

b. Tax Increment Development Plan Expenses—

Focus Owosso Contract Payment #4	\$ 5,000.00
Total:	\$ 5,000.00

Gilbert/Lazar m/s/p

B. Old Hotel Site Status. Hathaway distributed a photograph of the proposed building and updated Board members on the status of a Purchase Agreement with Fifth Third Bank. The City Council will consider the Agreement at its February 20th meeting. The Agreement has a six month term of exclusive rights to purchase. During that term a Development Agreement will be implemented to deal with site plan issues, parking and architecture. The DDA will be an important part of that process. Some members defined the drive-through as the defining issue for this development but recognized the importance of the financial offer that would re-capitalize the downtown economic development fund with \$400,000.

C. Liquor License Law Enacted. Hathaway informed the DDA and four downtown businesses in attendance that a new law has been enacted—Public Act 501 of 2006. This law permits the issuance of liquor licenses in downtowns and specially designated development areas under a set of standards that includes a history of investment, a commitment to future investment, a size emphasis with at least 50 customer seating space, a City Council endorsement, a reverter clause on the license back to the State when the business ceases to exist, and a minimum investment in downtown improvements elsewhere in the district. The sum of this law points to existing businesses—it is not a recruitment device and it may not have broad appeal or application in the downtown. Attending businesses with liquor licenses explained that this is not the time to endorse expansion of licenses for this downtown. Hathaway would continue to define the law in the event a business came forward and desired the license. The process starts with a business not the DDA or the City Council. Misconceptions of the entertainment district were explained.

D. DDA Budget for 2006-07. Two budgets were reviewed: 1) the Operating Budget for 2007-08, and; 2) the 3-Year Capital Improvements Budget for 2007-2010. The Operating Budget is projected at \$32,580 and is proposed to continue the contracts with service providers for trash pick-up, and retail recruitment. Promotions through Focus Owosso were moved to the Capital Improvements Budget last year and are proposed to stay in that budget for at least another year. The largest impact on the operating budget will be the outcome of the hotel lot, an annual \$14,500 obligation for six years unless the lot is sold to Fifth Third Bank. These funds if they become available will become in large measure the basis for paying a DDA director, most likely a combined position with the Focus Owosso Director. The capital improvements budget averages \$200,000 per year and addresses the conditions of four parking lots with upgrades in pavement and aesthetic character. Washington Street's reconstruction appears for the first time on a three-year budget. Modifications to the parking system are expected in this time period; therefore an annual debt service of \$20,000 is projected. There are discretionary funds in the budget for meeting unexpected situations such as the Ball Street parking mall and Capital Bowl's infrastructure. The budgets will be discussed once more and then revised and adopted at the March meeting of the DDA.

E. Reports.

1) Retail Recruitment/Retention. George Ramos explained the changes at Risto's.

2) Loop Trail Status. The engineering plans were shown and the schedule for construction explained. The plans will go the MDEQ next week for a floodplain permit. A \$1,500

design budget was approved for the proposed ramp at Chemical Bank to complete the loop of the trail.

Hankerd/Gilbert m/s/p

3) Armory Development. Information requests on the Armory status average two phone inquiries per week. The State Department of Military Affairs has the sale on hold until parking lot work is completed at the new site, now awaiting better weather. This sale is still four months or more away. There is no progress on our easement for the walkway; however, the staff person in charge of the Armory real estate was asked to address it as soon as possible.

4) Focus Owosso Activity. A not-to-exceed figure of \$300 was approved for Focus Owosso to arrange for SATA rides from the high school to the downtown the day the PALM bike tour arrives in late June.

Lazar/Hankerd m/s/p

5) Security Camera at Footbridge. The DDA awaits the proposal from the RESD for the camera.

6) River Walkway Design Committee. This is on hold because of staff capacity limitations.

Citizen/Member Comments. Members agreed to wait on the "Owosso says, 'Hello'" campaign on the Main Street Welcome Signs for more use and visibility among downtown advertisers.

There being no further business, the meeting was adjourned at 9:15 a.m.

Philip B. Hathaway, Secretary-Treasurer and Executive

Director