

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

MINUTES OF REGULAR MEETING HELD JULY 21, 2016

The Oshtemo Charter Township Downtown Development Authority (DDA) Board of Directors held a regular meeting on Thursday, July 21, 2016. 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, Shelly Corakis, Libby Heiny-Cogswell, Maria Dacoba, Rich MacDonald, Terry Schley, Mike Lutke and Jack Siegel.

Members absent: Jay Brown, Stephen Dallas, Dick Skalski, and Glenn Steeg

Also present: Julie Johnston, Oshtemo Township Planning Director

Approve of Agenda

Ms. Heiny-Cogswell moved to approve the agenda as presented. Mr. Betzler supported the motion. The motion passed unanimously.

Approval of Minutes

Chairperson Taylor asked if there were any additions or corrections to the June 9, 2016 Special Meeting minutes.

Ms. Johnston noted that “meeting” appeared twice in a row on the first page and they she would make that correction.

Mr. Siegel moved to approve the minutes of the June 9th Special Meeting. Ms. Dacoba supported the motion. The motion carried unanimously.

Treasurer’s Report

Chairperson Taylor indicated that the DDA still does not have a treasurer and asked Ms. Johnston to give the report.

Ms. Johnston indicated that revenues are in for the year. The revenue line item in the Treasurer’s Report will only change by interest that might be earned for the rest of the year. This two month’s treasurer’s report is predominately about expenses. The largest expense was for the Façade Improvement Program. The grant has paid out \$4,200 on the \$5,000 that was allotted to the Hite House.

Additional expenses were paid for lawn maintenance.

Chairperson Taylor asked about the expenses for the Commercial Rear Access Drive. Ms. Johnston stated those expenses will likely be applied to the budget in July and August, so they will show up on the next Treasurer's Report.

Mr. Schley requested that the Tile invoice provided by Hite House be investigated to ensure the DDA is only paying for façade tile work and not interior work. Ms. Johnston stated that she informed the grantee that the DDA would only reimburse for façade work, but that she would double check the invoice.

Mr. Schley indicated that the tile type and amount of grout seemed large in proportion to the building façade. He sent a request to the tile company asking if a certain tile was an outdoor tile. He was concerned that the program is only for facades.

Ms. Corakis asked why the DDA doesn't pay the grant once the project is complete. Ms. Dacoba indicated that it is by invoice paid. Mr. Betzler stated it is a reimbursement. Mr. Schley thought there was language in the grant program policies that work was to be completed before payment. Chairperson Taylor agreed but stated that this is the first grant to be issued and that there will be a bit of a learning curve in getting all of the steps done correctly. Ms. Johnston stated she would review the policies. Chairperson Taylor indicated that the DDA should review the grant program policies again at a later date.

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

Mr. Lutke moved to approve the Treasurer's Report as presented. Ms. Dacoba supported the motion. The motion passed unanimously.

Streetscape Update

Car Wash Property

Ms. Johnston indicated that the Streetscape Subcommittee met with the Methodist Church committee to discuss the demolition of the car wash. She stated the Church does not want to sell the property. Their intent is to hold on to the property for future expansion. The Church offered a long term lease to the DDA for the use of the property as part of our larger streetscape plans.

Ms. Johnston informed the Church that the DDA wanted some reciprocal benefit for the demolition of the car wash, for example the sale of part of the land. There was discussion around the Church selling the DDA that portion of the property that is required for setbacks, which is 10 feet. The Streetscape Subcommittee also offered the Church the option of a loan for the demolition. The Church members indicated they would be amenable to a loan depending on the terms. They stated that they would take the available options to their larger committee for review. The Streetscape Subcommittee indicated that they would also report back to the larger DDA.

Chairperson Taylor indicated the Church was also concerned with the cost of the parking lot and who would build it after the demolition. He stated that he saw two options for the DDA – 1. Offer the Church a low interest rate loan for the demolition with a dollar a year lease for the parking lot, once it is built, or 2. The Church provide the DDA the 10 to 15 feet that is required for the setback along Stadium Drive and the DDA demolish the car wash.

Mr. Schley indicated that if we put sidewalks in, we will likely get most of that land for the public benefit anyway. He suggested offering the Church a low interest loan for the demolition, develop the parking through a grant, establishing a cross access agreement and lease agreement for a certain period of time, which would also include a 5-year notice if the Church does decide to build on the property. The Church would get the benefit of a new parking lot and the DDA would get a simple land lease to utilize the parking when needed, which would allow the DDA to recoup some benefit for the investment.

Ms. Johnston asked the DDA what percentage rate they would want to offer. Mr. Schley suggested a 2 percent loan. Ms. Johnston then asked about who would do the demolition. Chairperson Taylor suggested it should be the Church as they are not a governmental body. Mr. Schley stated we should ensure that the demolition includes the foundation so the DDA is not responsible for its removal as part of the parking lot construction.

Mr. Betzler suggested we should also consider including in any agreement the right of first refusal if the Church ever decides to sell the property in the future.

Mr. Schley moved to have staff make the offer to the Church regarding a loan interest rate loan and then work with Township Attorney and DDA Chair to negotiate the terms of the loan agreement, right of first refusal and long term lease. Mr. Betzler supported the motion. The motion passed unanimously.

Car Wash Property

Ms. Johnston indicated that Prein & Newhof provided a proposal for the Safe Routes to School grant for sidewalks on 9th Street. She indicated that the proposal had a number of task assigned to the Township, which was more than she expected. She requested the DDA hold off on approving the proposal until she had an opportunity to discuss the proposal with Prein & Newhof to see if they could take on more of the grant tasks.

Village Form-Based Code Overlay Zone

Ms. Johnston provided an overview of the request by the Planning Commission for the DDA to weigh in on changes to the Form-Based Codes Regulating Plan map, which indicates which properties must comply with the Architectural Standards. At the last DDA meeting, a request was made to provide a comparison chart between those properties within the Village Form-Based Codes which must comply with Architectural Standards and those that are not required. Ms. Johnston stated she provided a simplified version of the Architectural Standards.

Mr. MacDonald stated that he is concerned that the Form-Based Codes might be contributing to the lack of new development within the Village area. He thinks a comprehensive look at the codes should be considered.

Mr. Schley said the Form-Based Codes were generated from the Village Theme Development Plan, which was a larger community conversation than just between the DDA and Planning Commission. He stated that ultimately it is the Planning Commission's decision on zoning and planning related matters, but he felt that the DDA's job is to look to broader community consensus. He suggested that any change to the Form-Based Codes should be based on this broader outreach, which would mean reviewing the Village Theme Development Plan.

Mr. MacDonald suggested that a critical review of this Plan would be an important first step and that the DDA should consider hiring a different consultant than the firm that drafted the plan to ensure an unbiased review.

Ms. Johnston informed the DDA that the Township will begin an update to the Master Plan in the fall and that a review and update to the Village Theme Development Plan could be included as part of that process. She indicated that she would have the consultant for the Master Plan Update provide a proposal for a review of the Village Theme Development Plan at the next meeting.

Prioritization of Projects

Ms. Johnston outlined that at the June special meeting, a request was made to review the priorities of the DDA. Ms. Johnston provided copies of the original priorities from the Tax Increment Financing Plan and a list of current and ongoing projects previously discussed by the DDA.

Chairperson Taylor indicated that he felt the DDA should continue to focus on the corner lot and the improvements outlined in the streetscape plan, sidewalks and to include "complete streets" as a priority when roads within the DDA are redeveloped.

Mr. Schley stated that if the Board didn't want to complete a self-directed discussion on prioritization that any planning firm could facilitate a discussion. We should bring in outside help if that is what is needed.

Mr. Schley also indicated that a traffic study was in the original priorities but that it was difficult to complete. The DDA had request assistance from MSU but they couldn't complete the study because generators need to be identified, like housing complexes, new retail stores, etc. Without this information it is difficult to complete the study. Unfortunately, the DDA area doesn't have any significant traffic generators.

Chairperson Taylor asked if the DDA would like to see a market study included as a priority and placed in the 2017 budget. He indicated that at the June meeting a market study was discussed and he thinks it would be helpful when working with developers.

Mr. MacDonald informed the members that the usefulness of the end product depends on what the market study focuses on. There are specific studies for housing and retail, etc. A residential market study will tell you what you can rent an apartment for but not if new development makes financial sense.

Chairperson Taylor thought it was a good idea to include a market study in the 2017 DDA budget so the funds would be allocated and that the type of study could be determined next year. The DDA members agreed.

2017 Draft Budget

Ms. Johnston presented a draft budget for 2017, as follows:

REVENUES	2016 Budget	Recommended 2017 Budget
Carryover	\$ -	
Current Real Property Tax	\$119,768.68	\$ 126,900.00
Miscellaneous	\$ -	
Interest Earned	\$ 400.00	\$ 400.00
TOTAL REVENUES	\$ 120,168.68	\$ 127,300.00
EXPENDITURES	2016 Budget	
Supplies	\$ 500.00	\$ 500.00
Postage	\$ 500.00	\$ 500.00
Capital Outlay/Projects	\$ 24,900.00	\$ 43,050.00
Façade Grant Program	\$ 10,000.00	\$ 20,000.00
Land Acquisition	\$ -	\$ -
Accounting & Auditing Fees	\$ 2,000.00	\$ 2,000.00
Legal Fees	\$ 3,000.00	\$ 2,000.00
Legal Notices	\$ 500.00	\$ 500.00
Repairs & Maintenance	\$ 5,000.00	\$ 6,000.00
Obligated Projects		\$ -
Staff	\$ 2,000.00	\$ 2,000.00
Community Events	\$ -	\$ 750.00
Consultants	\$ 30,000.00	\$ 50,000.00
TOTAL EXPENDITURES	\$ 78,400.00	\$ 127,300.00

The Board discussed the budget and requested the following changes:

- Capital Outlay/Projects would be reduced to \$30,000 for the car wash demolition
- Façade Grant Program would be reduced to \$10,000
- Consultants would be increased to \$125,000 for the Safe Routes to School grant, market study, and design plans for the corner improvements.

Ms. Heiny-Cogswell asked if the funds for the Safe Routes to School project were just for the grant. Ms. Johnston indicated that it would be for the design of the sidewalks. She was hoping to utilize 2016 funds for the grant submittal. Ms. Heiny-Cogswell wanted to ensure that the 2017 funds would not be spent until the grant was approved.

Ms. Johnston stated that with the increase in consultant costs, carry-over from the fund balance will be required to balance the budget.

Mr. Schley moved to forward the budget, as amended, to the Township Board. Chairperson Taylor supported the motion. The motion passed unanimously.

Any Other Business

Ms. Johnston informed the DDA that the contractor completing the road construction at 9th and Stadium asked if they could have permission to use the DDA property as a staging area for the work. They indicated it would make things much safer for the workers, their equipment and the motorists. They needed an answer very quickly because the project was already underway and they didn't have permission.

Ms. Johnston stated that because of the immediacy of the problem, she couldn't wait to get permission from the entire Board, so she contacted the Chair with the proposal that the DDA collect rents during the construction period and require the contractor repair any problems to the site before vacating. The Chair gave his permission and signed the lease agreement on behalf of the DDA. The DDA is collecting \$500 a month from Kamminga and Roodvoets Inc. until the project is complete. In addition Kamminga and Roodvoets will be repairing the sink hole on the property.

Announcements and Adjournment

There being no further business, the Chair adjourned the meeting at 1:51 p.m.

Oshtemo Charter Township
Downtown Development Authority

Minutes Prepared: September 14, 2016
Minutes Approved: September 15, 2016