

SPECIAL
MEETING AGENDA
August 13, 2024 at 7:30 am
Tax Increment Finance Authority
City of Hillsdale
97 N Broad Street

I. Consent Agenda - Action

- A. Minutes from Meeting 7/16/2024
- B. Financial Reports

II. Public Comment

Agenda items only – 3 min.

III. Old Business

- A. Dawn Theater Maintenance – Update
- B. Keefer Hotel Promissory – Update

IV. New Business

- A. No new business

V. Economic Development Update/Board Round Table

VI. Public Comment

TIFA item – 3 min.

VII. Adjournment

Next Meeting: Information Meeting and Development Plan Public Hearing
August 20, 2024 at 6:00 pm.



CITY OF HILLSDALE

Tax Increment Finance Authority TIFA Regular Meeting July 16, 2024

Minutes

I. Call to Order at 7:30 a m

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

- #### **II. Consent Agenda** – Mike Clark moved to approve the consent agenda as presented, Kevin Conant seconded. Motion passed. Tim Dixon supported. Motion passed.

III. Public Comment

No public comment.

IV. Committee Reports

- A. Program Committee – Cindy Bieszk, Chair
 - 1. General Report – there have been three grant applications presented to the committee for recommendation.
 - 2. Budget Amendment – The three grant applications presented to the committee total \$10,995. The budget for grants for FY24-25 is \$10,000. The Committee is recommending increasing the budget by \$5000.
 - David H. suggested doubling the budget.
 - Cindy wanted to remain more conservative knowing that the budget can be amended in the future if necessary.
 - Drew would like to remain conservative in the hopes of paying off the last of the BPU loan this fiscal year.
 - Tim proposed amending the budget by \$1000 in order to cover these grants with the knowledge that a budget amendment can be made for future applications.
 - Mike C. moved to amend the budget by \$1000 to cover the three applications currently submitted. David H. supported. Motion passed.
 - 3. Grant Applications

- a.62 Waldron – the new owner has applied for two grants, a façade grant for \$566 and a business attraction grant for \$4429. Both grants together will total \$4995.
 - Committee moved to approve both grants in the amount of \$4995. Kevin C. supported, motion passed.
- b.63 N Howell – owner has applied for a façade grant to help offset the cost of removing and replacing the existing glass and aluminum storefront with new. The grant request is for \$6000.
 - Committee moved to approve the grant in the amount of \$6000, Tim D. supported, motion passed.
- B. Targeted Development Committee – Chris Bahash, Chair.
 - 1. General Report – the committee made some revisions to the development plan and is requesting the Board approve and recommend moving to the next step in the process.
 - 2. 2025 Development Plan update – public hearing
 - a. Committee moved to approve the revised development plan as submitted. Mike C. supported, motion passed.
 - b. Alan gave a brief scheduling overview.
 - c. Drew moved to set the first public hearing for August 20, 2024 at 6:00 pm. Mike C. supported, motion passed.
- C. Beautification Committee – Margaret Braman, Chair
 - 1. General Report – Committee is getting prices on replacing the concrete pots in the district.
- D. Dawn Theater Governance Board – Margaret Braman, Liaison
 - 1. General Report.
 - 2. Committee appointments. Drew Gelzer and Mary Wolfram resigned from the DTGB. The Board appointed Felicia Finch and Ron Scholl in their places.

V. Old Business

- A. Dawn Theater Maintenance.
 - Alan updated the Board on maintenance projects at the Dawn.
 - Alan requested approval to purchase the downspout extensions to the Marquee.
 - Cindy moved to approve, David H. seconded. Motion passed.
 - Drew asked if the furnace filter plenums could be resized to take one filter size instead of five.

VI. New Business

- A. District Weed Control
 - Alan updated the Board re: the contract for weed control and that two of the four applications had been done.
 - David H. asked if there could be signage posted when the weed control has been applied.

VII. Economic Development Roundtable

- Keefer Hotel is progressing
- New pizzeria and Ad Astra coffee are progressing.

VIII. Public Comment

Mary Wolfram reminded the Board that at the time the lease agreement was drafted, the intent was to place the rent in an improvement fund to be used for theater maintenance.

Adjournment – Drew G. moved to adjourn, Cindy B. seconded. Meeting adjourned at 8:30 am.

Next informational meeting and public hearing on August 20, 2024 at 6:00 pm.



CITY OF HILLSDALE

Tax Increment Finance Authority TIFA Regular Meeting November 21, 2023

Minutes

I. Call to Order at 7:33 am

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

- #### **II. Consent Agenda** – Mike Clark moved to approve the consent agenda as presented, Tim Dixon seconded. Motion passed.

III. Public Comment

No public comment.

IV. Committee Reports

- A. Program Committee – Cindy Bieszka, Chair
 - 1. General Report – Cindy gave a synopsis of the new façade grant application. The program committee meeting did not have quorum, so it is part of the board meeting. The budget would need to be amended to add \$2400 to cover the grant amount.
 - 2. Façade Grant application – 40 E Bacon – The application is for a new awning. The project estimate is for \$4759.40. The grant would be for half of that amount, \$2379.70. David Hambleton moved to amend the budget by \$2400 in order to allow for the approval of the façade grant at 40 E Bacon, Darin Spieth supported. Motion passed.
- B. Targeted Development Committee – Chris Bahash, Chair.
 - 1. General Report – Ferris Street Parking Lot project is currently in the design phase.
- C. Beautification Committee – Margaret Braman, Chair
 - 1. General Report – Kevin Conant made pots that would support trees for winter decorating. Contacted Jake Hammel to put up the street lamp mounted winter banners and wrap with lights.
 - 2. Greg Stuchell spoke to the Lights of Howell. The group is working with “Light Midwest” for planning and installation of Christmas lights over Howell St.

between North and McCollum Streets. The cost has been covered by donations. No TIFA funds will be used. The lights will be up permanently. Eventually there will be photocells and timers. David Hambleton asked if there would be any lights on streets beyond. The current answer is to wait and see.

D. Dawn Theater Governance Board – Margaret Braman, Liaison

1. General Report – Chair read the October report submitted by Mary Wolfram.

V. Old Business

- A. Keefer House Hotel Promissory Agreement – Nick Fox, VP for Construction Development for Keefer House LLC gave a project update. Basement is drained, concrete floor, elevator pit installed, leveled first and second floor. Structural steel is being installed. Estimated completion date is August 2024.

Chair gave an overview of the original promissory note process. He is proposing changing the date of the promissory note to mesh with the recent Council OPRA amendment, which is August 31, 2024. Greg Stuchell supported. Felicia asked if the project is not completed by that date, will there be more discussion? The request was made to require a Certificate of Occupancy by the August date as the confirmation of compliance. Motion passed unanimously.

VI. New Business

- A. Donation policy. There was discussion regarding putting stipulations on donations as a whole. The general consensus was to evaluate on a case by case basis. No policy was implemented.

VII. Economic Development Roundtable

Bakery and new microbrewery on track to be open soon.

St. Joe Pizza and Ad Astra Coffee to be open in January 2024.

Meijer still planning to be open in spring 2024.

Social District is open and functioning well.

VIII. Public Comment

Jack McLain –gave a brief summary of his thoughts for the movie donation.

Adjournment – David Hambleton moved to adjourn, Margaret Braman seconded. Meeting adjourned at 8:29 am.

Next regular meeting on January 16, 2024 at 7:30 am.

COPY

THIRD ADDENDUM TO PURCHASE AGREEMENT

THIS THIRD ADDENDUM dated July 20, 2021, to that certain Purchase Agreement dated May 15th, 2018, by and between the City of Hillsdale Tax Increment Finance Authority, a political subdivision of the State of Michigan, hereinafter referred to as "Seller", and The Keefer House Hotel, LLC, a Michigan Limited Liability Corporation, hereinafter referred to as "Purchaser" is as follows:

RECITALS

A. Reference is hereby made to Paragraph 14 of the Purchase Agreement, which is reproduced in full as follows:

14. Repurchase: In the event that Purchaser fails to (a) commence construction of the Project on or before January 25, 2020, and/or (b) fails to Substantially Complete the Project on or before November 25, 2022, except as prevented beyond Purchaser's control by any granting agency, including Seller and Michigan Economic Development Corporation (a "Fundamental Breach"), then the Seller, in its sole discretion, may exercise its option to re-purchase the Property by delivering written notice of such intent. If the Seller exercises its repurchase rights as set forth herein, the price for such repurchase shall be the forgiveness and cancellation of any indebtedness owed by Purchaser to Seller in connection with that certain Promissory Note executed by Purchaser made payable to Seller at the time of closing of this transaction. The repurchase of the Property shall be consummated through the Escrow Agent, at a time no later than ninety (90) days after the delivery of the Seller's notice that it intends to exercise its repurchase rights. Title to the Property shall be conveyed by the Purchaser to the Seller by warranty deed, subject to all real estate taxes, installments of special assessments, easements, restrictions, covenants and conditions of record, except delinquent real property taxes or installments of special assessments. Any mortgage or liens, including potential mechanics' liens or other liens outstanding on the Property, excepting those Mortgages and liens that Seller expressly agrees to have its interest subordinated to, shall be discharged by the Purchaser at the Closing hereunder. Current real property taxes and installments of special assessments shall be prorated as of the date of Closing. The costs of closing and title shall be paid by Seller.

B. Purchaser commenced construction of the Project by completing certain environmental remediation of asbestos, mold and other hazardous materials during the month of December 2019.

C. Purchaser and its affiliate, CL Keefer Operations LLC, are actively pursuing closing on all financial sources needed to complete the Project's construction and intend to issue a new notice to commence construction to its primary construction contractor upon such financial closing ("Construction Notice to Proceed").

D. Paragraph 14(b) of the Purchase Agreement has been identified by an investor of the Project as creating high risk per its underwriting standards to continue during the construction of

the Project, which would greatly frustrate the Purchaser's ability to close on all required financing for the construction of the Project.

NOW THEREFORE, for good and valuable consideration, Seller and Purchaser hereby agree to amend the Purchase Agreement as follows:

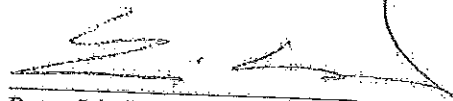
1. Seller and Purchaser hereby acknowledge and agree that: (1) the Purchaser has satisfied the condition to commence construction of the project set forth in Paragraph 14(a) of the Purchase Agreement, and (2) upon the issuance of the Construction Notice to Proceed to the Project's primary construction contractor, Seller agrees that it will further waive all repurchase rights as written in the Paragraph 14(b) of the Purchase Agreement and will provide Purchaser with written evidence of such waiver upon receipt of a copy of the Construction Notice to Proceed.
2. Except as amended by this Third Addendum the provisions of the Purchase Agreement that survived closing remain in full force and effect.

INTENDING TO BE LEGAL BOUND, the parties below have executed this Third Addendum as of the date set forth above.

PURCHASER:

The Keefer House Hotel, LLC

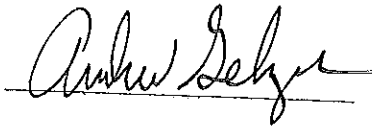
By:


Peter Limberger, Manager

SELLER:

City of Hillsdale Tax Increment Finance Authority

By:



COPY

PROMISSORY NOTE
ADDENDUM
July 20, 2021

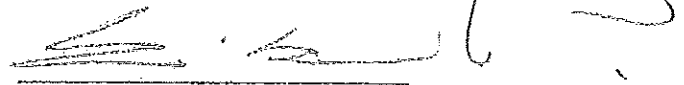
THIS SECOND EXTENSION dated July 20, 2021, to that certain Promissory Note dated October 26, 2018, by and between the City of Hillsdale Tax Increment Finance Authority, a political sub

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 May 25, 2023. 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 substantially completes construction and renovation of the Keefer House Hotel property on or before May 25, 2023, 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 substantially complete construction and renovation of the Keefer House Hotel property on or before May 25, 2023, 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.

The Keefer House Hotel, LLC

BORROWER

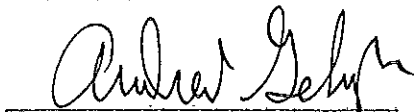


By: Peter Limberger, Member

Date: 8.12.21

Accepted:

CREDITOR



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

Date: 8-13-21

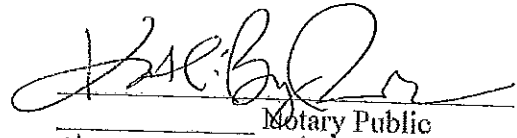
STATE OF MICHIGAN)

)SS:

COUNTY OF HILLSDALE)

On August 13, 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 BONNEY PRICE
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF HILLSDALE
My Commission Expires June 01, 2026
Acting in the County of Hillsdale



Notary Public

HILLSDALE County, Michigan
Acting in Hillsdale County, Michigan
My Commission Expires: June 01, 2026

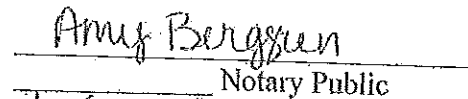
STATE OF ILLINOIS)

)SS:

COUNTY OF LASALLE)

On August 13, 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.





Notary Public

LaSalle County, Illinois
Acting in LaSalle County, Illinois
My Commission Expires: 1.9.24