



MINUTES

Call to Order: Wendell called the meeting to order at 1:00 pm. Voice rollcall was then taken.

Members Present: Gale Goldberg, Tracey Lipps, Scott Hegg, Maria Rosas, Deborah Windell, Bill Hegg

Members absent: Caleb Griffis, Amy Trudell

Others present: Nichole Kleiner, Cindy Beth Davis Dykema, Marie Deruiter, Chad Gale

Approval of Agenda: Motion by Goldberg, supported by S Hegg, to approve the agenda. Motion carried.

Public Comment: Chad Gale stated that he would like to withdraw his proposal for the Ceres Solution development but was available for discussion.

Approval of July Minutes – motion by Goldberg, supported by Rosas, to approve the minutes. Motion carried.

Financials – Motion by S Hegg, supported by Lipps to accept July financials. Motion carried.

Action Items:

- a. **Adopt Policy on Administrative Oversight and Conflict of Interest** – Nichole presented the board with a conflict of interest policy to cover board voting and administrative oversight. Nichole wanted to clarify that after being appointed Interim City Manager, she will administer for TIFA under that role instead of the current contract for Administrative services. Goldberg stated that the conflict of interest for voting was covered in the bylaws and S Hegg stated that he planned to abstain from voting on the agenda item where he has a conflict of interest. Nichole asked if the board felt that B. Hegg, father of S Hegg would be a conflict of interest and Goldberg stated, “he has no financial gain on the matter”. The board did not feel the policy was necessary. No motion was made.
- b. **Authorize Extension of Lease Between TIFA and Hart Christian Fellowship through April 1, 2026** – After reviewing the lease extension, motion by S Hegg, supported by B Hegg to extend lease to HCF through April 1, 2026, as presented. Motion carried.
- c. **Authorize Terms of Lease with Option to Purchase 408 & 412 S State St** - Kleiner presented the board with a lease with option to purchase 408 & 412 S State with The Monarch, LLC. The board reviewed. S Hegg suggested the contract should have a “personal guarantee” naming the owner of the LLC. Cindy Beth Davis Dykema, present at the meeting suggested adding “Cindy Beth Davis Dykema, personally responsible for The Monarch, LLC”. Motion by B Hegg to authorize terms of lease with option to purchase 408 & 412 S State St with The Monarch LLC, with the addition of Cindy Beth Davis Dykema named as personally responsible on the lease. Supported by Rosas. Motion carried.
- d. **Review Ceres Development Proposals** – RFP’s for the Ceres Solution Development were open to developers through August 12, 2025. Two proposals were received, one from Chad Gale which was withdrawn by C Gale during public comments, and one from S Hegg Real Estate, LLC. S. Hegg Real Estate, LLC submitted a proposal to purchase the Ceres property at 3 E. Main Street from TIFA for \$30,000 with no contingencies or development timeline. After reviewing the proposals, S Hegg stating that he would abstain from voting on the matter but was available for questions.

S Hegg Real Estate's proposal and "vision" for the property is to creating parking to support their adjacent venue, developing duplexes/townhomes along Water and Washington Streets to address Hart's housing shortage, and retaining the historic mill building for retail/storage. The Heggs emphasized their longstanding investment in downtown Hart, their redevelopment experience, and their commitment to keeping the property locally owned. The board discussed the proposal and wondered if the property should be placed on the MLS for a broader reach since there was only one proposal submitted. Marie DeRuiter, a realtor in the audience spoke up to share that she is still interested in representing TIFA as an agent to try to find a developer. She is not looking for financial gain, but to help find a developer. Lipps asked S Hegg why they specifically stated, "no contingencies or timeline" on development and S Hegg responded that he, "didn't want the city dictating what they do". S Hegg stated that he would continue to lease to C Gale, who just withdrew his development offer. S Hegg stated that they need an additional 100 parking spaces for their venue and for townhomes, once developed. Nichole expressed concerns with the proposal having, "no contingencies" and reminded board that MEDC offered to bring developers to the site for a tour and that listing with an agent could also bring other opportunities that align with the RFP. Marie (realtor in the audience) spoke up stating that if TIFA would go under contract with her, she could help "seek" development. C Gale in the audience highlighted the accomplishments of Heggs past developments. Rosas asked if the parking lot would be public, S Hegg stated, "no" it would be a private parking lot. Rosas commented that she thought we should try the MLS for 6 months. Lipps stated she, "doesn't want an outsider to come in". Golberg supported this concern stating it likely that a developer won't have the urgency to see this through and could leave the project abandoned. Lipps added that she preferred the idea of selling the property to someone we know because she is concerned about what will be developed next to her residence. Windell liked the idea of hiring an agency to recruit developers. B Hegg commented that "we gave developers a long time to submit an plan". S Hegg added that it has been "1-2 years". Rosas likes the idea of a "local" proposal but sees potential in listing with an agent. Tracey stated that she's worried about developers who don't live in the community. Kleiner asked, "if you were concerned about developers outside of the community, then why did we issue and RFP"? Goldberg stated, "We know S Hegg has a conscience, others may not". S Hegg added, "if my offer is not accepted today, it may not stand." Windell asked realtor Marie, in the audience, if she could get something done in 90 days or less and she stated that she could try. Chad Gale who withdrew his proposal spoke up from the audience stating that he wants first right of refusal for the building he is leasing at 3 E Main and if the board does not accept S Hegg Real Estate's proposal that he wants his proposal reinstated.

Motion by Goldberg, "since TIFA has owned the property for over 2-years with no action, and since TIFA waited for development proposals and received two, with one withdrawing, she moves to accept the offer from S Hegg Real Estate, LLC". Motion supported by Bill Hegg. A voice roll call was taken: Bill Hegg-yes, Gale Goldberg-yes, Deb Windell-yes, Tracey Lipps-yes, Maria Rosas-no. ~~Goldberg announced that the vote failed explaining that the vote would need to be the "majority of entire board" meaning, of the 8-person board, the vote would require 5 yes votes. With two absent, one abstaining, and one no vote — that only leaves 4 yes votes, so the motion failed.~~ Motion carried as determined at the September 16, 2025 meeting – minute changed to reflect.

Chad Gale spoke up from audience that he wants his proposal "put back in".

It was suggested that we could present TIFA's recommendation to sell to S Hegg Real Estate to city council.

Motion by Rosas, supported by Goldberg, to hire a realtor, possibly Marie Duruiter in the audience, giving her 60 days to find a developer. Opposed (4), those in favor (2), motion failed.

Discussion Items –

- a. **Process for reinstating TIFA for 15 years in response to council's resolution** – tabled
- b. **15-year project plan discussion** - tabled
- c. **TIFA Board Members** – S Hegg spoke to Mayor Klotz regarding Trudell's attendance. The Mayor would like documentation and more history before considering the request to remove Trudell.

Public Comments: Chad Gale stated that he was going to pursue his right of first refusal to purchase the building at 3 E Main St that he is currently leasing.

Communications From Members: S Hegg would like Chad Gale's lease and first right of refusal discussion on next month's agenda.

Adjournment: Motion by Gale, supported by B Hegg to adjourn the meeting at 2:16pm. Motion carried.

Respectfully submitted Nichole Kleiner, TIFA Administrator