

**MINUTES  
OWOSSO DOWNTOWN DEVELOPMENT AUTHORITY  
MEETING OF JANUARY 9, 2008**

Chairman Hankerd called the meeting to order at 7:34 a.m. This was the rescheduled regular meeting for January.

**Roll Call.**

**Members Present:** Barb Bucsi, John Hankerd, Dave Lazar, Linda Moiles-Foster, Rich Collins, Bill Gilbert, and Krista Strong

**Members Absent:** Mayor Bruff (exc) and Vacant position

**Others Present:** Phil Hathaway—Ex. Dir., Joe Fivas-City Manager, Bill Constine, George Ramos, Roger Snyder, Mark Hanna, Jerry Knox, Doug Schultz (Rowe), and Rick Freeman (Rowe, Inc)

**Review and Approval of Minutes.** The minutes of the December 5, 2007 meeting were approved.

Bucsi/Strong

m/s/p

**Communications.** John Hankerd announced that Phil Hathaway submitted his letter of resignation as DDA Executive Director with an effective date of January 16, 2008. Hathaway announced the Business Appreciation Breakfast for January 23, 2007 at the Comstock Inn at 7:30 a.m.

**Election of Vice-Chairman to Fill the Vacant Position.** Dave Lazar nominated Bill Gilbert for the position of Vice-Chairman with support from Member Bucsi. There being no further nominations, Chairman Hankerd called for a vote.

Yeas: 7

Nays: 0

Motion Adopted

**Financial Status and Reports.**

A. Operational Fund from 2 Mil Assessments.

Checking	\$ 2,965.15
Savings	\$ <u>27,771.28</u>
Total:	\$ 30,736.33

B. Tax Increment Development Plan Budget Status.

Beginning Balance plus Projected Revenues:	\$ 205,415.00
Amount Expended through December 31, 2007:	\$ 88,140.79
Projected Commitments for Balance of Fiscal Year	\$ 93,042.00
Administrative Costs	\$ 6,720.00
Balance Available for Projects and Fund Equity:	\$ 17,512.21

C. The DDA Audit was reviewed and accepted for the record.

Bucsi/Gilbert

m/s/p

D. Hotel Promissory Note. The final accounting for the hotel demolition showed a City advance to the DDA of \$54,875.23. This change requires an amendment to the Promissory Note of April 3, 2007. The amended Note will indicate an interest payment of \$8,371.07 for this fiscal year and a six (6) year annual payment beginning FY '08-'09 of \$15,014.37. The amended note was approved for the Chairman's signature and forward to City Council for acceptance.

Lazar/Bucsi

m/s/p

**Citizen Comments.** A letter to Mgr Fivas from Patricia Gould at 715 Broadway Ave was received to DDA as well criticizing the roundabout plans and driveway closures to the Greenway Lot at Ball Street. The balance of the VSCI program was deemed good for the downtown.

**Items of Business.**

1) **Invoices to be Paid.** The following invoices were approved for payment:

- **Organizational Budget Expenses.**

Argus Press – TIF Annual Report Advertisement	\$ 25.00
Saginaw Valley Rehab Services—Cleaning Contract	\$ 676.00
City of Owosso—Executive Dir Services July 1 to Nov 19	\$ 1,500.00
City of Owosso – Annual Audit Fee	\$ 800.00
City of Owosso—Promissory Note Interest—Hotel Demo	\$ 8,371.07
Holly Associates – Chamber Appraisal	\$ 1,700.00
Smith Janitorial—Two Trash Containers (plus freight)	<u>\$ 293.02</u>
Total:	\$ 13,365.09

- **Tax Increment Development Plan Expenses.**

Spartan Fence – Woven Wire for West Earth Trail Boundary	\$ 2,872.77
Rowe Inc (Progress Payment on Overlook)	\$ 1,261.50
Focus Owosso (final payment for fiscal year)—Promotions	\$ 6,000.00
Town Plans, LLC (Phil Hathaway); Admin Services Dec&Jan	<u>\$ 3,460.80</u>
Total:	\$ 13,595.07

Motion adopted: Gilbert/Peterson          m/s/p

**2. Vibrant Cities Initiative Grant.** City Manager Joe Fivas reviewed the final application that was submitted to MSHDA on January 4, 2008. The application contained most of the program elements originally described at the last meeting except for the pavilion in the Farmer's Market lot and improvements to the 100 block of West Exchange Street. They were removed by MSHDA for not having been in the original Notice of Interest application. The façade invitations will be mailed this week to building owners along the 10 street walls downtown. Private investment is tallied at over \$3,000,000. The reliance on the DDA bond issue is less than \$200,000; therefore, a significant amount of the bond issue revenues are able to work the parking lots and other ventures in the downtown from the DDA's longstanding Capital Improvements Plan. Private commitments are forthcoming and required before January/February Requests for Funding for each of the project areas.

Member Linda Moiles-Foster questioned the town square at the east end of the Greenway Parking Lot because of her need for parking on Saturdays especially. She also wanted to understand the circulation patterns. Manager Fivas explained that the lot will be parking space neutral with added diagonal parking on Ball Street. Member Krista Strong asked about the Lebowky Center status and what will be expected of the project. Mgr Fivas explained that for the use of the Block Grant funds, the Lebowky Center will have to have enough renovation work completed in the theater for a production by December 31, 2009.

**3) Design Consultant Contract with Rowe Engineering.** To add flexibility during the early stages of the façade program and other design phases necessary for the environmental review process in the Block Grant, the contract with Rowe Engineering was amended to permit the City Manager to secure services within the design budget for this fiscal year without itemized authorizations from the Authority.

Gilbert/Bucsi          m/s/p

Doug Schultz presented a \$10,700 proposal for the façade design at the Lebowky Center that includes two meetings at \$1,500 and the balance being field work, and various drafts of the design concept that ultimately meet approval of both the Owosso Community Players and the State Historic Preservation Officer. Hathaway explained that he had not obtained a sample rendering of a façade from MSHDA that showed the level of effort required for this phase of design work and that the cost would likely be less when the sample was shown the consultant. It was decided to permit the City Manager to pursue the rendering in that context

with a not-to-exceed expenditure of \$10,700.

Gilbert/Collins m/s/p

In other Rowe business the overlook deck designs were reviewed with the explanation that both the Rail Museum comments and flood plain elevations from the City Engineer were outstanding influences that would be resolved prior to the final rendering. After that the rendering will be forwarded to Jerry and Connie Voight for their evaluation. Summer '08 construction, subject to issuance of flood plain permit timing, was projected.

**4) Focus Owosso/Main Street Program.** Bill Gilbert explained that the Focus Owosso Board of Directors was receptive to converting to a standing committee of the Downtown Development Authority. The advantages for administrative management were the deciding factor. Hathaway mentioned that the transition would take place effective July 1, 2008, and that the fund-raising for the flower basket program would continue through volunteers on the newly established Promotions and Marketing Committee. It was projected that many if not all of the Focus Owosso members would continue as appointees of the DDA Committee. There would be at least one DDA member on the Committee as exists with the present situation. Hathaway remarked that he would be resigning his position on Focus Owosso. The added option of the Main Street Associates Program will continue to be evaluated with a presentation from a Main Street manager from another Michigan City at the January 23 appreciation breakfast.

**5) TIF and Operational Budget Considerations.**

a) A refund to the City/County is due for 2 mill advances to the DDA since 2001 are due because the McLaren Medical Center on Himburg Drive won a Supreme Court case to become tax exempt as a charitable institution. The 2007 deduction of \$1,237.07 is already established and will not be received by the DDA. The Operational Budget report above reflected that change. The other impact for \$6,761.00 back to 2001 when McLaren first appealed its tax status will be invoiced to the DDA after the County Treasurer completes a settlement process. For now Hathaway asked for an authorization for the DDA Treasurer to pay the ultimately established amount to the City/County at a not-to-exceed level of \$7,000.00. That authorization was provided.

Lazar/Gilbert m/s/p

It was unknown as of this date if the decision would affect the tax increment finance plan.

b) Hathaway distributed two Excel charts with 5 year budget projections for TIF and Operational Funds. The assumptions were explained and they were only presented to act as tools at the forthcoming budget sessions of the DDA Budget Committee (see below for Committee assignments). The other budget that is available to the downtown, the Block Grant loan fund, will be introduced at a later date when the status of the fund is known relative to the outcome of the Old Hotel site and the obligations that are due there. One of the budget options includes reducing the bond principal to \$1,100,000 or so and extend the term to 25 years. Those two steps would reflect the influence of the McLaren exemption award and the preservation of DDA TIF cash for uses outside the long term capital improvements plan. The process involves an amendment to the DDA Development Plan—a 60 day process necessary before any bond sale could take place with a 25 year term.

**5) Project Report Status.**

a) *Old Hotel Lot.* Hathaway recommended a boundary amendment for the Tax Increment Plan to return the Old Hotel lot into the TIF District. It was removed four years ago to permit the Brownfield Authority tax capture benefits to raise sufficient funds for an underground parking structure. With that option no longer in consideration, it is a greater benefit for the DDA to have the lot in the TIF District for more control of captured taxes and more flexibility of use of the captured dollars in the entire DDA TIF District. Hathaway will leave a file about the process for the next DDA Director to undertake.

b) *Wesener Building*. All of the terms of the agreement for the \$50,000 blight removal at the Wesner Building have been met. The roof will be installed by Mid-February and the property will go up for sale to the DDA under the VSCI Signature Building program in May. The DDA and City will seek developers in a competitive process at that time too. An 1898 photograph of the building was distributed to show the outcome of the façade that is to be expected.

c) *Retail Recruitment*. The Bounty Hunter program was reviewed and members will consider implementation at its March meeting. Hathaway will leave a file with the information on the desk for his successor to use.

d) *Loop Trail*. A chart was distributed to show the Loop Trail budget and the role the DDA will play. The State is ready to let the project for bidding after a design issue is resolved.

**6) DDA Director Status.** With Hathaway's effective resignation date of January 16, 2008, a motion was adopted to appoint City Manager Joe Fivas as Interim Executive Director effective January 17, 2008 and to authorize Joe Fivas to act as Secretary/Treasurer in concert with either the Chairman or Vice-Chairman to conduct financial matters for the Authority.

Bucsi/Lazar m/s/p

Mgr Fivas explained the status of the process for hiring a successor to Phil Hathaway. Selected applicants are ready for interviews as early as next week. Chairman John Hankerd will represent the DDA on the interview team. Mr. Fivas described the attributes for the position including aptitude for marketing the community.

Hathaway distributed a list of DDA agenda items through spring and asked that members keep the list handy for reference and attention to the duties.

**7) Budget Committee.** In lieu of a February Board meeting, John Hankerd appointed a budget committee of himself, Barb Bucsi, Rich Collins, and Bill Gilbert to meet with the City Manager at 9:00 a.m. at City Hall on February 13, 2008. The committee process for budgeted preparations and meeting cancellation were approved. The full DDA will consider the budget recommendations at its March meeting.

Lazar/Foster m/s/p

**8) Resolution of Appreciation.** For the permanent record of the Authority, a resolution of recognition and appreciation was adopted for the generosity of Jerry and Connie Voight and the work of the Friends of the Shiawassee River for their roles in the tree planting project on the Loop Trail.

Lazar/Gilbert m/s/p

**9) Appreciation Breakfast Allocation.** A budget allocation of \$300 was offered to Focus Owosso to assist in the expense of the annual appreciation breakfast.

Lazar/Bucsi m/s/p

**Citizen/Member Comments.** Hathaway thanked everyone for their support for his term of service to the Authority.

The meeting was adjourned at 9:35 a.m.

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Philip B. Hathaway, Secretary