

OSHTEMO CHARTER TOWNSHIP  
DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS

MINUTES OF MEETING HELD JULY 28, 2011

The Oshtemo Charter Township Downtown Development Authority (DDA) Board of Directors held a regular meeting on Thursday, July 28, 2011, commencing at approximately 12:00 p.m. at the Oshtemo Community Center at 6407 Parkview Avenue.

Members of the Board of Directors present: Bruce Betzler, Jay Brown, Terry Schley, Chip Everett, Ron Zuiderveen, Tom Brodasky, Libby Heiny-Cogswell, Mike Lutke, Jack Siegel, Dana Slocum and Glenn Steeg.

Members of the Board of Directors absent: Stephen Dallas and Kathleen Garland-Rike

Also present was Jodi Stefforia, Township Planning Director.

The meeting was called to order at approximately 12:00 p.m. by Chair Bruce Betzler. Motion by Terry Schley, support by Chip Everett to adopt the Agenda as submitted, the motion carried.

The Chair then called for consideration of the minutes of May 19, 2011. Motion by Terry Schley, support by Chip Everett to approve the Minutes as presented, the motion carried.

The Treasurer's Report was presented by Jay Brown. Motion by Tom Brodasky, seconded by Terry Schley, to accept the report. Motion passed.

The Chair then moved to the next agenda item, the 2012 Budget. Ms. Stefforia pointed out that it shows a 25% reduction in tax capture for 2012 due to declining property values in the district. Terry Schley noted it was an important consideration as the DDA makes long-term capital investment decisions. He asked if there were any long-term capital investments planned other than streetscape. Chair Betzler noted that real estate acquisition was planned. Terry Schley stated that the record should reflect that the DDA is not hoarding its tax capture but is saving for large projects.

Specifically regarding the 2012 Budget, it was suggested that a new category or line item be created for real estate acquisition and that money should be moved from Uncommitted to this new category. It was noted that the budget should not be acted upon until the discussion regarding Citgo and the Parkview Avenue parcels is held.

The Chair then turned to discussing the Citgo property noting that the subcommittee had met with the Lawsons to discuss a potential offer. The Chair noted that the owner wants the tanks removed by the DDA for a purchase price between \$210,000 - \$220,000. A higher counter offer was made verbally by the Lawsons that included them removing the tanks. The Chair suggested that an attorney be consulted regarding liability for the environmental situation and to also draft an option for purchase with a closing on the purchase 1.5 – 2 years out. This timeline allows the Lawsons to wind down the business and they have indicated that they are not expecting a large down payment from the DDA for the option. The Lawsons indicated that while this was a low profit site for them as compared to other gas stations they own and operate, they did not have plans to close it. The Chair reminded the DDA that they had approached the Lawsons about buying the property, not the other way around.

Glenn Steeg stated that the DDA must be responsible with the public money it controls and not pay too much for the property. He asked if \$100,000 above the appraisal is a fair price to pay for the property. The Chair added he believed a purchase price of \$100,000 more than the appraisal as had been discussed

was reasonable based upon his research to date and the value of this corner property to the streetscape plan for the village area. He added that another entity could acquire the property and continue to operate the business indefinitely.

Jay Brown asked if the DDA may own property. Ms. Stefforia responded that the DDA may own property but the Township Board has to approve the expenditure for the purchase.

Terry Schley noted that there are expenses associated with owning property. He said the DDA will have to determine what condition the property is left in before the streetscape work gets underway, what will be done with the building as there are costs with closing it, removing it, insurance, etc. Ron Zuiderveen indicated that he believes the building should be able to be removed for about \$10,000.

The Chair asked what the consensus of the DDA was with respect to this property. There was consensus to option the property with a modest amount of earnest money committed.

Ron Zuiderveen stated that all questions need to be answered and responsibilities identified as to what seller and buyer are responsible for and also investigation into future costs of owning the property. He suggested that the option period be only 1 – 1.5 years and not 2 years long.

Motion by Ron Zuiderveen, seconded by Tom Brodasky, to option the property for \$235,000 to close within 18 months with up to \$15,000 additional for incidental expenses with the option to be written by an attorney with hold harmless language and written confirmation on the status of the environmental issues at the site by a third party. Motion passed.

The Chair stated he will contact Jim Porter to help with writing the contract for the purchase option and for advice on the environmental issues and ownership issues.

Terry Schley questioned if the Township Board must approve the contract and legal expenses that will be incurred. Ms. Stefforia indicated she will work with the Township Supervisor to determine what approvals are necessary.

The DDA moved on to discuss the Hinman Company and their interest in the DDA area. The Chair reported that he had met with Andy Wenzel and Rich MacDonald of Hinman Company and that they have expressed interest in helping Harding's redevelop its property.

The DDA then discussed several properties on Parkview Avenue that may be available for purchase. The Chair noted that he had talked with a representative of two of the properties, Dave Parker, as his information was passed along to him by Libby Heiny-Cogswell. The question is whether or not the DDA would be interested in acquiring the properties. Libby Heiny-Cogswell suggested that the properties when combined with the community center property could provide parking in the village area and rear access to 9<sup>th</sup> Street abutting properties.

Mike Lutke added that the value of the 9<sup>th</sup> Street properties and their redevelopment potential is contingent upon having rear access.

The Chair stated that Dave Parker indicated that he had an appraisal indicating the two properties were worth \$375,000 as commercial properties. Ron Zuiderveen indicated the value of these properties to the DDA would be contingent upon securing the Schmitz parcel between them and the community center site. Terry Schley questioned why the DDA with other identified priorities would consider spending limited resources on acquiring these properties. Mike Lutke responded the rear access issue is why the DDA should consider it. He added that the access does not have to be a full street, an alley will be adequate.

Jay Brown suggested that money spent by the DDA to put in rear access would come back to the DDA in increased value of the 9<sup>th</sup> Street properties. Terry Schley suggested that perhaps the DDA should

champion the rear access issue but not spend limited funds acquiring the land. He added perhaps the DDA could cost share with the owners and the Township to establish the rear access on existing property.

Glenn Steeg suggested that the DDA only be interested in the Parkview properties if they were offered at a price that the DDA could not pass up.

Terry Schley made a motion, supported by Glenn Steeg, to have the Chair contact the property owners on Parkview Avenue being Schmitz and Parker (as representative) to find out their selling price for the record. And also for the DDA to approach the Township Board about rear access to the 9<sup>th</sup> Street properties. Motion passed.

The DDA then returned to the 2012 Budget. Motion by Jay Brown, support by Glenn Steeg, to adopt the budget with the change creating a new line item for land acquisition as discussed earlier in the meeting. Motion passed.

The DDA then discussed the Professional Services Agreement between the DDA and the Township for 2012. Noting that it was the same document as 2011 with only the dates changed, Terry Schley made a motion to approve the Professional Services Agreement as presented, supported by Chip Everett. Motion passed.

Under Other Business, Terry Schley reported that the Rotary would like to place a sign in the enhancement area. Glenn Steeg questioned if other groups and service clubs would want to do the same if Rotary did it. Terry Schley stated he does not have the specific sign details noting that it would have to be approved by the Township Board as it is the Township's property and would also have to meet the Village Area Form Based Code. There was consensus that the DDA would like to see what is proposed before making any recommendation.

The Chair noted he has a conflict with the September meeting as scheduled, therefore, it will be rescheduled from September 15 to September 22; no change to the start time.

There being no further business, the meeting adjourned at approximately 1:15 pm.

Oshtemo Charter Township  
Downtown Development Authority

Minutes Prepared: August 16, 2011  
Minutes Approved: September 22, 2011