City of Hart, Michigan
TIFA Board
August 18, 2026, 1:00 PM
Hart City Hall Community Center, 407 State Street, Hart, Michigan

NOTICE OF PUBLIC MEETING

TIFA Agenda

1. Call to order
2. Roll Call; B. Hegg, Tracey Lipps, Deborah Windell, S Hegg, Caleb Griffis, Maria Rosas, Mayor Klotz, Hannah Juhl, Justin Adams
3. Approval of Agenda
4. Public Comment
5. Approval of July 2026 Minutes
6. Approval of May & July Financials
7. Action Items
    a. Authorize City Manager to pay for attorney to prepare Development Agreement, Purchase Agreement and Deed
    b. Allocation of Administrative Costs
8. Discussion Items
    a. Ceres Update
    b. Consideration of Bond Financing for Downtown Streetscape Phase 2
9. Public Comment
10. Member Comment
11. Adjournment - *next regular meeting September 15, 2026*

CITY OF HART
407 S. STATE ST
HART, MI 49420
TAX INCREMENT FINANCE AUTHORITY (TIFA)
July 21, 2026 at 1:00 pm

MEETING MINUTES

Call to Order: Windell called the meeting to order at 12:59 pm. Voice rollcall was taken.

Members Present: Mayor Klotz, Maria Rosas, Hannah Juhl, Caleb Griffis, Hegg, Justin Adams, Tracey Lipps, Deborah Windell, Bill Hegg

Absent: S. Hegg, Justin Adams

Others Present:

Approval of Agenda: Motion by Mayor Klotz, supported by Juhl to accept the agenda. Motion carried.

Public Comment: none

Approval of May Minutes: Motion by Juhl, supported by Mayor Klotz to accept the May minutes. Motion carried.

Approval of May & June 2026 Financial: Motion by Juhl, supported by Mayor Klotz to table the May financials for explanation of ACH debits on statement, to approve the June financials and accept the budget as presented with the addition of $500 towards 2 wet wipe cleaning stations Hart sign at the road commission. Motion carried.

Discussion Items

- **a.** Nichole provided an update that the developer signed an Option Agreement authorized by city council and will begin environmentals, survey work, and secure funding for the project during a due diligence period not to exceed 9 months.
- **b.** 109 Union St – the former Blacksmith shop – enforcement proceedings have begun to require site cleanup of the burned building which is now considered a “dangerous building”.
- **c.** Funding for phase 2 of downtown streetscape and State Street $5 million project from Polk to Johnson was met with support from the board for funding over the course of the next 15-year reinstatement term of TIFA.
- **d.** Nichole requested funding for bistro/dining tables downtown – the board wanted to hold off with Rosas stating that some design requirements should be established so there is consistency.
- **e.** The board would like to postpone the ribbon cutting for downtown until the November Home for the Holiday’s celebration.

Public Comments: None

Member Comment:

Adjournment: Meeting adjourned at 2:05 pm.

Respectfully submitted by Nichole Kleiner, City Manager

MEMO

To: Hart Tax Increment Finance Authority Board
From: Nichole Kleiner, TIFA Administrator
Date: August 18, 2026
Subject: Allocation of Administrative Costs

Background

The Tax Increment Finance Authority relies on City staff to administer the day-to-day operations of the Authority. These responsibilities include preparing agendas and meeting materials, maintaining financial records, coordinating with legal counsel and auditors, managing redevelopment projects, preparing budgets, overseeing grants and financing, ensuring compliance with the TIFA Act, and carrying out other administrative duties necessary to implement the Authority's Development Plan.

To appropriately allocate the costs associated with these services, it is recommended that the TIFA budget include annual reimbursements to the City for staff time devoted to TIFA administration.

Recommendation

It is recommended that the Board authorize the following annual administrative allocations:

- **$20,000** to reimburse the City for a portion of the **City Manager's** salary and benefits for services provided as **TIFA Administrator**.
- **$4,000** to reimburse the City for a portion of the **Treasurer's** salary and benefits for services provided as **TIFA Treasurer**.

These allocations recognize the administrative services provided to the Authority and ensure that TIFA bears an appropriate share of the costs associated with administering its operations and projects.

Recommended Motion

Motion:

*I move that the Hart Tax Increment Finance Authority Board approve annual administrative cost allocations of **$20,000** for the City Manager serving as TIFA Administrator and **$4,000** for the Treasurer serving as TIFA Treasurer, with such amounts to be included in the Authority's annual budget beginning with Fiscal Year 2026-2027 and continuing until modified by the Board.*

Memo

To: Hart Tax Increment Finance Authority Board
From: Nichole Kleiner, TIFA Administrator
Date: August 17, 2026
Subject: Financing Consideration – Downtown Streetscape Phase 2

Background

The Board has discussed financing Phase 2 of the Downtown Streetscape Project through the issuance of bonds secured by future tax increment revenues. Based on current projections, TIFA can reasonably dedicate approximately **$220,000 annually** toward debt service while continuing to maintain operational flexibility.

Assuming financing at an estimated **4.7% interest rate** over **15 years**, an annual payment of **$220,000** would support borrowing approximately **$2.33 million**.

Estimated Financing

- Annual debt service: **$220,000**
- Financing term: **15 years**
- Estimated interest rate: **4.7%**
- Estimated borrowing capacity: **Approximately $2.33 million**
- Total debt service over the term: **$3.3 million**

These figures are preliminary and will vary based on market conditions, the final bond structure, issuance costs, and interest rates at the time of sale.

Recommendation

It is recommended that the Board authorize staff to work with our financial advisor and engineers to determine the scope, project cost and timing of phase 2 and present to the TIFA board for approval.