

Dexter Downtown Development Authority

November 19, 2015 <> 7:30 AM

Dexter Senior Center

7720 Ann Arbor Street

Dexter, MI 48130

MINUTES

1. Call to Order: Called to order at 7:30 on November 19, 2015 by Chairman Steve Brouwer.

2. Roll Call

Becker, Patrick-ab	Bellas, Rich	Brouwer, Steve
Covert, Tom	Darnell, Don	Finn, Doug
Jones, Carol	Keough, Shawn	Model, Fred-ab
O'Haver, Dan-ab	Schmid, Fred	Willis, Randy

Also in attendance: Michelle Aniol, Community Development Manager; and Carl Baxmeyer of Fanning/Howey.

3. Approval of Minutes from the Regular October 15, 2015 Meeting:
Motion Willis; support Finn to approve the regular meeting minutes of October 15, 2015 with the following correction:

- *Correct Mr. Coverts name under the approval of the Agenda.*

Unanimous voice vote approval with Becker, Model and O'Haver absent.

4. Approval of Agenda:

Motion Schmid; support Covert to approve the agendas presented.

Unanimous voice vote approval with Becker, Model and O'Haver absent.

5. Pre-arranged Audience Participation:

Carl Baxmeyer – Retail Market Analysis; Project Kick-off

Mr. Baxmeyer introduced himself. He explained that beginning today (November 19) he will begin to collect data and demographics for the analysis. Chuck Eckenstahler will look at the economics of the analysis. He spoke of using the 48130 zip code area for the parameters of survey although the school district may be a better comparison.

6. Non-Arranged Citizen Participation:

None

7. Treasurer's Report:

- a) November Invoices: Invoice 1653 from Scott Munzel for Attorney fees in the amount of \$10,255.72 and invoice from PNC Bank, 2011 Refunding Bond in the amount of \$42,260.18 for a total of \$52,515.90.

Motion Finn; support Darnell to pay the November invoices in the amount of \$52,515.90.

Ayes: Bellas, Brouwer, Covert, Darnell, Finn, Jones, Keough, Schmid and Willis.

Nays: None

Absent: Becker, Model and O'Haver

Motion carries

- b) Approval of November 2015 Treasurer's Report

Motion Darnell; support Schmid to approve the November Treasurer's Report as presented.

Ayes: Bellas, Brouwer, Covert, Darnell, Finn, Jones, Keough, Schmid and Willis.

Nays: None

Absent: Becker, Model and O'Haver

Motion carries

- 8. Correspondence / Communications:

None

- 9. Action Items:

None

- 10. Discussion Updates:

- a) CIP update

Mayor Keough gave the following input: cleanup the DTE project costs; the Main Street Crosswalk project is done and what is left is the maintenance; there is \$20,000 in the budget for property payback and this should be shown; the Riverwalk could be deleted as this will never happen but it could be left in case a developer wants to do this but can it be explained better.

Mr. Bellas asked about the placement of the new dumpster. (This is to be determined.)

Mr. Schmid inquired about the downtown building façade improvements. (This may be done privately as there is no program in place.)

Motion Schmid; support Darnell to do utility and underground survey on the parking lot behind Main Street.

Ayes: Bellas, Brouwer, Covert, Darnell, Finn, Jones, Keough, Schmid and Willis.

Nays: None

Absent: Becker, Model and O'Haver

Motion carries

11. City Mayor and Staff Reports

a) Mayor – Shawn Keough

- *Mr. Munzel will be submitting his summary disposition on Tuesday (November 24). The judge will allow two weeks for responses. A trial date has been set for January 4 although one of Chelsea Wellness Foundation's has left the firm and they may ask for a delay*
- *Question – any progress on the DTE sub-station? (Not as yet. Probably things will happen in 2016 as transformers will need upgrading. DTE will use the land on Dan Hoey for future use.)*

b) Staff – Michelle Aniol

- *Dexter Family Dentistry will have a ground breaking on November 20 for their new building.*
- *The Farmer's market building will be undergoing upgrades with painting of the sign and installing hooks for shades.*
- *Planning Commission will hold an educational work session at their December meeting on December 7 at 6 PM on oil and gas drilling with participation from MDEQ and West Bay.*

12. Chairman's Report:

Items for December 17, 2015 Agenda

13. Non-Arranged Citizen Participation:

None

14. Adjournment

Motion Darnell; support Willis to adjourn the meeting at 8:16 AM.

Unanimous voice vote approval with Becker, Model and O'Haver absent.

Respectfully submitted,
Carol Jones, Secretary

Budget FY 15/16

Following are the Fiscal Year 2015-2016 Revenue and Expenditure Reports through November 30th.

GL NUMBER	DESCRIPTION	2015-16	2015-16	YTD BALANCE	AVAILABLE	% BDGT USED
		ORIGINAL BUDGET	AMENDED BUDGET	11/30/2015 NORMAL (ABNORMAL)	BALANCE NORMAL (ABNORMAL)	
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY						
Revenues						
Dept 000-ASSETS, LIABILITIES & REVENUE						
248-000-415.000	TAX CAPTURE REVENUE	287,500.00	287,500.00	222,748.68	64,751.32	77.48
248-000-574.001	PERSONAL PROPERTY TAX REIMBURSEMENT	5,300.00	5,300.00	0.00	5,300.00	0.00
248-000-665.000	INTEREST EARNED	500.00	500.00	102.16	397.84	20.43
248-000-671.000	OTHER REVENUE	0.00	0.00	4,320.37	(4,320.37)	100.00
248-000-695.494	TR IN DDA PROJECT FUND 494	186,500.00	186,500.00	186,201.83	298.17	99.84
Total Dept 000-ASSETS, LIABILITIES & REVENUE		479,800.00	479,800.00	413,373.04	66,426.96	86.16
TOTAL Revenues		479,800.00	479,800.00	413,373.04	66,426.96	86.16
Expenditures						
Dept 248-ADMINISTRATION						
248-248-802.000	PROFESSIONAL SERVICES	5,000.00	5,000.00	937.50	4,062.50	18.75
248-248-803.000	CONTRACTED SERVICES	1,700.00	1,700.00	0.00	1,700.00	0.00
248-248-810.000	ATTORNEY FEES	15,000.00	15,000.00	15,745.57	(745.57)	104.97
248-248-880.000	DOWNTOWN EVENTS	500.00	500.00	500.00	0.00	100.00
248-248-957.002	DDA CAPTURE REFUNDS	500.00	500.00	0.00	500.00	0.00
Total Dept 248-ADMINISTRATION		22,700.00	22,700.00	17,183.07	5,516.93	75.70
Dept 442-DOWNTOWN PUBLIC WORKS						
248-442-803.015	CITY MAINTENANCE	5,000.00	5,000.00	0.00	5,000.00	0.00
248-442-970.000	CONTRACTED CAPITAL IMPROVEMENTS	15,900.00	15,900.00	13,928.00	1,972.00	87.60
Total Dept 442-DOWNTOWN PUBLIC WORKS		20,900.00	20,900.00	13,928.00	6,972.00	66.64
Dept 901-CAPITAL IMPROVEMENTS						
248-901-972.001	PURCHASE OF HOUSE	20,000.00	20,000.00	0.00	20,000.00	0.00
248-901-972.002	DTE SUBSTATION MOVE	25,000.00	25,000.00	0.00	25,000.00	0.00
248-901-972.004	3045 BROAD STREET REDEVELOPMENT	25,000.00	25,000.00	0.00	25,000.00	0.00
Total Dept 901-CAPITAL IMPROVEMENTS		70,000.00	70,000.00	0.00	70,000.00	0.00
Dept 965-TRANSFERS OUT - CONTROL						
248-965-999.394	TR OUT FOR BOND PAYMENTS - 394	282,200.00	282,200.00	101,881.73	180,318.27	36.10
Total Dept 965-TRANSFERS OUT - CONTROL		282,200.00	282,200.00	101,881.73	180,318.27	36.10
TOTAL Expenditures		395,800.00	395,800.00	132,992.80	262,807.20	33.60
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY:						
TOTAL REVENUES		479,800.00	479,800.00	413,373.04	66,426.96	86.16
TOTAL EXPENDITURES		395,800.00	395,800.00	132,992.80	262,807.20	33.60
NET OF REVENUES & EXPENDITURES		84,000.00	84,000.00	280,380.24	(196,380.24)	333.79

Fund 394 - DDA DEBT FUND						
Revenues						
Dept 000-ASSETS, LIABILITIES & REVENUE						
394-000-695.248	TRANSFER IN FROM DDA FUND 248	282,200.00	282,200.00	101,881.73	180,318.27	36.10
Total Dept 000-ASSETS, LIABILITIES & REVENUE		282,200.00	282,200.00	101,881.73	180,318.27	36.10
TOTAL Revenues		282,200.00	282,200.00	101,881.73	180,318.27	36.10
Expenditures						
Dept 850-LONG-TERM DEBT						
394-850-992.000	BOND FEES	1,000.00	1,000.00	0.00	1,000.00	0.00
394-850-997.003	DDA 2008 TAXABLE BOND (\$1.6M)	80,700.00	89,000.00	13,400.92	75,599.08	15.06
394-850-997.004	DDA 2008 BOND (\$2+M)	117,500.00	117,500.00	46,220.63	71,279.37	39.34
394-850-997.005	2011 REFUNDING BOND (\$620K)	83,000.00	83,000.00	42,260.18	40,739.82	50.92
Total Dept 850-LONG-TERM DEBT		282,200.00	290,500.00	101,881.73	188,618.27	35.07
TOTAL Expenditures		282,200.00	290,500.00	101,881.73	188,618.27	35.07
Fund 394 - DDA DEBT FUND:						
TOTAL REVENUES		282,200.00	282,200.00	101,881.73	180,318.27	36.10
TOTAL EXPENDITURES		282,200.00	290,500.00	101,881.73	188,618.27	35.07
NET OF REVENUES & EXPENDITURES		0.00	(8,300.00)	0.00	(8,300.00)	0.00
Fund 494 - DDA PROJECT FUND						
Revenues						
Dept 000-ASSETS, LIABILITIES & REVENUE						
494-000-665.000	INTEREST EARNED	0.00	0.00	6.86	(6.86)	100.00
Total Dept 000-ASSETS, LIABILITIES & REVENUE		0.00	0.00	6.86	(6.86)	100.00
TOTAL Revenues		0.00	0.00	6.86	(6.86)	100.00
Expenditures						
Dept 965-TRANSFERS OUT - CONTROL						
494-965-999.248	TRANSFER OUT TO DDA FUND 248	186,500.00	186,500.00	186,201.83	298.17	99.84
Total Dept 965-TRANSFERS OUT - CONTROL		186,500.00	186,500.00	186,201.83	298.17	99.84
TOTAL Expenditures		186,500.00	186,500.00	186,201.83	298.17	99.84
Fund 494 - DDA PROJECT FUND:						
TOTAL REVENUES		0.00	0.00	6.86	(6.86)	100.00
TOTAL EXPENDITURES		186,500.00	186,500.00	186,201.83	298.17	99.84
NET OF REVENUES & EXPENDITURES		(186,500.00)	(186,500.00)	(186,194.97)	(305.03)	99.84
TOTAL REVENUES - ALL FUNDS						
		762,000.00	762,000.00	515,261.63	246,738.37	67.62
TOTAL EXPENDITURES - ALL FUNDS						
		864,500.00	872,800.00	421,076.36	451,723.64	48.24
NET OF REVENUES & EXPENDITURES						
		(102,500.00)	(110,800.00)	94,185.27	(204,985.27)	85.00

Fund 494 has been closed and all assets moved to Fund 248.

Revenue Notes

- The \$4,320.37 of other revenue in Fund 248 is the balance remaining in the bond refunding escrow after all expenses were paid out.
- The City Treasurer has contacted the Michigan Department of Treasury in regard to the small parcel personal property exemption reimbursement. The paperwork was filed with the State in June 2015, but we have yet to receive the revenue (it was received in September for last year). An update will be provided in the January 2016 report.

LaFontaine Chevrolet Michigan Tax Tribunal Case

- Nathan Voght at Washtenaw County has contacted LaFontaine's corporate office to inform them of the brownfield situation. No further update available.

DDA Financial Forecast– *Nothing new at this time*

DDA Project Summaries – *Nothing new at this time*

Required Reporting

- Form 5176 – Request for State Reimbursement of Tax Increment Finance Authority. Deadline to file for 2015 is June 15th. *Filed electronically with the Michigan Department of Treasury June 12, 2015.*
- Form 2604 – Tax Increment Financing Plan Report for Capture of Property Taxes (deadline to file is July 31st of each year). *Filed by mail July 29, 2015 with the Michigan Department of Treasury.*
- Qualifying Statement – File the Fiscal Year 2014-2015 Statement by December 31, 2015.
- Audit – File the 2014-2015 Audit by December 31, 2015.
- Publish the Fiscal Year 2014-2015 Annual Report by February 2016.

Tax Capture Update – *Nothing new at this time*

- The City has the assessment roll. Over the course of the next several months, the roll will be reviewed by the assessor, and he is aware that the DDA would like a review of parcels included within the district.

Annual Audit

- The audit fieldwork is complete.

MEMORANDUM

To: Chairman Brouwer and DDA Board of Directors
Courtney Nicholls, City Manager

From: Michelle Aniol, Community Development Manager

RE: RFQ Committee Development Partner Recommendation

Date: December 17, 2015

On Monday, December 14, 2015 the RFQ Committee voted unanimously to recommend the Downtown Development Authority (DDA) make a recommendation to City Council, to have the RFQ Committee negotiate a Pre-Development Agreement with Foremost Development Company, for the Downtown Redevelopment Opportunity (a/k/a 3045 Broad Street).

The Committee came to this decision following a thorough vetting process, which included a Request for Qualifications (RFQ), a public interview, and two face-to-face interviews. The Committee cited the following findings when making their decision:

- Conventional financing (i.e. investors/partners)
- Proposed a well thought out timeline/schedule
- Continual engagement in process
- Experience with other similar success development projects
- Qualified team of consultants
- Thorough check of references
- Commitment to community input
- Communicated an understanding of existing site conditions

The RFQ committee is comprised of three members of City Council (Shawn Keough, Jim Carson and Donna Fisher) and 2 DDA members (Tom Covert and Don Darnell).



ARCHITECTS. ENGINEERS. PLANNERS.

memorandum

Date: November 30, 2015

To: Michelle Aniol

cc: Courtney Nicholls, City of Dexter Downtown Development Authority

From: Patrick M. Droze, P.E.

Re: Trash Receptacle Installation

OHM will assist the City of Dexter in securing construction bids for the installation of a modular trash receptacle system. The scope of work will include:

1. Develop a construction detail for the proposed trash receptacle. The construction detail will be based upon manufacturer recommendations as well as locally available construction materials. In general, OHM will cite MDOT specifications for materials.
2. Submit a MISS DIG inquiry into the State of Michigan system for underground work. Utility markings will be witnessed in the field by OHM to determine a viable location clear of utility conflicts.
3. Perform a site visit to determine possible locations located in the parking area immediately north of the Encore Music Theatre Building.
4. Prepare a site plan based on field measurements and locate the proposed trash receptacle. The site plan will include dimensions to surrounding parking spaces. The plan will also include AutoCAD Autoturn to ensure that design vehicles can access the trash receptacle without vehicle or object conflicts.
5. Prepare a bid document (site plan, detail and manufacturer installation guide) using the City of Dexter standard short form. Unit Prices will be used to help account for contractor risk during construction.

Other assumptions and notes

1. Waste Management will supply the unit and the contractor will perform all installations.
2. The proposed location will be based on existing as-built plans and MISS DIG information. OHM cannot guarantee the location of known or unknown underground utilities, but will endeavor to locate the proposed trash receptacle in a location clear of apparent conflicts based on the best available information.
3. A geotechnical and/or exploratory excavations are not proposed but can be coordinated if desired.
4. This proposal does not include assistance during construction.

OHM proposes to perform the work billing standard OHM 2015 rates. The cost will not exceed \$1000.00 for the above noted work.

STAFF REPORT

To: Chairman Brouwer and DDA Board of Directors
Courtney Nicholls, City Manager

From: Michelle Aniol, Community Development Manager

Date: December 17, 2015

Future Development Discussion

- Staff had a conversation with Steve Brouwer regarding the status of his Grand St/Baker Rd property. One of the things he needed to know is what the density would be for the property. Staff looked in the master plan and discovered the following:
 - Ground floor retail with office and/or multiple family uses on the upper floors is identified as appropriate uses in the Downtown – Mixed Use Future Land Use category. However, density for the multiple family uses has not been established. Additionally, the Central Business District (CBD) is identified as the ONLY compatible zoning district to the Downtown – Mixed Use Future Land Use category, but a minimum floor area for residential use has not been established for the CBD.
 - Single and multiple family residences are identified as appropriate uses in the Village Commercial Future Land Use category, and the Village Commercial (VC) District is identified as the ONLY compatible zoning district to the Village Commercial Future Land Use category. The MP does not establish density for the Village Commercial Future Land Use category and the ZO does not establish a minimum floor area for single or multiple residential uses in the VC District.
 - For context, the Village Residential Future Land Use category has a density of 4 to 6 dwelling units per acre. Isn't it logical to conclude that the density for Downtown – Mixed Use Future Land Use categories would be greater than the density for the Village Commercial Future Land Use category and the density for the Village Commercial Future Land Use category would be greater than the density for the Village Residential Future Land Use category?

Staff consulted with PC Chair Kowalski and Planning Consultant, Doug Lewan. In the short term we believe that Article 19, Planned Unit Development (PUD) is an option. According to Section 19.03, sub-section A.1 the PC/City has the ability to make a determination regarding density in cases where a parcel is not zoned for residential use immediately prior to a PUD rezoning request. Density determination is based on existing and planned residential densities in the surrounding area, the availability of utilities and services, and the natural features and resources of a subject site. In addition to the Master Plan, the Planning Commission could consider the information in the Target Market Analysis when making density determination. You can access the document on the City's website, by going to the DDA page (<http://dextermi.gov/downtown-development-authority>).

A Pre-Application meeting has been scheduled for Wed, December 16th at 4:00 pm to review Mr. Brouwer's concept plan.

- Tattoo Shop follow-up: As you will recall, when staff briefed Council on the tattoo shop zoning inquiry a concern was raised that if tattoo shops are not specifically listed as a permitted (or special) land use, why wouldn't the Planning Commission use the process set forth in Section 3.07 to determine compatibility and conditions by which use may be permitted. Staff consulted with PC Chair Kowalski and Planning Consultant, Doug Lewan; both supported staff's interpretation that a tattoo shop is a personal service establishment.

Staff did subsequent research and determined if Council was not comfortable with that interpretation Council could need to agree (via a formal vote) to request an interpretation from the Zoning Board of Appeals. If the Zoning Board determined that a tattoo shop was not a personal service establishment, then the Planning Commission could consider it under Section 3.07.

- Staff received a zoning inquiry regarding a "nanobrewery" in the VC Village Commercial District. In Michigan, a "nanobrewery" is a facility that produces less than 1,000 barrels of beer per year, but is licensed as a microbrewery. Currently the only zoning district that allows manufacturing of alcoholic beverages is the RD, Research and Development District. As you know, in the RD District, the production of beer or other alcoholic beverages is required to be the principal use and a tasting room/dining area is accessory to the manufacturing of beer or other alcoholic beverages.

The Planning Commission will tackle this issue over the next few months as the Commission completes its update to the zoning ordinance.

Miscellaneous Updates

- The RFQ Committee conducted a one-on-one interview with Home Renewal Systems, LLC on Friday, December 4th. The Committee will interview Foremost Development on Monday, December 14th.
- Staff received an application for land division of a platted lot of record at 3040 Hudson Street. The Community Development Manager reviews land division applications for tentative approval and the City Assessor reviews the application for final approval. Final approval was granted following the payment of winter 2015 taxes on Monday, December 7th.
- The property at 8080 Grand Street is under contract to Don Darnell.
- The Planning Commission will conduct two public hearings during their January 4, 2016 meeting; 1) an amendment to the Master Plan regarding oil and gas drilling operations, and 2) Rezoning of First Street Park from R-3 Multiple Family and I-1 Limited Industrial to PP Public Park.
- The Annual EDC Meeting is scheduled for Wednesday, December 16, 2015 at 3:00 pm.
- On November 10, 2015, the State Senate Finance Committee introduced a series of bills (SB 579, 619, 620, 621, 622, 623 & 624) that would only exempt "special library millages," from capture by a number of different TIF entities, including Brownfield Authorities, Downtown Development Authorities, Corridor Improvement Authorities, etc. beginning January 1, 2016.

The bills were introduced by Committee Chair Brandenburg (R-8th District Macomb County). These bills are intended to provide libraries with additional resources to help stabilize their budget and to provide library boards with the opportunity to decide whether, or not they would like to participate in economic development projects. The language in each bill in the package states that if the TIF Authority does not have any outstanding debt or obligations, a library millage voted on prior to December 31, 2015 is exempt unless the library board decides to opt-in to capture. If the millage is voted on after December 31, 2015, the millage is exempt from tax capture unless the library board approves it.

Much to the surprise of a majority of the stakeholders involved in TIF reform (i.e. MML, MEDC, TED, MTA and MDA); the Senate Finance Committee began holding hearings on these bills after the Thanksgivings Day holiday weekend; and on December 1, 2015 voted these bills out of Committee, by a vote of 6-0-1. However, the MDA, MML, MTA, MEDC & TED did enter testimony opposing this type of piecemeal approach to TIF reform.

In terms of what is next? According to the Michigan Downtown Association (MDA) at this point in time, we just don't know. Passage of these bills out of committee was not a big surprise, due to the fact that they were introduced by the Chair. But MDA feels that these bills may lack broad support in the Senate. However, with just one week left in the legislative calendar year anything can happen.

MDA doesn't think that the actions of the Senate Finance Committee will have a negative effect on the broader effort to look at TIF reform in Lansing. Further, MDA has already reached out to the Senate Majority Leader's office regarding these bills and the Majority Leader's office has indicated that they are sympathetic to MDA's position and understands the benefits of looking at TIF in a more comprehensive fashion; but they did not give us any indication as to whether, or not they will be bringing these bills up to a vote by the full Senate. Additionally, MDA has also reached out to the Speaker's office regarding these bills, but they are waiting to see if these bills make it out of the Senate. MDA will continue to monitor the situation and staff will provide updates as they develop.