

MINUTES OF MEETING OF TAX INCREMENT FINANCE AUTHORITY  
NOVEMBER 10, 2009

The meeting was called to order by Chairman Jungquist at 7:30 a.m. in the Council Chambers of the East Tawas City Hall.

Members Present: Brewer, Elliott (left at 8:43 a.m.), Fountain, Jungquist, Mooney, O'Connor and Ruster.  
Absent: Council Representative McMurray.  
Staff Present: City Manager Leslie, Director Pasakarnis, and Clerk/Treasurer Baker.  
Guests Present: Chip Hendrick and Bruce Buchinger from R.C. Hendrick and Sons.

Elliott moved, Fountain seconded, CARRIED, to approve the minutes of the October 13, 2009 meeting as presented.

Elliott moved, Brewer seconded, CARRIED, to approve the TIFA and Construction Fund financial reports as presented.

Director Pasakarnis presented the change order that would delete the crosswalks and compass rose. Chip Hendrick reported that there are still issues with the warranty for the pavers and the sandlock but he felt that the credit of \$173,083 should be accepted by the Authority. He had previously discussed a Maintenance Bond with Director Pasakarnis but now indicated that Porath's existing Performance Bond would cover any problems if the second application of sandlock fails and the work needs to be redone. Chip suggested that Porath's bonding company be put on notice that there may be a problem. Porath has indicated that they will not extend the warranty for the Streetscape project for an additional year. According to the change order, the warranty would expire August 27, 2010. Chip indicated that going through the winter weather should give us a good indication if the sandlock is going to work. Bruce and Chip indicated that Porath is suggesting that the architect did not specify the correct product to keep the bricks in place and that sandlock will not work in our situation. Chip indicated that Jim Carlson is the representative from Pave Tech concerning the sandlock product. Members felt it was in the Authority's best interest to get Mr. Carlson to do an inspection of the bricks at this time and again in early summer to help determine if the sandlock will work before the warranty expires. Discussion was held concerning the amount of the credit proposed in the change order. Ruster moved, Elliott seconded, CARRIED, to approve the change order for a credit of \$173,083 and put Porath's bonding company on notice concerning potential problems with the sandlock and authorizing Chip Hendrick to contact Jim Carlson from Pave Tech to ask Mr. Carlson to make an inspection of the brick pavers before winter and again in early summer to determine if the sandlock was installed properly. Yes: Brewer, Elliott, Fountain, Jungquist, Mooney, O'Connor and Ruster.

Fountain moved, Elliott seconded, CARRIED, to enter closed session to discuss correspondence from our attorney in regard to the M.C. Smith Associates lawsuit because discussion in open session could be financially detrimental to the Authority. Yes: Brewer, Elliott, Fountain, Jungquist, Mooney and Ruster. (Note: O'Connor was temporarily absent from the meeting but joined the meeting in closed session.)

Entered closed session at 8:29 a.m.  
Returned to open session at 8:44 a.m.

Elliott left at 8:43 a.m. during the closed session.

Director Pasakarnis reported on the presentation from Travel Michigan that was held in Oscoda on November 5<sup>th</sup>. Travel Michigan has identified “The Sunrise Shore” as the designation for this region. Approximately 40 people attended the presentation and comments were made that it had too heavy an emphasis on water and needed more imagery from the interior including forests and trails. Travel Michigan will take these comments into consideration and will have radio spots ready for review in two months. Director Pasakarnis also reported that she has been making visits to township meetings to explain the Travel Michigan Pure Michigan campaign for this area and asking them to contribute funds to the campaign. At this point approximately \$38,000 has been pledged and will give enough money to add a Fall campaign in addition to the Spring campaign. The Tribal Council in Arenac County has also been contacted for funding. Another one of the benefits of involvement with Travel Michigan will be the availability of statistics as to where our businesses should be marketing themselves. Director Pasakarnis reported that the City Council voted to match TIFA’s pledge of \$750 per year for three years for the Travel Michigan Pure Michigan campaign.

Director Pasakarnis reported that Russo Engineering will have the cost estimates for the parking lots available for the December meeting. At this time it appears that the contingency fund will be around \$200,000.

Steve Fountain mentioned that the UDAG board is recommending that TIFA use the funds that have been set aside for a new library to complete the parking lots. The UDAG board has already pledged to honor the TIFA commitment to the library until December 2010. He noted that the City Council needs to approve any expenditure of UDAG funds.

Director Pasakarnis reported that Develop Iosco, Inc. will be getting a worker through Americorp Vista who will be working out of an office at the hospital and will be working on several goals including a building retention and inventory. There will also be a clerical worker obtained through Experience Works who will be housed at the Chamber and will be working on creating website links and coordinating photos to submit to the Michigan Film office.

Tim O’Connor asked Director Pasakarnis when the rest of the downtown signage will be installed. Director Pasakarnis indicated that she will make sure this is done before the end of December. He also asked about banners for the streetlights on the side streets that have the double bar but no banners. The East Tawas Business Association will be asked to help with this.

Steve Fountain indicated that he and the other members of the board who volunteered had not yet contacted the businesses that last year did not fully cooperate in using the salt replacement product, Avalanche, to try to convince them to use Avalanche this year but will do so before the next meeting. Discussion was held concerning the possible establishment of a Principal Shopping District or another method of assessing downtown businesses for such items as snow and ice removal.

Discussion was held concerning the future priorities for the Authority once the Streetscape project is completed. Director Pasakarnis presented a list of items that she drafted which included items from the Blueprint that have not been completed. Members were asked to review and prioritize the list. Future goals will be put at the beginning of the agenda rather than at the end for the December meeting.

Meeting adjourned at 9:34 a.m.

Blinda A. Baker  
Clerk/Treasurer