

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

MINUTES OF THE MEETING HELD JULY 25, 2017

The Oshtemo Charter Township Downtown Development Authority (DDA) Board of Directors held a meeting on Tuesday, July 25, 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, Jay Brown, Themis Corakis, Maria Dacoba, Jack Siegel, Ethan Sivewright and Dick Skalski.

Members absent: Libby Heiny- Cogswell, Julie Hite, Mike Lutke and Rich MacDonald.

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. Hearing none, he asked for a motion for approval.

Mr. Skalski moved to approve the agenda as presented. Mr. Sivewright 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 May 18, 2017.

Hearing none, The Chairperson asked for a motion to approve the Minutes.

Mr. Skalski moved to approve the Minutes of the Regular Meeting of May 18, 2017 as presented. Mr. Sivewright supported the motion. The motion carried unanimously.

Treasurer's Reports for May – June, 2017 (unaudited)

Ms. Johnston presented the unaudited Treasurer's Reports for May - June, 2017, noting two invoices from S & T for Community Center landscaping maintenance and legal fees for review of the car wash Letter of Understanding. No new revenues were accrued during May and June, except for interest earned, which had not yet been determined. Tax revenues should be available for the July-August report. When accounts were reconciled for March and April it came to light that Accounting and Audit fees were applied incorrectly. The DDA cost went from \$1150 to \$800 year-to-date.

There being no discussion, Chairperson Taylor asked for a motion to approve the Treasurer's Report.

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

Streetscape Update

a. Car Wash Update

Ms. Johnston reported the Church has signed off on the Letter of Understanding, so the DDA can move forward with demolition of the car wash. The first step will be completion of the Environmental Assessment. Prein and Newhof provided a quote for \$2,400 to complete Phase 1. The remaining approximate costs are as follows:

1. Asbestos and Hazardous Materials Survey Inspection – estimated between \$800 and \$1,000.
2. 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.
3. The estimate to pave those areas disturbed by 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 noted these project costs do not take into consideration a Phase II Environmental, if necessary. Prein and Newhof do not believe this will be required, but if it is it could increase costs by \$10,000 to \$12,000. If a Phase II report is required, she said Staff will come back to the DDA for approval of funds.

Ms. Johnston recommended the DDA make a motion to expend up to \$28,400 for project costs and allow staff to contract with Prein and Newhof, Ace Excavating and A-1 Asphalt to complete the work outlined. In addition, grant staff the ability to work with the Church to complete the parcel line re-description to be brought to the DDA at the September meeting for final approval.

Chairperson Taylor asked if there were Board Member comments or discussion.

It was discussed whether the project needed to be put out for bid. Mr. Corakis felt it should be put out to bid and the Board agreed. Chairperson Taylor asked for motions to proceed with the project.

It was moved by Mr. Corakis to authorize expenditures up to \$30,000 for project costs and to authorize Staff to contract with Prein and Newhoff to complete the environmental work and prepare bids for demolition. In addition, to grant Staff the ability to work with the Church to complete the parcel line re-description to be brought to the DDA at a later meeting for final approval. Mr. Siegel supported the motion. The motion carried unanimously.

It was moved by Mr. Brown to authorize Chairperson Taylor to sign the Letter of Understanding on behalf of the DDA and to authorize demolition costs up to \$30,000 without further Board approval. Mr. Betzler supported the motion. The motion carried unanimously.

b. Stadium Drive Sidewalks

Chairperson Taylor moved to the next item on the agenda and asked Ms. Johnston for her report.

Ms. Johnston noted Oshtemo Township is receiving a grant from the Kalamazoo Area Transportation Study (KATS) in 2020 for the development of sidewalks on Stadium Drive from 11th Street west to Quail Run Drive. The DDA, through the Streetscape Project, would like to complete the sidewalks on Stadium Drive within their boundaries and the Township will support the remaining sidewalk between Quail Run Drive and the DDA boundary. This would complete sidewalks from 11th Street west to 8th Street, which is approximately 9,050 linear feet or 1.7 miles.

Staff has reached out to the Michigan Department of Transportation (MDOT) regarding a Transportation Alternative Grant for these sidewalks and received favorable input on the possibility of securing a grant. To that end, staff would like to begin the process of mapping the exact location of the new sidewalks, discovering if easements are going to be required, and begin the application process to ensure we have funds secured for a 2020 construction to coincide with the KATS grant.

The DDA budget for 2017 has \$125,000 in the Consultant line item for the following work:

- Market Study - \$35,000
- SR2S Sidewalk Design - \$50,000
- Corner Improvements Design - \$40,000

Additional dollars are being spent on the Village Theme Development Plan Review in the amount of \$16,125. These were to come from the 2016 budget, but the project started in 2017 and therefore funds are being utilized from the 2017 budget.

Staff had intended to complete an application for Safe Routes to School in 2017 to work towards the development of sidewalks on 9th Street. Unfortunately, with the reluctance of Prairie Ridge Elementary to be involved, this project stalled. While we do have continued interest in this project and will again approach the school in the fall, the funds set aside will not be fully needed.

Ms. Johnston said to move forward with the work on Stadium Drive, Staff was requesting \$5,000 of the Safe Routes to School funds be redirected for this project to allow Prein and Newhof to begin accurate mapping of the sidewalks to determine if easements will be required. This will also help to begin the MDOT application process.

Chairperson Taylor asked if there were comments from Board Members.

Mr. Corakis wondered whether the entire project could be done by Prein and Newhof, that he was not entirely satisfied with previous work done by OCBA.

Ms. Johnston said it could, but they are not a design firm and might not consider, as OCBA would, preservation issues and what is aesthetically pleasing. The project as described would retain OCBA to do the design layout and Prein and Newhof to do the construction drawings.

Chairperson Taylor noted OCBA did beautification design work for the DDA in the past.

Ms. Johnston said she would ask OCBA for a scope of services. She noted the \$5,000 is within the DDA budget; since it is not an increase, it does not require Township Board approval.

Hearing no further discussion, Chairperson Taylor asked for a motion.

It was moved by Mr. Skalski to authorize \$5,000 budgeted for the “Safe Routes to School” project be redirected to the Stadium Drive Sidewalk project as recommended by Staff. Mr. Sivewright supported the motion. The motion carried unanimously.

Village Theme Development Plan Review

a. July 12th Open House Results

Ms. Johnston reported that most attendees at the July 12th Open House were in favor of relaxing the Form Based Codes to help spur development. They liked the idea of recreating a village, but were not sure it will actually happen and felt the Village core should be condensed to the 9th Street and Stadium Drive area, and down 9th Street to Atlantic except for architectural requirements. A meeting is planned for August 14 to plan for the next steps. The Planning Commission will make a recommendation to the Township Board for final approval.

2018 Draft Budget Discussion

Chairperson Taylor noted revenues are up for 2018 and asked Ms. Johnston to introduce the draft budget.

Ms. Johnston said, as with previous years, the process is for the DDA Board to recommend a draft budget to the Township Board. The Board will then incorporate the budget into their review and approval process. Draft budgets are requested to be provided to the Township Supervisor by the end of July.

She said at this time, there is not a firm estimate on anticipated tax capture for 2018. However, there are two items to consider for increased tax revenue; Consumer Price Index and new construction. The Township Assessor suggested increasing revenue by one percent for the Consumer Price Index. In addition, Staff added an increase of approximately two percent for the possible tax revenue that will be collected on the new construction of the storage facility on 9th Street. This increase was based on the estimated taxable value provided by the Assessor.

Projections for 2017 at \$126,900 were lower than what we expect to actually collect. Based on current projections from the Township Treasurer, we will likely post \$30,264 from winter taxes, \$73,262 from summer taxes and \$46,972 in personal

property depreciation from the State of Michigan, for a total of \$150,498. Based on these numbers and the percentage increase outlined above, staff would recommend increasing the budget projections for 2018 from \$126,900 to \$132,000. The reason for the lower number than what is likely to actual post in 2017 is due to the personal property depreciation. This number can vary from year to year so we should be conservative in the amount we plan to collect in 2018.

Based on future work of the DDA, she recommended funding the following projects under the Consultants line item for 2018:

- Safe routes to school grant application and design - \$35,000
- Stadium Drive sidewalks grant application and design - \$35,000
- Design plan for corner lot - \$10,000

For reference, these are some of the future project costs the DDA can expect to pay within the next five to ten years:

- Sidewalks on Stadium Drive: \$260,000(full cost paid by 2020)
- Sidewalks on 9th Street: \$250,000
- Corner Property Improvements: \$600,000
- Additional Streetscape Improvements: \$1,500,000

She explained the full revenue needs to be budgeted and recommended moving \$28,150 to Capital Outlay as it is not expected anything will be built in 2018.

In response to a question from Mr. Brown about the budget for the car wash corner since there are not yet agreed upon boundaries, Ms. Johnston said after the property line is set, the design might be done in phases, perhaps over three years.

Mr. Corakis felt the property should be better maintained now than what the Township is currently doing.

Ms. Johnston said she would talk with S & T to find out what additional cost it would involve for them to add that to their monthly maintenance schedule.

Chairperson Taylor asked for a motion to authorize the Executive Committee to contract with S & T for that additional work.

It was moved by Mr. Skalski to authorize the Executive Committee to contract with S & T for the additional corner maintenance. Mr. Corakis supported the motion. The motion carried unanimously.

It was moved by Mr. Skalski to recommend the draft budget as presented to the Township Board for approval. Mr. Betzler supported the motion. The motion carried unanimously.

Façade Improvement Grant

a. 6667 Stadium Drive

Ms. Johnston said Mr. Richard Spigelmyer, owner of 6667 Stadium Drive, has requested a \$5,000 Façade Grant from the DDA. The request is to repair the roof, front porch and bell tower cupola of the building. The building in question has been the subject of ordinance enforcement by the Township and the grant would assist Mr. Spigelmyer in bringing the structure back to code compliance. The requested work items are eligible expenses under the Façade program. Mr. Spigelmyer is an historian who does not wish to see the building torn down. He has had offers to buy the property but wants to sell it to someone who would actually use the building rather than tear it down and build new.

The Façade Grant program states the following:

- Façade and exterior improvement grant requests may be made available up to \$5,000 by the DDA Grant Committee.
- Applicant will provide proof of 100 percent funding for the project in order to be considered.
- If approved, applicant will receive a 50 percent reimbursement up to, but not to exceed \$5,000 awarded by the DDA.
- All exterior code deficiencies or violations and imminent health and safety hazards must be corrected in conjunction with façade renovation. All work must comply with applicable local, state and federal codes.
- Applicant must provide at least one or as many as three bid proposals depending on the discretion of the Grant Committee.

There was extended discussion on this item. No one wanted to lose this historical building from the community, but some felt the request for funds to re-roof the building did not meet the guidelines for a façade grant and was not eligible for reimbursement. There were concerns about using taxpayer money for re-roofing as it was seen as a maintenance item that should be the responsibility of the owner. In addition, utilizing the grant funding for a project that did not house an existing business or a future planned business was concerning.

It was acknowledged there is ambiguity in the grant guidelines that needs to be addressed by the DDA.

Mr. Corakis said, based on the fact the building has been vacant for more than 20 years, and that there is no assurance the owner will do more than the minimum

necessary to try to sell the property, or that it won't sit for another 20 years, he would move to deny the request.

It was moved by Mr. Corakis to deny the request for a façade grant from Mr. Spigelmyer. Ms. Dacoba supported the motion. The motion to deny the request carried 6 – 1 (Mr. Taylor voting no, Mr. Brown abstaining)

Any Other Business

There was no other business.

Closed Session

Property Purchase Discussion

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 Mr. Skalski and supported by Mr. Sivewright 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 12:55 p.m.

The Board returned to open session at approximately 1:18 p.m.

It was moved by Mr. Siegel and supported by Mr. Skalski to authorize Oshtemo Township Counsel to make an offer not to exceed \$65,000 for the property at 6383 Parkview Avenue, contingent on Oshtemo Township deeding the adjacent property to the DDA at a nominal cost. The motion carried unanimously.

Announcements and Adjournment

Ms. Dacoba confirmed Façade Grant Guidelines will be on the next DDA agenda.

Ms. Johnston reported action on the street sign requested from the Township was postponed until the August 8 agenda to allow time to name for the street.

There being no further business, Chairperson Taylor adjourned the meeting at approximately 1:22 p.m.

Oshtemo Charter Township
Downtown Development Authority

Minutes Prepared: July 27, 2017
Minutes Approved: