

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

MINUTES OF THE MEETING HELD MAY 18, 2017

The Oshtemo Charter Township Downtown Development Authority (DDA) Board of Directors held a meeting on Thursday, May 18, 2017. The meeting was called to order at approximately 12:00 p.m. at the Oshtemo Community Center, 6407 Parkview Avenue.

Members present: Grant Taylor, Chair, Bruce Betzler, Themis Corakis, Libby Heiny-Cogswell, Rich MacDonald, Ethan Sivewright and Dick Skalski.

Members absent: Jay Brown, Maria Dacoba, Julie Hite, Millard Loy, Mike Lutke and Jack Siegel.

Also present: Julie Johnston, Oshtemo Township Planning Director and Martha Coash, Meeting Transcriptionist.

Approval of Agenda

Chairperson Taylor asked if there were any changes to the agenda.

Ms. Johnston indicated an amendment was needed to add a Closed Session in order to discuss property acquisition.

Mr. Skalski moved to approve the agenda as amended. Mr. MacDonald supported the motion. The motion passed unanimously.

Approval of Minutes

Chairperson Taylor asked if there were any additions or corrections to the minutes for the meeting of March 16, 2017.

Ms. Johnston noted at some point in the minutes “car wash” property changed to “gas station” property and that needed correction. In addition, Mr. Corakis asked that the spelling of his name be corrected.

The Chair asked for a motion to approve the minutes as corrected.

Mr. MacDonald moved to approve the Minutes of the Regular Meeting of 16, 2017 with the two corrections as noted. Mr. Skalski supported the motion. The motion carried unanimously.

Treasurer's Reports for March – April, 2017 (unaudited)

Ms. Johnston presented the Treasurer's Reports for March - April, 2017, noting the two activities applied to the budget were staff time and costs for the Township auditors, who worked on year-end reporting. No new revenues were accrued during March and April, except for a slight amount of interest earned, which had not yet been determined, but will be included in the next Treasurer's Report.

In answer to a question from the Chair, Ms. Johnston indicated a check to the Friends of the Park has been approved and will be sent soon.

Chairperson Taylor asked for a motion to approve the Treasurer's Report.

Mr. Corakis moved to approve the Treasurer's Report as presented. Mr. Betzler supported the motion. The motion passed unanimously.

Streetscape Update

a. Car Wash Property

Ms. Johnston reported the DDA Executive Committee met with representatives from Oshtemo Methodist Church to discuss the demolition of the car wash at 6532 Stadium Drive by the DDA in return for land. The following steps were determined to be the best way forward:

1. Receive a quote from Prein & Newhof to complete a Phase 1 Environmental Assessment of the car wash property. It was determined Prein & Newhof were the best solution for the assessment because they completed the environmental work on the neighboring gas station.
2. Township staff would work with local contractors to get solid pricing on the demolition of the car wash, including removal of all below ground infrastructure.
3. Township staff would work with an asphalt contractor to get a general bid on paving the subject site after the demolition. It should be noted that this paving bid is not to complete the parking lot as outlined in the Streetscape Project but to make the site usable as a parking lot for the Church. It was determined that costs for the planned parking lot facility the DDA would wish to develop should not be passed to the Church.
4. Utilize the projected costs for the demolition and paving and the true cash value of the car wash property, determine how much property will need to be deeded to the DDA for the value of the work performed.

Ms. Johnston said Staff completed the work as outlined and provided the following figures for consideration by both the DDA and the Oshtemo Methodist Church:

1. Environmental Assessment – Prein and Newhof have quoted \$2,400 for the Phase 1 Assessment. They do not believe that a full Phase II and Baseline Environmental Assessment will be needed for this property. However, if that is necessary, an additional \$10,000 to \$12,000 may be required.
2. Asbestos and Hazardous Materials Survey Inspection – estimated between \$800 and \$1,000.
3. Demolition – Demolition and removal of all structures above grade including the building, sign post, bollards, foundations, concrete slab on grade and the two underground grease/oil separators (two 500-gallon concrete septic tanks) found during visual inspection has been estimated between \$8,500 and \$10,000 by Ace Excavating.
4. The estimate to pave those areas disturbed by the demolition is approximately \$15,000 by A-1 Asphalt.

Phase 1 Environmental	\$2,400
Asbestos/Hazardous Materials Survey	\$1,000
Demolition (all structures above and below ground)	\$10,000
Paving (areas disturbed during demolition)	\$15,000
Total Possible Project Costs	\$28,400

She explained these project costs do not take into consideration a Phase II Environmental, which could add an additional \$10,000 to \$12,000 to the estimate. As a result, project costs could range between \$28,400 and \$40,400.

Ms. Johnston said the Township Assessor has determined a true cash value for the property to be \$240,052. The cost of the project equates to anywhere from 11.8 to 16 percent, depending on whether a Phase II is required. The Township’s GIS mapping software indicates the subject property is 0.78874 acres or 34,357.5 square feet. Utilizing the same percentage, approximately 4,054 to 5,497 square feet would need to be transferred to the DDA in a property for funding exchange.

She provided an aerial map with the average of these two calculations shown for informational purposes only, which is 4,775 square feet. Based on the discussions during the Executive Committee, the Church would like to utilize some land north of the DDA property (west side of DDA site) to satisfy this exchange. The aerial shows the

property lines for the DDA site squared off with the addition of the car wash square footage.

In addition to the exchange of property, the DDA will need to enter into a parking and cross-access agreement with the Church to allow parking on the site when needed for future events. She indicated this cross-access agreement should include the following:

- The Church grants the DDA a 10-year parking easement to be renegotiated after the 10-year period.
- 36-month notice to vacate must be provided if the Church decides to build on the Subject Property.
- In return for the parking easement, the DDA will hold the Church harmless and indemnify the Church from any and all claims from its use of the Subject Property and insure the Subject Property naming the Church as an additional insured.
- The DDA will plow the parking lot in the winter should it hold any winter events.
- The Church agrees to grant the DDA a right of first refusal should it ever list the Subject Property for sale.

Based on the information provided above, staff recommended the DDA contract with Prein & Newhof to complete the Phase 1 Environmental Assessment prior to entering into an agreement with the Church. While a slight risk to the DDA, this will allow for a true understanding of the final costs to complete the project and therefore a better understanding of the amount of square footage that should be deeded to the DDA.

She concluded by saying after the Phase I Environmental is complete, the DDA and Church could enter into a contractual agreement for the exchange of land for services. In the interim, the DDA and Church could sign a Letter of Understanding (LOU), which she provided to Board Members and that has been sent to the Church for their review. Ms. Johnston noted it would likely take a couple of months before the LOU could be complete as it would have to go through the local church committee and then on to the Synod for approval before it is signed. Mr. Corakis noted the official name of the Church in the LOU should be "United Methodist Church."

Board discussion followed. Chairperson Taylor wondered whether the LOU with the Church would be all that was necessary before the DDA would be comfortable

moving ahead to contract with vendors in order to begin work. Mr. MacDonald said the LOU was non-binding but that a lien could be placed on the property with the Church's agreement, to be removed once the agreements are in place, so that work could begin sooner than later.

There was some question whether the existing fence belongs to the DDA. It was agreed that a decision whether or not to remove it could be addressed later. Mr. Betzler noted the "Right of first refusal" included in the LOU would ensure the DDA would be able to purchase the subject property in the event the Church would ever want to sell.

Ms. Heiny-Cogswell asked whether there wasn't an "in perpetuity" item included and wondered about the need for both the 10-year parking assurance and cross-access agreement since the Church is required to provide a 36-months' notice if they wish to vacate that agreement.

Ms. Johnston noted the Church is not willing to grant cross-access in perpetuity since it may not be a parking lot forever. She agreed the 10-year provision would be superfluous.

Mr. Corakis asked if the DDA would be liable for any maintenance. Ms. Johnston said the only maintenance the DDA would be responsible for was snowplowing for DDA winter events. It was agreed the DDA would be a good neighbor if something came up, but are not liable for repairs or maintenance. Ms. Johnston pointed out the DDA will be paying for the cost and upkeep of landscaping on their portion of the property.

Three changes to the Letter of Understanding were suggested: 1) Change the name of the Church to "United Methodist Church", 2) a lien will be placed on the property until legal documents are in place to allow the DDA to move forward, and 3) Item B. 3 regarding the 10-year parking and cross access easement will be removed. However, after further discussion it was decided to leave item B.3 in place so the DDA is assured use of the parking lot for a reasonable length of time.

Chairperson Taylor asked if anyone wished to make a motion to authorize the Executive Committee to return to the Church committee with a proposal for a temporary lien to be placed on the property as described.

It was moved by Mr. Corakis to authorize the Executive Committee to proceed with the Letter of Understanding with minor changes as described, to propose to the Church a temporary lien on the property until legal documents are in place, and if conditions are met, to start the process of demolition. Mr. Skalski supported the motion. The motion carried unanimously.

Village Theme Development Plan/Form-Based Codes

a. Stakeholder Interviews/Next Steps

Ms. Johnston reported that from a list of 24 people suggested by people from the DDA, Wade Trim interviewed about 15. The next step will be a community outreach open house at the community center, both during the day and the evening for public comment. Notice will be sent to all DDA members as well as wider outreach.

Most of those interviewed were in favor of relaxing the Form Based Codes to help spur development. 5-6 did not want to conform to the FBC, particularly the prohibition on front-yard parking, or drive-thru windows at restaurants, building to the front property line. The public meeting is expected to be held at the end of June with a report from Wade Trim expected in July or August. She said we are currently receiving an application for the Stadium Drive fringe area for a memory care assisted living facility.

Any Other Business

a. Commercial Access Sign

Ms. Johnston reported she followed up on Mr. Siegel's request to allow a sign at Atlantic and the access road. The Zoning Ordinance does not allow off-site signs, so a sign at that that corner advertising businesses is not code. However, a Township sign for the community center could be erected and could include a business and address identifier on the sign.

It was suggested the street could be named "Community Center Drive" if the Township Board agrees to a request from the DDA from Ms. Johnston on the DDA's behalf. The sign would be produced and installed at the DDA's cost.

It was moved by Mr. Betzler and supported by Mr. Skalski to authorize Ms. Johnston to propose to the Township Board that the access drive be named "Community Center Drive." Upon approval by the Township, the DDA will buy and install a street style sign for the entrance to the Drive, to include the new street name. The motion carried unanimously.

Closed Session

Property Purchase Recommendation

Chairperson Taylor indicated the Board needed to go into Closed Session to discuss a property purchase recommendation and asked for a motion.

It was moved by Ms. Heiny-Cogswell and supported by Mr. Skalski to move to Closed Session for the purpose of discussing a possible property purchase. The motion carried unanimously.

The Board moved to closed session at approximately 12:40 p.m.

The Board returned to open session at approximately 1:10 p.m.

Ms. Johnston said she will contact firms she has worked with in the past to do a residential and commercial market study for the DDA area to be used for marketing materials to entice people to come in. If members have referrals to a good firm she asked that they let her know.

Announcements and Adjournment

Ms. Johnston said Mr. Spigelmyer will be submitting a detailed grant for the schoolhouse in July.

There being no further business, Chairperson Taylor adjourned the meeting at approximately 1:17 p.m.

Oshtemo Charter Township
Downtown Development Authority

Minutes Prepared: May 20, 2017
Minutes Approved: