

**OSHTEMO CHARTER TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS**

MINUTES OF SPECIAL MEETING HELD AUGUST 23, 2012

The Oshtemo Charter Township Downtown Development Authority (DDA) Board of Directors held a special meeting on Thursday, August 23, 2012. The meeting was called to order at approximately 12:00 p.m. at the Oshtemo Community Center at 6407 Parkview Avenue.

Members of the Board of Directors present: Terry Schley, Kathleen Garland-Rike, Andy Wenzel, Jay Brown, Libby Heiny-Cogswell, Michael Lutke, Fred Gould, Bruce Betzler, Jack Siegel, Glenn Steeg, and Chip Everett.

Members of the Board of Directors absent: Stephen Dallas and Ron Zuiderveen.

Also present was Gregory Milliken, Planning Director.

Approve Agenda

The meeting was called to order at approximately 12:00 p.m. by Chair Betzler. The Chair asked for approval of the agenda. Mr. Gould moved to approve the agenda, as submitted. Mr. Siegel seconded the motion. The Chair called for a vote on the motion, and the motion passed unanimously. Mr. Siegel indicated that he still did not receive the packet via email and provided his email on the sign-in sheet.

Approval Minutes

Chair Betzler indicated that two sets of minutes were provided for review and approval. Mr. Schley moved to approve the minutes of the May 17, 2012 regular meeting and the June 27, 2012 special meeting. Mr. Steeg seconded the motion. The Chair called for a vote on the motion, and the motion passed unanimously.

Treasurer's Report

Mr. Schley indicated that he previously had inquired about a difference between the balance in DDA funds at the conclusion of 2011 and the carryover indicated in the Treasurer's Reports in 2012. He wanted to be sure that the full balance of funds was accounted for. Mr. Milliken indicated that he had researched that previously but would have to review the file again for the response. He would do so and provide the answer to the entire Board.

The Board discussed the costs for the Citgo Sales Agreement and the status of the Prein & Newhof environmental review for that property.

Mr. Siegel made a motion to approve the Treasurer's Report as presented. Ms. Garland-Rike seconded the motion. The Chair called for a vote on the motion, and the motion was approved unanimously.

Discussion of 2013 DDA Budget

The Chair reviewed the draft budget information presented to the Board in their packets and indicated that the DDA is responsible for developing a draft budget for recommendation to the Township Board. A memo prepared by Mr. Milliken describes the draft budget and the components within.

Mr. Schley asked about the timeframe for the purchase of the Citgo property and if it was reasonable to assume it would occur next year.

Chair Betzler indicated that he had not yet had that conversation.

Mr. Schley stated that timing is important as is making sure there is a plan for the next steps following acquisition of the property. He indicated that the DDA does not want to acquire the property without a plan for what to do with it once it owns the vacant site.

Mr. Wenzel indicated that the timing should be addressed when the agreement is presented to the property owner to make sure they agree to remove the tanks.

Mr. Schley stated that if the acquisition is pursued vigorously, a lot of steps will need to occur quickly including demolition and clearing of the site. Then, because the DDA will have a vacant site at the corner, beautification of the site will need to happen soon as well.

Ms. Garland-Rike noted that the agreement does say that the seller agrees to remove the tanks within 120 days.

Ms. Heiny-Cogswell stated that she thinks it would be worthwhile to refine the conceptual design plan for that property to have it brought to a design-development stage so it could be ready to move quickly and to accommodate the environmental issues on site.

Mr. Brown said that he wanted the line item in the draft budget identified as "streetscape / beautification" to be more specific and just refer to the redevelopment of the Citgo property rather than be so broad.

The Board engaged in a discussion of the expenditure and approval process.

Mr. Steeg stated that he was concerned about the demolition costs of the building on site and the environmental concerns that may result from demolition of that structure. He did not think they

were addressed sufficiently or in enough detail within the draft agreement. Elements such as asbestos and other potential above ground environmental concerns deserve as much attention as the underground concerns.

Chair Betzler reminded the Board of the proposed change from Mr. Brown. There was discussion of whether the proposed change was a replacement of the existing language or an addition to.

Mr. Schley indicated that he believes the DDA needs the ability to go beyond the specific site, particularly with the design work. The current streetscape plan was just a conceptual plan. The refinements that will be done on the plan for the Citgo property may result in the need to make further refinements beyond the specific site. Further, to achieve the full impact of improvement of the corner property, it may be necessary to do beautification work on all four corners at the intersection.

Mr. Brown indicated that this is an economic development group and he asked what the group has done to bring in new business.

Mr. Steeg asked if the \$5000 deposit spelled out in the sales agreement was available in the 2012 budget.

Chair Betzler indicated that there was \$250,000 budgeted for land acquisition in 2012.

Mr. Brown asked if money was available for the rear access drive. Mr. Milliken indicated that \$70,000 was added to Obligated Projects in 2013 for this project.

Mr. Schley made a motion to recommend approval of the draft 2012 DDA Budget with the condition that the proposed line item identified as “Streetscape / Beautification” be changed to “Citgo Redevelopment / Streetscape / Beautification”. Mr. Brown seconded the motion. The motion was approved unanimously.

Flesher Field MDNR Grant

Chair Betzler indicated that there is a letter of support from the DDA for the Township seeking a grant from MDNR for improvements to Flesher Field.

Mr. Schley made a motion to authorize the Chair to sign the letter of support on behalf of the DDA and submit to the MDNR in support of the Township’s grant application. Mr. Wenzel seconded the motion. The motion was approved 10-1 with Mr. Brown dissenting.

9th Street Rear Access Discussion

Mr. Brown indicated that he had not yet had a chance to meet with property owners along 9th Street.

Mr. Lutke indicated that he had not heard anything from his neighbors.

Mr. Brown clarified that he was to approach the owners to gauge their interest in the driveway concept.

Chair Betzler stated that in addition to that, it is important to know if they would be willing to put some or all of such a drive on their property.

There was discussion from the Board on exactly where the proposed drive was to be located and what needs to be determined from the property owners.

Mr. Schley indicated that there have been several discussions with the Township Board and representatives of the Township. There were some who expressed a non-interest in having the proposed drive on Township property. The DDA was therefore directed to gauge the interest of the property owners to locate the drive on the property owners' side of the line.

Ms. Heiny-Cogswell indicated that her recollection was that the Board desired to have a 33 foot easement on both the east and west sides of the property line between the Township property and the 9th Street properties.

Mr. Lutke stated there was one Board member who directly stated a desire not to have such a drive on Township property and that there was discussion of a park on that property.

Mr. Brown added that the DDA presented the Township Board with a proposed driveway that would be paid for by the DDA and located on Township land. The Board replied by asking how bad the owners want it and will they put it on their land.

Mr. Schley said that the information from the conversation with the Board, DDA, etc. needs to be reviewed to determine what the consensus was.

Mr. Siegel did not understand why the Board did not want this.

Mr. Steeg stated that the DDA needs to figure out its consensus and direction, develop a consistent approach, and then proceed with a plan.

Mr. Lutke agreed with Mr. Schley. The Township asked for information, and the DDA needs to get them that information.

Chairman Betzler said that Mr. Lutke will get the minutes from past meetings and find out the criteria and information we need to provide to the Township Board. There is no need to talk to property owners until we reach consensus. We will review this information at the next meeting and see where we are at that time.

Mr. Schley reminded the Chair that he prepared an extensive memo of the discussion with the Board. That summary would also be useful and should be located.

Updates.

a. Citgo

Mr. Wenzel excused himself from the meeting at 1:05 pm.

The Board reviewed the proposed sales agreement to purchase the Citgo property at the northwest corner of Stadium and 9th Street.

Mr. Schley pointed out a typographical error on page 3. “Buy” should be “Buyer”.

Ms. Garland-Rike asked if paragraph D on page 9 was redundant since that information was discussed previously.

Mr. Steeg pointed out that Mr. Wenzel mentioned previously that it should not be assumed that when the tanks are removed the hole will be filled with clean dirt. Also, he is concerned that if something is uncovered that would increase the cost of demolition, then it would be the DDA’s responsibility to cover the additional costs. He suggested that the “savings” provision that covers the underground pollution be expanded to cover the potential above ground pollution.

Mr. Gould asked about sealing the property after demolition. He wondered if there was a time requirement within which the DDA would have to seal the property following acquisition. Otherwise, there could potentially be a large hole or a big pile of rubble.

Mr. Schley indicated that there is a Township Ordinance to control those possibilities.

Ms. Heiny-Cogswell indicated that a cap is required.

Mr. Steeg added that if a cap is required, it should be the seller’s responsibility to put the cap on the site when the tank is removed. This is not addressed in the agreement.

Mr. Lutke and Mr. Siegel excused themselves from the meeting at 1:10 pm.

Mr. Schley indicated that we want to get the seller committed as to our ability to do what we want with the property long term. We do not want to lose the seller’s interest.

Mr. Steeg agreed but indicated that at the same time, the DDA does not want to expose itself to additional costs or liabilities if it does not need to. He indicated that the DDA should know the cost of capping the site in case it has to pay for it. There was discussion about the likely cost of the cap.

Mr. Schley stated that the DDA is probably not ready to advance this document.

Mr. Steeg reminded the Board that there is another meeting in four weeks.

Chair Betzler stated that this is project management, and he wondered if the DDA should engage the assistance of a contractor who does this sort of work to assist with this process. **Also noted that the current parcel size in the draft was incorrect and needed to be verified and corrected.**

Mr. Steeg wondered if the Township had a relationship with anyone that could help.

Ms. Heiny-Cogswell indicated that it was project specific. She stated that M.C. Smith prepared the streetscape plan and that Prein & Newhof is the Township Engineer who also performed the environmental work on the site.

Mr. Schley stated that Prein & Newhof should remain involved on the environmental side as they already have that knowledge and information, and it will maintain a common thread there. He stated that the DDA also needs to engage someone to refresh the vision of the design in this area. The streetscape plan was just a first draft and did not have all of the issues addressed. It was a conceptual, budget setting design plan. The next step was to further develop a design plan, and the scope could be localized for that. It does not have to be with the same consultant. However, he is not ready to spend money on that until the sale is under control.

Mr. Steeg suggested giving the seller the draft agreement to get feedback from him.

Chair Betzler suggested that the draft be provided after the suggested modifications are made.

Mr. Steeg agreed but said that it should be sent soon so that feedback could be provided before the next meeting.

Mr. Steeg made a motion to edit the proposed sales agreement as discussed, to present the edited sales agreement to the property owner for comment in the near future, to request comment prior to the next meeting, and to run said communication through the Chair. Ms. Garland-Rike seconded the motion. The motion was approved unanimously.

b. KATS Traffic Study, RFP

Ms. Garland-Rike indicated that there was a typographical error on page #18 where it should say “this”.

Mr. Schley wanted everyone to understand the expectations of the proposed study. The Board discussed the scope of services. Mr. Schley stated that the consultants will not know what the vision is for this area or what may happen in the future. Therefore, the recommendations will be based on the existing road layout and property configuration as opposed to incorporating solutions as part of potential future development scenarios. For that, a market study is also needed.

Mr. Schley made a motion to authorize the Chair to sign the proposed agreement with KATS considering that funds have been set aside in the budget for this purpose in both 2012 and 2013. Ms. Heiny-Cogswell seconded the motion. The motion was approved unanimously.

Any Other Business.

Chair Betzler reminded the DDA that Ron Zuiderveen has submitted his letter of resignation and will no longer be serving on the DDA Board of Directors. He asked the Board to think of suggestions for replacement members and get back to him with any suggestions.

Mr. Gould asked if there was a preference for business people in the DDA.

Ms. Heiny-Cogswell indicated that she would suggest someone that owns property in the DDA; either someone who owns a business or property, or who rents property in the DDA.

Mr. Gould suggested Mary Kinney.

Mr. Brown reminded the Board that she was on the original Board but then resigned.

Ms. Garland-Rike suggested that there have been many business owners who have come before the DDA or who have attended meetings in the past either out of curiosity or for some personal interest. This may be a place to start as well.

Chair Betzler indicated that Mr. Wenzel had a contact at Harding's as well that he felt would be a good member.

Ms. Heiny-Cogswell excused herself from the meeting at 1:54 pm.

Mr. Steeg asked about the property at the southwest corner of Stadium and 9th Street. He was sorry that Mr. Wenzel had to leave because he wanted to personally ask him about any redevelopment plans that were in the works at that site. Currently, it is likely to remain vacant, which is not ideal.

Announcements and Adjournment

The next meeting is scheduled for September 20th.

Having no other business on the agenda, the meeting was adjourned at approximately 1:59 p.m.

Oshtemo Charter Township
Downtown Development Authority

Minutes Prepared: September 4, 2012

Minutes Approved: _____, 2012