

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

MINUTES OF REGULAR MEETING HELD SEPTEMBER 18, 2014

The Oshtemo Charter Township Downtown Development Authority (DDA) Board of Directors held a regular meeting on Thursday, September 18, 2014. The meeting was called to order at approximately 12:10 p.m. at the Oshtemo Township Hall, 7275 West Main Street.

Members of the Board of Directors present: Terry Schley, Grant Taylor, Fred Gould, Andy Wenzel, Jack Siegel, Chip Everett, Jay Brown, Libby Heiny-Cogswell, Maria Dacoba, and Stephen Dallas.

Members of the Board of Directors absent: Bruce Betzler, Michael Lutke, and Glenn Steeg.

Also present was Gregory Milliken, Planning Director, and one guest.

Approve Agenda

Mr. Taylor moved to approve the agenda as presented. Dr. Dallas seconded the motion. The Chairperson called for a vote on the motion, and the motion passed unanimously.

Approve Minutes

Mr. Taylor moved for approval of the minutes of the regular meeting of July 17, 2014 as presented. Mr. Gould seconded the motion. The Chairperson called for a vote on the motion, and the motion passed unanimously.

Treasurer's Report

Mr. Gould presented the Treasurer's Report for July and August. He said the report presents the revenues that have come in for the DDA with a small amount of new revenue in this period. He indicated there have been some expenses, the most substantial of which was for the purchase of the new banners. Other expenses were either administrative or related to the Citgo site. He indicated an overall fund balance for the DDA of about \$550,000.

Chairperson Schley stated that he has reviewed past invoices for Prein & Newhof related to their work at Citgo and it is consistent with their proposal for the work with only a minor amount of work remaining. He indicated that he had approved about \$300 worth of work at the site this week for lead paint testing. Expediency was necessary to keep the demolition on schedule. The contractor needed the results of the test in order to confirm proper means of depositing materials at the landfill.

Mr. Brown asked what the cost of the demolition was. Chairperson Schley indicated it was about \$30,000.

Mr. Wenzel moved to approve the Treasurer's Report. Mr. Taylor seconded the motion. The motion was approved unanimously.

CITGO Station Update

Chairperson Schley indicated that preparation for demolition at the Citgo site had begun with some sawcutting. Fulton contractors should have the building down by September 19th with some clean up and paving work to be completed the following week. The paving will be to cover the open surfaces that remain from the demolition. It will leave a mix of concrete and asphalt surfaces with grass on the curb lawn.

Mr. Milliken asked what would be done over the weekend to prevent access. Chairperson Schley indicated that access would be blocked but that fencing would not be required.

Mr. Brown confirmed that access to the Church would not be blocked. Chairperson Schley agreed indicating that all machinery and materials would be kept on the DDA property.

Themis Corakis inquired if the grass would be better maintained. He stated it had grown long at times and was an eyesore that several people had mentioned.

Mr. Taylor stated that a committee had been formed to work with the Church on the car wash property. If the Church does not take initiative on the car wash and there are blight concerns with the property, he wondered what alternatives the DDA had to proceed with that site.

Chairperson Schley indicated that was a good transition to the next item on the agenda.

Streetscape and Beautification Efforts – Outreach to Church for Car Wash Property

Mr. Wenzel indicated that a subcommittee was formed to work with the Church on the car wash property, and he reached out to the small group from the Church that had met with members of the DDA in the spring to follow up on that discussion. He had not heard back from them. He will continue to try to set something up with them.

Mr. Corakis asked why the DDA is spending all this time on the car wash building when there are other buildings in the district that also need attention. He cited the post office building as another blighted structure.

Chairperson Schley discussed the merits of the attention being paid to the car wash particularly its adjacency to the Citgo property and the benefits the expanded property can provide to the area.

Mr. Corakis said that there are a lot of other buildings in the downtown area that also need help and clean up assistance.

Ms. Heiny-Cogswell stated that in terms of the Township, it operates on a complaint basis in terms of blight. Staff receives complaints and follows up leading to compliance.

Chairperson Schley indicated those were all good points.

Streetscape and Beautification Efforts – RFP and Design Partner

Chairperson Schley stated that an RFP had been released for the streetscape design project. It had been reviewed and edited by Township Staff and the Executive Team. It was sent to five companies and calls for a response by September 25th. The five companies were OCBA, Viridis, MC Smith, Sam Lovell, and Larry Harris. The RFP calls for a qualifications based review with proposed costs submitted separately. His recommendation is to continue with the subcommittee making initial review of the proposals and recommendation to the board as a whole on a design partner.

Upon inquiry, Mr. Milliken indicated he had not heard from any of the companies or received any questions about the RFP.

Chairperson Schley stated he had a conversation with MC Smith about the process.

Chairperson Schley discussed the timeline for the project. It calls for a selection of a design partner in October and a presentation of an initial vision for the streetscape in February. The game plan is for 2015 to be a year for planning, design, consensus building, buy in from property owners and public, and preparation for funding. Then, 2016 can be the start of implementation.

Ms. Heiny-Cogswell asked about the process for selection.

Chairperson Schley stated his thought would be to have the streetscape committee review the proposals, inviting executive committee to interviews, and making a recommendation to the DDA Board. That would be a group of five members.

Ms. Heiny-Cogswell recommended staff be involved as well. Chairperson Schley agreed.

Ms. Heiny-Cogswell asked if design work for the site in the interim period was included in the scope. Chairperson Schley stated that it was not.

9th Street Rear Access Drive

Chairperson Schley indicated that Supervisor Heiny-Cogswell sent a memo to the DDA describing the Board's thinking and process at arriving at the current design process. He indicated that when the initiative of the rear access drive started, it had a couple of goals. The

first was the mitigation of safety and access issues in the area. The second was an opportunity for public and private collaboration. It provides a good example to begin a process for cooperation between DDA, Township, and private property owners to work together to affect change.

Chairperson Schley indicated the project was originally scoped at \$50-60,000 and updated to \$60-70,000 as design evolved. The concept was that the DDA lay out the first capital dollars but would not be involved in the maintenance. The Township or others would handle that. He indicated the private owners would have some participation.

Chairperson Schley said that we are now here with a more involved design. The Board needs to decide if it wants to continue to support the project, and if not, where it should go from here. The Township has suggested a design with a \$100-110,000 price tag and would provide the balance of what is left after the DDA's \$70,000 contribution.

Mr. Brown stated that the DDA presented a good design to help 9th Street owners and handed it to Township. However, no one from DDA set in on their efforts to redesign the access drive. They have presented a take it or leave it proposal. It only benefits those connected. He indicated he was for dropping it.

Chairperson Schley continued and suggested property owners should be responsible for snow plowing, township responsible for vegetation maintenance, and other maintenance responsibilities are yet to be determined. He indicated that Item 4b in the maintenance agreement requires a technical change to confirm the responsibilities permitted.

Dr. Dallas asked if the Board felt it was still beneficial to proceed. He wondered if there was data to support the original cost of \$60,000.

Chairperson Schley said that an original cost estimate was prepared based on a concept drawing that arrived at the \$60-70,000 estimate.

Dr. Dallas inquired if the Board feels it should do something now that has the potential to serve 20 years or a solution that suits today but will need to be revisited in five years.

Mr. Wenzel indicated that the intent was originally short term.

Mr. Taylor asked if the DDA had an obligation to do this. Chairperson Schley said there was no obligation.

Ms. Heiny-Cogswell stated that the initial concept was simple and temporary. If it were on private property, that would probably be fine. But when it went to the Township Board for use of the Township property, it was viewed differently considering the previous plans and visions for the area. The Township looked longer term in consideration of these past planning efforts.

Ms. Heiny-Cogswell stated that the proposal for maintenance costs is a first stab and needs to be talked through.

Dr. Dallas asked if the plans exceed the budget anticipated by the Township, if the Township Board is willing to pay more.

Ms. Heiny-Cogswell indicated that the Township has budgeted \$30,000 for the project in 2014, but she believes if there is collaboration, there is potential for more if it is what everybody wants.

There was discussion of the placement of the drive on private property or public property and the original concept.

Mr. Wenzel indicated that this would set a precedent for rear access provided by the DDA.

Chairperson Schley asked how the Board felt about the vision and the use of \$70,000 to capitalize the vision.

Mr. Corakis asked what the feedback was when the original straight drive was presented to the Township Board.

Chairperson Schley said that it was not overly supportive. It was a March 2012 work session of the Township Board, and there was active discussion with some support but also some detractors.

Mr. Brown stated he is concerned with the vision because people wanting to connect will have to pay more than they would have under previous vision. This was not the vision the Board discussed originally.

Chairperson Schley stated that the proposal satisfies the overall goals for the DDA's project.

Mr. Corakis indicated that the DDA is wasting property and taking money off the tax rolls.

Chairperson Schley agreed that the proposal is more than was initially conceived. He would like to see the DDA spend no more than was originally thought. Chairperson Schley indicated that if the DDA spends the original budget of \$70,000 and still gets rear access without committing to maintenance, is that not the same project.

Mr. Corakis asked about cross connections of other properties on 9th Street.

Ms. Heiny-Cogswell indicated that the situation is the same as was originally proposed under the original agreement.

Mr. Gould asked what Mr. Siegel thought.

Mr. Siegel indicated he was in favor of it but has some questions. He wondered if the Township was going to pay a share for maintenance. Also, he is concerned about Section 9 in the Agreement and language regarding termination.

Ms. Heiny-Cogswell stated that with a straight drive, the termination language was more important due to the greater potential for cut through traffic, but it could be reviewed again as this new design moves forward.

Mr. Siegel asked what the cost difference was between the straight drive and the current proposal.

Mr. Brown stated he followed a semi-truck around a roundabout and it was a challenge for them. It is not a good design for trucks.

Chairperson Schley said we must trust it will be designed properly for trucks.

Mr. Taylor stated he does not like to see businesses paying anything for access. The DDA should pay that.

Chairperson Schley countered indicating that if that is the case, the DDA will have much less reserves for future projects.

Mr. Taylor said he does not understand why the businesses should pay for snowplowing.

Chairperson Schley said that for him it is the idea that this is a partnership. If the property owners do not participate, the DDA's ability to do things will be compromised. Chairperson Schley said he wanted to go around the table and get input.

Mr. Wenzel stated he was in agreement with the Plan. He feels maintenance should be shared equally.

Mr. Siegel said he was in favor but thinks maintenance should be picked up in part by DDA. He asks who pays the maintenance on the Community Center landscaping. Chairperson Schley said the DDA pays that.

Mr. Brown stated he does not like the idea at all.

Mr. Corakis said that he has questions about maintenance and installation responsibilities.

Mr. Everett said that likes the concept. He stated that he does not think that the DDA should bear responsibility of maintenance. However, with only two properties in at the beginning, it is a heavy burden so perhaps participation from the DDA or Township could be phased out over time.

Dr. Dallas indicated he supports the concept.

Mr. Gould said that he supports the concept and that he does not want to spend more time on this as the need is here now.

Ms. Dacoba stated she supports it.

Chairperson Schley said he was glad to hear that as there will be more decisions like this in the future.

Chairperson Schley described the maintenance options. He indicated the DDA could pay for the maintenance, the property owners could pay for the maintenance, or there could be some interim transition model. He indicated he is concerned about the precedent and the limited resources. He also wants this to be a partnership and does not want the DDA carrying the responsibility. He sought the input from the members.

Mr. Wenzel indicated he had similar concerns and believes property owners should pay.

Mr. Sielgel thinks it should be a shared cost.

Mr. Brown stated he is opposed to the entire project. He thinks if it goes in it belongs to the people who use it. His taxes go to the DDA and should not fund maintenance. The property owners should pay.

Mr. Corakis said maintenance is a tough one. There is some benefit to members as well as the district to the whole through the traffic and safety benefits.

Mr. Everett indicated he thinks a phased approach is appropriate.

Dr. Dallas thinks it should be shared with the owners, DDA, and Township. He said that there will be soft benefits and improvements to the properties through safety and access.

Mr. Taylor said that he sees this as an investment by the DDA with the potential for future phases.

Ms. Heiny-Cogswell indicated she liked what Dr. Dallas said about soft benefits. She thinks sharing the maintenance responsibilities makes sense at first and then eventually phasing out when more property owners join in over time.

Mr. Gould indicated he likes all three partners being involved.

Ms. Dacoba does not think the DDA should pay but the property owners should pay. She owns property in downtown Kalamazoo and that is how it works there.

Chairperson Schley said that in downtown Kalamazoo, property owners pay for maintenance of sidewalks and parking areas and receive a premium for that. He reiterated he is concerned about precedent and resources for other projects, most of which are a higher priority than this.

Mr. Wenzel made a motion that the DDA is in support of the concept of rear access as presented in the sketch by OCBA as well as the contribution of \$70,000 for capitalization of the concept not including maintenance costs. Mr. Taylor supported the motion. The motion was approved unanimously, 10-0.

Dr. Dallas made a motion that the responsibility for maintenance costs be shared between the DDA, Township, and property owners. Mr. Gould supported the motion.

Mr. Corakis asked if that was for a certain amount of time or forever.

Dr. Dallas said that was up for discussion.

Mr. Corakis thinks the Township will benefit from this for the life of the road.

There was discussion as to the specifics of the proportional breakdown and clarification that the motion was purposefully vague and that those specifics would be determined later.

Mr. Everett clarified that the Township is only one entity and not count as two as both a property owner and the Township.

Chairperson Schley asked for votes on the motion. The motion failed due to a 5-5 vote.

Ms. Heiny-Cogswell made a motion that the maintenance responsibilities as described in the draft agreement with property owners are contributed proportionally and the DDA also contributes a proportional share for five years. Mr. Taylor supported the motion.

Mr. Brown indicated that if the drive went in and no one connected, the DDA would be stuck with the bill.

Chairperson Schley clarified it would not be installed without commitment to connect from property owners. Ms. Heiny-Cogswell agreed.

Mr. Wenzel recommended there be some language in the agreement preventing parties from being able to give up their connection in the future.

Chairperson Schley asked for votes on the motion. The motion was approved 7-3.

Chairperson Schley said that he voted no because as a precedent, the DDA has done more than its share for these property owners. So he is opposed to a greater partnership.

Ms. Heiny-Cogswell asked if any members desired to be involved in additional conversations regarding design.

Chairperson Schley and Mr. Wenzel indicated interest in further involvement.

Liquor Licenses in DDA District

Chairperson Schley said that the DDA was approached by a business to provide support to their business that would renovate the Birches into a pool hall and require a liquor license. They were

looking for DDA support as they sought the Township license for one year. Mr. Wenzel met with the owner to understand the business. The Executive Committee did not have consensus on a recommendation to the Board, and there was not time to get a DDA meeting scheduled. Therefore, Chairperson Schley wrote a generic letter in support of business development in the DDA but not informed enough to speak to the liquor license issue.

Mr. Milliken explained this was noteworthy for the DDA because of a legislative change regarding liquor licenses. There is a category of licenses called redevelopment liquor licenses that are permitted in DDA, CIA, and similar authority areas. In recent months, the statute was amended to allow these licenses in townships where they were not previously permitted.

Mr. Milliken described some of the qualification criteria for these licenses that are not based on population. Therefore the same quota rules do not apply although the licenses are not unlimited.

2015 Budget

Mr. Milliken explained that in the draft budget previously presented and approved, the projected tax capture was an estimate. In the past weeks, that estimate has been refined and unfortunately reduced by about \$12,000 to approximately \$75,000. About three quarters of that reduction is due to the stagnant economy and losses in commercial property value and one quarter is due to the cuts to private property taxes.

Other Business

There was no other business.

Announcement and Adjournment

The next meeting is scheduled for November 20, 2014.

Having exhausted the agenda, Chairperson Schley adjourned the meeting at 2:18 p.m.

Oshtemo Charter Township
Downtown Development Authority

Minutes Prepared: September 20, 2014

Minutes Approved: December 3, 2014