA. His discussion of the parks & recreation plan was for example only to demonstrate the types of improvements the public has said it desires. Those improvements cost money, and historically townships don't generate enough funds to accomplish such desires. This is his personal view only and shared for background; A DDA board might choose other priorities. Mrs. Hanna asked why a DDA is not responsible directly to the public. The farther removed a public board is from the public itself, the weaker the public's voice becomes. Mr. Lasher stated that the State Legislature has created the DDA statute the way it is. There might or might not be a better way to involve the public, but the State chose to enable this particular structure. He realizes this is of limited comfort, but the really "big" things such as asking for a millage or forming a funding or activity plan require Township Board approval. There can also be a citizens advisory committee. Mrs. Hanna stated that she does not understand why so much residential property was included in the proposed district. She could understand a district that closely follows the major arterial roadways. She quoted from the state statute section addressing the State's purpose for allowing DDAs to be formed. Mr. Lasher stated that he did not participate in selecting the preliminary boundaries, but typically at these early stages in the process the boundaries are drawn very widely because they can be reduced but not enlarged at the later stages. He generally advises that the first boundary draft be as broad as permissible by statute, and that it be reduced to its final state according to the public input.

Mr. Shimmel stated that nothing in the legislature says that every community must have a DDA.

William Calcutt, legal counsel for the Grand Traverse Resort stated that they are not receptive to DDA formation. Not stated in the local newspaper is the increase in taxes for the Resort since they took over from KSL last year. The increase has been in excess of 75%. They can't risk the possibility of an additional 2 mill levy in the future. He noted that the City of Traverse City has imposed such a millage, so the statement that it occurs infrequently seems inaccurate. He agrees with Mr. Shimmel; where is the property value deterioration. If their assessment just increased by 75%, how can their property be included in the area to be protected. Is there a study or any empirical data? Without same, can the true intent of the statute be met? He also believes it was intended for metropolitan downtown areas subject to actual or potential blight; conditions which don't exist within the township. Therefore he doesn't believe the township can demonstrate meeting the purposes of the act as required. Mr. Lasher stated that opinions may differ on the broadness of the statute's intent. Amon asked Mr. Lasher to reiterate the concept of reallocation of existing taxes; Mr. Lasher stated that this doesn't address Mr. Calcutt's correct observation that the potential for additional millages does exist. His personal experience has been the DDAs tend not to levy the mills for political reasons, but he never said that none have chosen to do so.

Andy LaPointe, owner of a lot in Wolverine Heights, lives in Antrim County right now, but tried to keep abreast of local doings. He asked if the entire existing Board has been recalled, and if any of the people currently on the Board will serve on the DDA. Hoxsie stated that there has not been a recall; that some individuals did not run for re-election and others were defeated in the primary. It is also impossible to say who will be members of any future potential DDA Board. Several members of the public asked if the old or new Supervisor would make appointments; Amon said he has no problem leaving this for the new Supervisor. The earliest a DDA can be formed is in 60 days, just before the end of the current term of office; but it can wait until the new Board takes office.

Mike Spitzley, 5109 Arrowhead Estates, finds it unlikely that anyone will give up their taxes to our DDA. He doesn't understand why he was included in the district when shoreline properties that seem to appreciate faster than inland properties were excluded. A DDA board will likely require some form of compensation, which adds to overall overhead expenses of government. Mr. Lasher stated that a minimum of 60 days must elapse before a DDA ordinance is adopted and the boundaries finalized, but doesn't say a board must be appointed that soon.

Erick Takayama, 5100 Lautner Road, is still gathering data about the DDA and has not yet made up his mind. He looks at it as a "giant egg." It's huge, and he isn't sure what's inside of it. The process has been at a crawl for years, but now with the Village approval and the Board leaving office it has sped up, so he is automatically suspicious. He feels that for the current Board to be even considering this is "unconscionable." It is not in his opinion in the best interest of the citizenship to proceed rapidly at this point. If he is fortunate enough to be elected in November, he does not want to enter his duties with many "giant eggs" waiting to be opened first thing.

Mike Srdjak, 4308 Baywood and owner of the Surfside Resort on US 31 North, asked about the current total taxable values of the township (\$255 million) and just the properties within the proposed DDA district (\$69 million). What was the proposed district valued at 5 years ago? How much money could we have recaptured over the past five years if nobody had opted out for TART extensions and soccer fields? What is the potential impact on the community? Amon stated that the Resort is still able to develop over 1,000 units of housing according to its PUD. LochenHeath now might develop another 400 residential units. The proposed cost of lots and homes in that development is significant. Mr. Srdjak would be more interested in hard historical data than speculative future data. Plude stated that would be significantly difficult to undertake such a project.

Knopf spoke to Mr. Takayama's statement that it is suspicious that DDA discussions have sped up lately. In her mind, a key factor is the fact that the township knows it is losing a significant portion of its state revenue sharing funding by 2007, which will in turn reduce the township's operating budget drastically. We have to find a way now to continue to meet public expectations for maintenance and improvements. For instance, major Road Commission projects require 50% local cost sharing. In her mind, this is an attempt to find a way to continue to meet basic needs without increasing the load on the citizens.

Dan Hanna, Lautner Road, stated that people have left the meeting tonight because some people are speaking repetitively and they didn't think they would have a chance to be heard. He hopes everyone will be given a chance to speak first before there are repeats. He generally favors the DDA concept, although he is concerned about its possible effects on him. Is it possible to write the DDA ordinance in such a way that the possibility of levying an additional 2 mills is made impossible? He thinks the township could do a lot of good things if it could use TIF programs, and if the fear of a millage were removed he feels it might assist greatly. Mr. Lasher stated that he did research this question and is unable to render a definite opinion. On one hand, one could say that the Legislature has placed the ability in the statute, so nobody can take it away. On the other hand, townships have the ability to draft ordinances as

they see fit for public health, safety and welfare. One might therefore think the township could include such a provision in the ordinance. The matter has never been litigated. He suspects that if the ordinance included such a provision, he questions who might challenge it – certainly not the public. However, the DDA Board as a separate legal entity might do so. Given the general feelings expressed by the public, he might advise trying a limit and seeing what happens.

Sandra Sroonian, 3707 Kennedy Place, asked about the funds gathered by a TIF. Can they be spent only within the DDA district? Mr. Lasher gave an example based on the assumption that the boundaries adopted are as currently posed and the DDA is not permitted to levy the millages. The DDA can develop one plan for the district, or more than one plan, or can create plans for sub-districts of the overall district. Each could have separate financing mechanisms. The DDA's actions determine the outcomes. Perhaps they would employ a TIF in only one section of the overall district. By contrast, a millage would apply to the entire district. If a property is within the overall DDA district but not in a subdistrict with a particular plan, it would not be affected. Ms. Sroonian mentioned TIFs for brownfield redevelopment, saying she has found that developers can ask for funding based on how brownfield properties are redeveloped. She asked if a DDA TIF works the same way; Mr. Lasher says they are very separate types of programs. An individual project can't ask for credits under the DDA TIF. Ms. Sroonian has said that she has heard that the roads need improving. This issue was not on the list Amon displayed, and she hopes that the issues that were on the list are addressed first. Mr. Lasher stated that the Board doesn't decide on the improvements plan, the DDA Board does. Public hearings on their improvements and financing plans must be held, so there are a variety of opportunities for the public to make priorities known prior to plan adoption. Ms. Sroonian asked if the DDA plans have taken into account increased tax base expectations for new developments.

John Zaloudek, 10351 Kay Ray Road, believes he is hearing a general theme, combined with personal experience, that this is a budget issue. What do we want? How far out should we look? How should we accomplish it? It doesn't seem to him that forming a new entity is the way to address these questions.

Walter stated that he was involved in the decision to learn more about DDAs and in formation of the proposed district. He became excited by the possibility to "do something for Acme Township." He feels sidewalks are important for our community. Sports Fishermen flooded the township one night to say that they don't have adequate boat launching facilities. The DDA can assist with these sorts of items. The Resort and other township businesses large and small would benefit from the public amenities. Without them, he feels people will become angry. For him this is one reason for establishing a large DDA area. No new taxes would be imposed unless the elected Board chooses DDA Board members who choose to impose them. Why doesn't the public make clear to the new board their expectations in this regard? He's hearing so far that people are afraid of new taxes, but he'd like to hear more about other reasons why people might or might not like the plan. Mr. Lasher stated that townships face limitations in the ways they are permitted to spend public funds. One benefit of a DDA is that it can reallocate some existing dollars from the township General Fund to the DDA, where they can be spent in broader ways. Also, if the township can convince other taxing authorities to leave some funds in the township for capital improvements, there is a benefit.

Larry LaSusa, 7754 Clearwater Court, asked if re-allocated dollars can be given back to a developer? Is this how developers are enticed to an area by giving back to them some taxes they would otherwise pay? Mr. Lasher disagreed, stating that funds are generally used for enhanced water, sewer, police and fire services and the like. Mr. LaSusa also asked if it would be simpler to ask the public to vote on whether or not to fund improvements through special millages, to ensure the public wanted the taxes? Knopf observed that this means an increase in the citizens' tax burden, and Mr. Lasher concurred. The township can ask for new millages, subject to certain restrictions, but this is an increase in taxes. Typically, a DDA doesn't increase taxes.

He has suggested a way to ensure that this DDA would not increase taxes. A TIF would shift funds from the township's general fund to the DDA, and perhaps shift them from other sources as well.

Agruda noted mention of use of DDA funds for fire protection, and perhaps for buildings. Mr. Lasher stated that Lansing has used DDA funds to enhance fire and police protection in their jurisdiction. A variety of specific things can go into this, including personnel costs. As Agruda mentioned at Tuesday's meeting, as of next year the millages Acme is paying to Metro Fire will expire or be insufficient to meet our current obligation to the fire service. Metro Fire is looking at the old contracts and at new funding options. He would hate to see service reductions or eliminations. He would favor formation of a fire district. A DDA might not capture all the funds to continue the fire service, but surely could help.

Norma Perry, 8859 Birchview Shores, asked if the State must approve township action to form a DDA ordinance. What happens as a next step when the ordinance is adopted? Mr. Lasher stated the ordinance is filed with the state, but not approved by them. Any plan a DDA comes up with must be approved by the state, and the DDA must file annual reports with the state. Mrs. Perry asked if it is required that a decrease in property values be demonstrated for a DDA to be formed. Mr. Lasher stated that he would not agree with this statement. Mr. Srdjak added that this is one possible reason for DDA formation, but not the only reason. Mr. Lasher stated that some terms in the ordinance are not well defined, and absent case law he would define them broadly. Mrs. Perry noted that the public notice specifically mentioned property value deterioration; Mr. Lasher countered that other things were mentioned too. Mrs. Perry is also concerned by reading in the state law that a DDA could take private property. Mr. Lasher stated that the concept of eminent domain says that the Township can now do the same with sufficient reason. Mrs. Perry is concerned that the DDA might try to take away private waterfront property for public purposes. Mr. Lasher mentioned that this can only be done if there is fair compensation. Various members of the public mentioned that

Ms. Babcock stated that the survey taken years ago seemed to indicate that all the public taxpayers would be included in ways to fund public needs and desires. She feels that a DDA is limiting, and that most people in the audience feels that the idea of funding a DDA should be shelved until after the election. Agruda stated that he isn't ready to take action right now either, and isn't sure he will be in 60 days. Ms. Babcock stated that the more she learns, the less she likes it. Knopf had hoped that some fears of increased taxes could be alleviated; Ms. Babcock said the current Board can't alleviate any fears.

Mrs. Katherine Barr, 5875 Andorra Drive, asked about having a tax assessor or commissioner discuss the possible impact of the plan on certain people's properties. Her husband used to be a State Tax Commissioner, and said the current commissioners might offer assistance. Mr. Lasher said that the State Tax Commission can come in to a community and reassess its property if it believes the local assessor hasn't done an appropriate job. Further, even if property values double, as long as you continue to own your property and whether you are within the DDA district or not, year to year taxable property value can only go up by the rate of inflation per Proposal A.

Sandy Chimosky, 3757 Crest Haven Lane, would be in the DDA district. If her taxes are diverted from the township's General Fund to a DDA, will the township have enough money to operate, or will it have to levy new millages anyway? Hoxsie clarified that the township will still receive all the taxes they are receiving right now based on current taxable values. Only the taxes on increases in taxable value from DDA inception forward are diverted. Mr. Lasher stated that the state statute says a DDA may capture inflation increases in taxable value, but it doesn't have to. It can choose to only capture increases due to new construction and uncapping if it desires. Plude stated that having looked up Ms. Shmusky's property, it increased in taxable

value by \$2,100 last year. This would result in diversion of about \$1.87 in taxes – a small amount.

Mr. Srdjak stated that a lot of the reason why the Resort's taxes went up is because of the change in ownership. He would like to see an analysis of how much revenue the township could have recovered on the increase in taxable value between last year and this year for publicly desired improvements without costing anyone an additional penny.

Mrs. Barr asked what would happen if the Resort becomes home to a Casino. Amon responded Native-owned properties fall into several categories: trust-status land, tribal land and economic development corporation land. Some of these categories generate tax revenue to the township and some do not. In neighboring Whitewater Township, right now there is more land under overall Tribal control that remains on the tax rolls than has been removed from the tax rolls. We can't know how much land in Acme Township might be placed in the non-taxable trust status in the future. To place land in such status requires a 2-year process, which has not to our knowledge been initiated.

Amon stated an impression that if the incoming Board has the opportunity to appoint a DDA Board the public would be more comfortable. Comfort level would also be increased if the DDA ordinance eliminates the possibility of imposition of two additional mills. He personally would support both measures, feeling that overall benefits of the program are more important than either. Ms. Babcock stated that there might be other concerns that the Board has not yet identified; Amon stated that this is one good reason for the 60-day minimum waiting period prior to any further action. There is time for reflection and further study.

A gentleman in the public asked if the entire issue should be left to the incoming Board. Walter stated that this is in effect already true. Issues don't all begin and end with each administration. Many cross those boundaries. Amon expressed faith in the incoming Board's ability to do a good job carrying the project forward. Ms. Babcock asked if he would still want to vote to adopt the DDA in 60 days. Amon noted that no vote can take place tonight. Mr. Lasher stated that once 60 days have expired the existing Board may choose to act or to wait. Amon believes that this should be one area where the old and new boards should be able to work together.

Bill Kurtz, 5420 Lautner Road, asked if the current Board plans to vote on the DDA before leaving office. Amon stated that the Board has been invited to give a presentation to the County Commission later this month. It is his hope that after this presentation the County will choose to opt in to a TIF plan. Mr. Kurtz restated his question as to whether Amon personally plans to act or defer action to the new Board. Amon invited Mr. Kurtz to come discuss this with him. Agruda suggested that any such meeting should include Herb Smith, the other candidate for Supervisor, as well. Amon asked for Mr. Kurtz' personal position on the subject. Mr. Kurtz stated that he would hope the current Board will defer action, and that when he was a downtown Traverse City business owner he was subject to a DDA that enacted a 2 mill levy. He asked if Amon intends to recommend appointment of DDA Board members. Amon stated that he believes formation of a DDA is important to Acme Township. He is comfortable placing the responsibility of the appointments on the new Board.

Knopf asked if the concerns raised by the public will be different when there's a new Board than they are now.

Mr. Kurtz asked about the opt-out period. He has concerns with why any taxing authority would not wish to opt-out. The idea of sharing the revenue stream has come up. Who can give assurance to the taxing authorities that this would occur – certainly not the outgoing Board. Mr. Lasher stated that there is a difficulty with the way the statute is drafted. The opt-out period begins today, before a DDA or a boundary has been firmly established. The other taxing authorities have to decide whether or not to opt-out without any real information. The statute also authorizes a

municipality to enter into a sharing agreement with a taxing authority specifying a sharing ratio for whenever a TIF might occur. The law doesn't state when such an agreement can be made, and it is his position that it therefore may occur during the 60-day opt-out period. Otherwise, he agrees that there is little reason for any jurisdiction to remain subject to the TIF. Amon stated that this is one example of the fact that many issues transcend changes in leadership. Mr. Kurtz stated that Amon could cut a deal on his own; Amon replied that he wouldn't enter into any deal that Mr. Kurtz didn't approve. Amon read from the recent *Record Eagle* article stating that Wayne Schmidt, a County Commissioner, favors DDAs in general but that the Commission is concerned about the current state of Acme politics.

Walter accused Kurtz of lobbying the County Commission to opt out, Mr. Kurtz denied doing so.

Eugene LaLone, 9014 Bates Road, asked if a new Board could eliminate a DDA if one is formed by the existing Board. Mr. Lasher stated that a Board can dissolve a DDA whenever the Board feels it has served its purpose. He sees no reason why a new Board couldn't adopt an ordinance dissolving the DDA.

Andy Andres, 4946 E. M-72, asked if a DDA can be allowed to lie dormant by the new Board for later activation when desired if adopted by the existing Board. Mr. Lasher agreed this is a possibility. The law says that anytime more than 60 days from now the Board may adopt a DDA ordinance and boundaries and appoint a DDA Board, but does not require that such action be taken at any specific time. They could be adopted on day 61. They could adopt the ordinance and boundaries on day 61 and not appoint a DDA Board for an indeterminate period of time. A new Board can basically ignore the actions of an existing board. Knopf asked about the effect on a TIF. If a DDA is formed now, but not activated for two years, is the possible revenue from tax recapture during the dormant period lost? Mr. Lasher said that it would indeed be lost.

Mr. LaLone read about a case where a restaurant deeded its parking lot to a DDA, and then the DDA had to pay to maintain that lot. What if that happened with the parking lot at the proposed Village of Grand Traverse. Mr. Lasher said that many scenarios are possible, but funneling money back to one particular developer is not one of them. Knopf asked for an example of a DDA owning property; Mr. Lasher suggested a situation where a DDA might buy a blighted building, renovate it and rent it.

Mr. LaLone also observed that as someone not having property within the district he would not have a vote in what happens within the district. Walter observed that he might therefore benefit from it without having to contribute.

Amon asked if it is possible for the opt-out decision to be changed at some point other than the 60-day period starting today. Mr. Lasher stated that this is the only option period; however, if a taxing authority opts out right now, they are still able to enter into a tax revenue sharing agreement with the DDA later on in the DDAs lifespan.

A lady in the audience asked for a description of the boundaries of the proposed district in relation to well-known landmarks. Amon described the boundaries for her.

Bob Garvey, 6377 Deepwater Point Road (also owns property on Lautner Road), asked when the proposed district was defined and the map created. Plude stated that this was done at the August board meeting when the public hearing was set. Mr. Garvey asked if this could be brought to the public to gather opinion via a survey, once the answers to all questions have been established. Plude noted that surveys cost money. Mr. Garvey noted that his organization (CCAT) has sent out many mailings. He likened the current board to "Energizer Bunnies" who keep going and going while the public says stop, and soon they will have paved the entire township. No wonder the entire Board membership lost their jobs.

Mark Stenke, 4988 Bunker Hill Road, asked restatement of the total taxable value of the real estate in the township, and how much it increased last year. Plude observed that the inflation rate was 2.3%, and set to work calculating the dollar increase (which differs from the inflation rate due to property ownership changes and creation of new taxable improvements on the land). He asked if the fact of a DDAs existence in itself creates taxable value increases; Plude said that this is not allowed by law. Mr. Stenke asked for clarification on where DDA money comes from and what it would be used to improve. Mr. Lasher recapped the function of TIF programs.

Mr. Lasher double-checked the law and discovered that a taxing authority may opt-back in to a DDA after opting out.

Plude completed her calculations and announced that total township property value increased by \$25.8 from 2003 to 2004.

Mrs. Hanna read from the letter received by all property owners within the proposed DDA district the statement about a purpose of halting property value deterioration. It was the first of three issues listed. She has not heard an answer to where or if this condition exists. Mr. Lasher stated that there is more than just one allowable reason for creating a DDA, including the ability to promote growth. Mr. Garvey asked what type of growth such a district would propose. We have no dilapidated buildings to renovate. Mr. Stenke heard Walter say that Acme is a tourist community and that we need a boat launch, but he doubts this. Walter reiterated that there were meetings full of local fishermen clamoring for just that. Mr. Garvey asked what other needs would exist. Walter stated that this will be determined in the future by the DDA board. Mr. Garvey stated that it seems silly to determine an answer before a need; Hoxsie observed that early in the evening while Mr. Garvey wasn't present Amon listed several other possible uses for public recreation improvements. TART Trail extensions and improvements to dangerous roadway intersections were also on the list. Amon observed that a DDA Board would be appointed by the new Township Board. Mr. Garvey stated that in his opinion adopting a DDA ordinance would create the possibility that a new entity would be formed that would outlive the existing Board and would possibly impose new taxes.

Amon stated that he believes the key issues raised this evening have been addressed: that a DDA ordinance can eliminate the potential for a 2 mill levy and such a requirement would likely go unchallenged. The other issue appears to be the credibility of the outgoing Board, and to this he responded with his personal feeling that a DDA will transcend this Board.

Mr. Shimmel stated that he has not seen any evidence that enough revenue would be recaptured to pay the DDA Board. Amon stated that we know that Dr. Johnson wants to develop Acme Village. He believes the Resort wishes to further develop its property. New development plans for LochenHeath have been approved. This new development will generate substantial tax base increases that will generate the revenue. Mr. Shimmel stated a belief in Amon's sincerity, but that a true study of the anticipated development and how much revenue it would generate versus the imposition of a new millage township-wide hasn't been done. He remain unconvinced that the expected benefit will occur.

Hoxsie hears that individuals likely to be on the incoming Board do not favor taking advantage of this opportunity to form the DDA and set up the potential capture of funds. This Board has put the proposal on the table and has done a little – if not enough – to educate the public. He would favor letting the new Board decide whether or not to pursue the issue further and if so to educate the public.

Mrs. Barr asked about statements that the US 31/M-72 intersection will be modified. Corpe mentioned that a report about the intersection study is due on September 24.

Mrs. Babcock asked if tonight was to be a public meeting and if all of the legal requirements for such a hearing had been met. Corpe responded that no less than 20 days prior to the meeting, notices had to be sent to all owners of property within the proposed district, the meeting date had to be published in the newspaper twice, and notices had to be posted in 20 conspicuous places within the township. Corpe stated that she personally had seen to all of these details.

Mrs. Hanna asked how she can opt out of the district. Mr. Lasher stated that there is no process for an individual property owner to opt out, and that the district can't be established for at least 60 days.

C. PUBLIC COMMENT/OTHER BUSINESS THAT MAY COME BEFORE THE BOARD:

Meeting adjourned at 9:51 p.m.