

**TUSCARORA TOWNSHIP BOARD**  
**November 20, 2023 Time: 6:00 pm**  
**3546 S. Straits Hwy. Indian River, MI 49749**  
**SPECIAL MEETING MINUTES -- Workshop**

**AGENDA:**

1. Call to order
2. Roll Call
3. North Star Project
4. Tax Increment Financing Report
5. Public Comments (3 minutes)
6. Board Comments
7. Adjournment

**MINUTES:**

**Item 1. Call to order:** Clerk Reidsma called the meeting to order at 6:04 pm

**Item 2. Roll Call:** Clerk Reidsma, Treasurer Dillaha, and Trustee Vance  
Members Absent: Supervisor Kramer, Trustee Pearson Quorum – Yes  
Staff Present – Dep Supervisor Odenwald, Administrative Asst Chris Green

Clerk Reidsma entertained a motion to have an alternate board member chair the meeting.

**Motion:** Move to have Janet Vance chair the meeting.

Moved by Dillaha, seconded by Reidsma. Motion passed 3-0 voice vote.

**Item 3. North Star Project**

**Information:** Questions asked and answered regarding North Star Gardens, INC. request of Tuscarora Township, to create a Commercial Rehabilitation District for its property located at 4152 Old Trail Lane, Indian River, MI 49749, in order to request a 10-year Property Tax Abatement (per PA 210 of 2005). The abatement would be necessary to demonstrate Tuscarora Township's support for North Star's goal to obtain a MEDC \$1.5M grant and to make the Project financials work.

- Discussion began with Lindsey Clark – MEDC representative, specializing in incentives and tools.
- State agency has limited funds, \$20m, so essential that communities demonstrate financial support with such tools as Façade grants, Tax abatements, water / sewer tax abatements.
- No set amounts, but 10% of total cost to be used as a guideline for monetary support to achieve priority over other communities (given assumed total cost of \$5.7M and abated taxes estimated at \$400,000.00 would result in a 7-8%).
- A Pro-forma workbook is being developed to address cost, development financing, and financial gap for success.
- Previous investments, like Pedestrian bridge, not sufficient to address future projects.

- NLEA to provide assistance on coaching for paperwork – manpower to address the voluminous paperwork workload was side stepped (when questioned).
- Tax abatement doesn't need to be fully approved prior to pitch with MEDC.
- Net Present Value and Internal Rate of Return should be evaluated for Township investment.
- No clear direction on using existing DDA district boundaries or if new boundaries needed to be addressed and if so, where.
- Tom Johnson spoke for Jeff Jakeway, who couldn't be present due to a family emergency.
- Jeff working with Assessor, Doug Kiepert, to determine a more precise level of future taxes.
- Project cost totals \$5.7M with \$4.8 M in construction costs (\$1.5M via MEDC grant, \$3.3M via bank loan, and \$1M in equity). Projection for 21 new jobs (people new to area or workers job shopping?). Assumption that current property taxes (\$8548 summer/winter taxes) will continue for 10 years and the future taxes of \$55k/year (estimate) in year eleven equates to est \$400,000 in abated taxes (or 7-8% of total costs).
- Plan to begin 7/8/24 and finish in 18 months on 1/8/2026.
- Financials available soon once Mortgage terms and interest decisions are made and cash flows based upon future assessed taxable value can be estimated. Clarity on exact millages that can / would be abated on property taxes must be clearly stated.
- No decisions entertained at these specific meeting.

#### **Item 4. Tax Increment Financing Report**

**Information:** Questions asked and answered regarding the need to have reports completed on-time this fiscal year (2022/23) given that the past two years were submitted late (6-18 months late), and therefore prompted the Michigan Department of Treasury to state that "Failure to comply can result in the loss of some or all TIF revenue". If this were to happen, the DDA loans (\$1.35 M) would default to the Township for payment without any additional revenue.

#### **Item 5. Public Comments** (opened: 7:07 closed: 7:14)

- B. Henderson – North Star project zoning
- D. Friedreichsen – Read Bob Murdock letter
- D. Webb – Sewer abatements, sewer capacity, & other investments

#### **Item 6. Board Comments:**

Two members made comments.

#### **Item 7. Meeting adjourned:** 7:17 pm.

Respectfully submitted,  
Jay Reidsma, Township Clerk