

## Dexter Downtown Development Authority

January 21, 2016 <> 7:30 AM

**Dexter Senior Center**

7720 Ann Arbor Street

Dexter, MI 48130

### MINUTES

1. Call to Order: Called to order at 7:32 AM on January 21, 2016 by Chairman Steve Brouwer.

2. Roll Call

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

Also in attendance: Michelle Aniol, Community Development Manager; and Chuck Eckenstahler, Fanning/Howey;

3. Approval of Minutes from the Regular December 17, 2015 Meeting:  
*Motion Covert; support Willis to approve the regular meeting minutes of December 17, 2015 as presented.*

*Unanimous voice vote approval with Darnell, Model, O'Haver and Schmid absent.*

4. Approval of Agenda:

*Motion Finn; support Keough to approve the agenda with the addition under Old Business a vote to approve the OHM Scope of Service for a trash receptacle in the Parking Lot near the Encore Theatre.*

*Unanimous voice vote approval with Darnell, Model, O'Haver and Schmid absent.*

5. Pre-arranged Audience Participation:

*None*

6. Non-Arranged Citizen Participation:

*None*

7. Treasurer's Report:

a) January Invoice: Invoice Scott Munzel for Attorney fees in the amount of \$9,412.11.

*Motion Finn; support Willis to pay the January invoice in the amount of \$9,412.11.*

*Ayes: Becker, Bellas, Brouwer, Covert, Finn, Jones, Keough, and Willis.*

*Nays: None*

*Absent: Darnell, Model, O'Haver, Schmid*

*Motion carries*

b) Approval of January 2016 Treasurer's Report

*Motion Keough; support Finn to approve the January Treasurer's Report as presented.*

*Ayes: Becker, Bellas, Brouwer, Covert, Finn, Jones, Keough, and Willis.*

*Nays: None*

*Absent: Darnell, Model, O'Haver and Schmid*

*Motion carries*

8. Correspondence / Communications:

*None*

9. Action Items:

a) Old Business - OHM Scope of Work for Trash Receptacle Installation

*Motion Covert; support Bellas to approve the Scope of Work from OHM not to exceed \$1,000 for the study of the placement of an in-ground trash receptacle in the parking area behind the Main Street buildings and the Encore Theatre.*

*Ayes: Becker, Bellas, Brouwer, Covert, Finn, Jones, Keough, and Willis.*

*Nays: None*

*Absent: Darnell, Model, O'Haver and Schmid*

*Motion carries*

b) New Business - None

10. Discussion Updates:

a) Chuck Eckenstahler and Carl Baxmeyer – Retail Market Analysis Presentation #2.

*Mr. Baxmeyer reviewed the second report of the Retail Market Assessment with particular attention to the demographics of the area of the study.*

*Mr. Eckenstahler spoke about the area of the study and that the greater Dexter area has larger household growth in compared to much of the State of Michigan which*

*brings in \$50,000,000 in spending from the population. From this information Mr. Eckenstahler concluded that Dexter can accommodate 400,000 feet of new retail space. The report also gave a breakdown of store types that could expect at least 10% in future growth.*

*Comment – Would like to see how nearby businesses (Jackson Road, etc) affect the results.*

b) High Speed Fiber in the Downtown

*Discussion followed regarding looking at the current offer in the Industrial Park and bringing high speed internet to the downtown businesses.*

11. City Mayor and Staff Reports

a) Mayor – Shawn Keough

- *At the last DDA meeting, we had not heard from Judge Marmon on the Tax Tribunal case. He had dismissed Chelsea Wellness Foundation's claim on one section of the tax law but required the trial to clarify various questions. Trial was held from January 4 to January 11. Transcriptions from the trial are to be available by February 1 with a decision by Judge Marmon due by May 1.*

b) Staff – Michelle Aniol

- *The RFQ Committee will meet on Monday, January 25 to review Foremost Development's predevelopment agreement. DDA is likely to see this at the February meeting.*
- *There won't be a pre-application meeting for the Dextech expansion as the project has been scaled back.*
- *Pre-application for the Darnell project to continue.*
- *Entertaining comments on the Park and Recreation's Master Plan until the end of February.*
- *Planning Commission has information on pending development at Grand and Baker.*

12. Chairman's Report:

Items for February 18, 2016 Agenda

- Pre-development agreement from Foremost Development

13. Non-Arranged Citizen Participation:

*Doug Finn invited all to attend the Relay for Life kickoff at NULL on February 25 beginning at 6:30.*

14. Adjournment

P4

*Motion Keough; support Willis to adjourn the meeting at 8:34 AM. Unanimous voice vote approval with Darnell, Model, O'Haver and Schmid absent.*

Respectfully submitted,

Carol Jones, Secretary

**Memo**

**To:** Dexter DDA  
**From:** Thomas Covert, DDA Treasurer and Marie Sherry, City Treasurer  
**Date:** January 15, 2016  
**Re:** Treasurer's Report – January 2016 Meeting

**Invoice Approval Notes**

- Scott E. Munzel, P.C.; Dexter Wellness Center Attorney Fees: \$9,693.58
- Combined total due for all invoices is \$9,693.58

**Cash Status**

<b>DDA Cash Balances Report</b>			
<b>1-31-16</b>			
Fund	Account Name	General Ledger Balance	Notes
248 - DDA General	TCF Pooled Account	\$ -	
394 - DDA Debt	TCF Pooled Account	\$ -	
	<b>Total DDA Pooled Checking</b>	<b>\$ -</b>	
248 - DDA General	TCF Money Market Account	\$ 442,339.61	
394 - DDA Debt	TCF Money Market Account	\$ -	
	<b>Total DDA Pooled Savings</b>	<b>\$ 442,339.61</b>	
248 - DDA General	ONB Money Market Account	\$ 202,574.27	
394 - DDA Debt	ONB Money Market Account	\$ -	
	<b>Total DDA Pooled Savings</b>	<b>\$ 202,574.27</b>	
248 - DDA General	<b>Total Non-Pooled</b>	<b>\$ -</b>	
	<b>Total General Cash</b>	<b>\$ 644,913.88</b>	
	<b>Total Debt Cash</b>	<b>\$ -</b>	
		<b>\$ 644,913.88</b>	
	Month End Cash	\$ 644,913.88	
	Projected FY 15/16 Revenue All Funds	\$ 199,554.87	
	Projected FY 15/16 Expenditures All Funds	\$ (425,894.00)	
	Wellness Center Set Aside	\$ (224,904.00)	Added set aside for FY 2015-2016
	<b>Projected Year End Cash</b>	<b>\$ 193,670.75</b>	

**Budget FY 15/16**

Following are the Fiscal Year 2015-2016 Revenue and Expenditure Reports through December 31<sup>st</sup>.

02/10/2016 REVENUE AND EXPENDITURE REPORT FOR CITY OF DEXTER						
PERIOD ENDING 01/31/2016						
% Fiscal Year Completed: 58.74						
GL NUMBER	DESCRIPTION	2015-16 ORIGINAL BUDGET	2015-16 AMENDED BUDGET	YTD BALANCE 01/31/2016 NORMAL (ABNORMAL)	AVAILABLE BALANCE NORMAL (ABNORMAL)	% BDGT USED
<b>Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY</b>						
<b>Revenues</b>						
Dept 000-ASSETS, LIABILITIES & REVENUE						
248-000-415.000	TAX CAPTURE REVENUE	287,500.00	287,500.00	267,192.95	20,307.05	92.94
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	1,841.39	(1,341.39)	368.28
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
<b>Total Dept 000-ASSETS, LIABILITIES &amp; REVENUE</b>		<b>479,800.00</b>	<b>479,800.00</b>	<b>459,556.54</b>	<b>20,243.46</b>	<b>95.78</b>
<b>TOTAL Revenues</b>		<b>479,800.00</b>	<b>479,800.00</b>	<b>459,556.54</b>	<b>20,243.46</b>	<b>95.78</b>
<b>Expenditures</b>						
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	39,575.21	(24,575.21)	263.83
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
<b>Total Dept 248-ADMINISTRATION</b>		<b>22,700.00</b>	<b>22,700.00</b>	<b>41,012.71</b>	<b>(18,312.71)</b>	<b>180.67</b>
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
<b>Total Dept 442-DOWNTOWN PUBLIC WORKS</b>		<b>20,900.00</b>	<b>20,900.00</b>	<b>13,928.00</b>	<b>6,972.00</b>	<b>66.64</b>
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
<b>Total Dept 901-CAPITAL IMPROVEMENTS</b>		<b>70,000.00</b>	<b>70,000.00</b>	<b>0.00</b>	<b>70,000.00</b>	<b>0.00</b>
Dept 965-TRANSFERS OUT - CONTROL						
248-965-999.394	TR OUT FOR BOND PAYMENTS - 394	282,200.00	282,200.00	102,881.73	179,318.27	36.46
<b>Total Dept 965-TRANSFERS OUT - CONTROL</b>		<b>282,200.00</b>	<b>282,200.00</b>	<b>102,881.73</b>	<b>179,318.27</b>	<b>36.46</b>
<b>TOTAL Expenditures</b>		<b>395,800.00</b>	<b>395,800.00</b>	<b>157,822.44</b>	<b>237,977.56</b>	<b>39.87</b>
<b>Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY:</b>						
<b>TOTAL REVENUES</b>		<b>479,800.00</b>	<b>479,800.00</b>	<b>459,556.54</b>	<b>20,243.46</b>	<b>95.78</b>
<b>TOTAL EXPENDITURES</b>		<b>395,800.00</b>	<b>395,800.00</b>	<b>157,822.44</b>	<b>237,977.56</b>	<b>39.87</b>
<b>NET OF REVENUES &amp; EXPENDITURES</b>		<b>84,000.00</b>	<b>84,000.00</b>	<b>301,734.10</b>	<b>(217,734.10)</b>	<b>359.21</b>

394 - DDA DEBT FUND						
<b>Revenues</b>						
Dept 000-ASSETS, LIABILITIES & REVENUE						
394-000-695.248	TRANSFER IN FROM DDA FUND 248	282,200.00	282,200.00	102,881.73	179,318.27	36.46
<b>Total Dept 000-ASSETS, LIABILITIES &amp; REVENUE</b>		<b>282,200.00</b>	<b>282,200.00</b>	<b>102,881.73</b>	<b>179,318.27</b>	<b>36.46</b>
<b>TOTAL Revenues</b>		<b>282,200.00</b>	<b>282,200.00</b>	<b>102,881.73</b>	<b>179,318.27</b>	<b>36.46</b>
<b>Expenditures</b>						
Dept 850-LONG-TERM DEBT						
394-850-992.000	BOND FEES	1,000.00	1,000.00	1,000.00	0.00	100.00
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
<b>Total Dept 850-LONG-TERM DEBT</b>		<b>282,200.00</b>	<b>290,500.00</b>	<b>102,881.73</b>	<b>187,618.27</b>	<b>35.42</b>
<b>TOTAL Expenditures</b>		<b>282,200.00</b>	<b>290,500.00</b>	<b>102,881.73</b>	<b>187,618.27</b>	<b>35.42</b>
<b>Fund 394 - DDA DEBT FUND:</b>						
<b>TOTAL REVENUES</b>		<b>282,200.00</b>	<b>282,200.00</b>	<b>102,881.73</b>	<b>179,318.27</b>	<b>36.46</b>
<b>TOTAL EXPENDITURES</b>		<b>282,200.00</b>	<b>290,500.00</b>	<b>102,881.73</b>	<b>187,618.27</b>	<b>35.42</b>
<b>NET OF REVENUES &amp; EXPENDITURES</b>		<b>0.00</b>	<b>(8,300.00)</b>	<b>0.00</b>	<b>(8,300.00)</b>	<b>0.00</b>
<b>Fund 494 - DDA PROJECT FUND</b>						
<b>Revenues</b>						
Dept 000-ASSETS, LIABILITIES & REVENUE						
494-000-665.000	INTEREST EARNED	0.00	0.00	6.86	(6.86)	100.00
<b>Total Dept 000-ASSETS, LIABILITIES &amp; REVENUE</b>		<b>0.00</b>	<b>0.00</b>	<b>6.86</b>	<b>(6.86)</b>	<b>100.00</b>
<b>TOTAL Revenues</b>		<b>0.00</b>	<b>0.00</b>	<b>6.86</b>	<b>(6.86)</b>	<b>100.00</b>
<b>Expenditures</b>						
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
<b>Total Dept 965-TRANSFERS OUT - CONTROL</b>		<b>186,500.00</b>	<b>186,500.00</b>	<b>186,201.83</b>	<b>298.17</b>	<b>99.84</b>
<b>TOTAL Expenditures</b>		<b>186,500.00</b>	<b>186,500.00</b>	<b>186,201.83</b>	<b>298.17</b>	<b>99.84</b>
<b>Fund 494 - DDA PROJECT FUND:</b>						
<b>TOTAL REVENUES</b>		<b>0.00</b>	<b>0.00</b>	<b>6.86</b>	<b>(6.86)</b>	<b>100.00</b>
<b>TOTAL EXPENDITURES</b>		<b>186,500.00</b>	<b>186,500.00</b>	<b>186,201.83</b>	<b>298.17</b>	<b>99.84</b>
<b>NET OF REVENUES &amp; EXPENDITURES</b>		<b>(186,500.00)</b>	<b>(186,500.00)</b>	<b>(186,194.97)</b>	<b>(305.03)</b>	<b>99.84</b>
<b>TOTAL REVENUES - ALL FUNDS</b>		<b>762,000.00</b>	<b>762,000.00</b>	<b>562,445.13</b>	<b>199,554.87</b>	<b>73.81</b>
<b>TOTAL EXPENDITURES - ALL FUNDS</b>		<b>864,500.00</b>	<b>872,800.00</b>	<b>446,906.00</b>	<b>425,894.00</b>	<b>51.20</b>
<b>NET OF REVENUES &amp; EXPENDITURES</b>		<b>(102,500.00)</b>	<b>(110,800.00)</b>	<b>115,539.13</b>	<b>(226,339.13)</b>	<b>104.28</b>

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

### Revenue Notes

- As a follow up to a previous note, the payment from the Michigan Department of Treasury of \$7,821.41 for to the small parcel personal property exemption reimbursement was received February 8<sup>th</sup>.

### LaFontaine Chevrolet Michigan Tax Tribunal Case

- After discussion with Nathan Voght at Washtenaw County, the preliminary decision in regard to the 2015-2016 brownfield payment is to set it aside in escrow until resolution of the Tax Tribunal case. Mr. Voght is discussing where the escrow should be held (City vs County Brownfield) and will report back to the City treasurer when the question is resolved.

### Attorney Fees for Dexter Wellness Center Tax Tribunal

- A budget amendment for attorney fees is being presented. After consulting with the attorney and City Manager, it is recommended that the budget for this line be increased from \$15,000 to \$70,000. Currently, the DDA's operating budget has a net revenue over expenditures of \$84,000, so it will not be necessary to take this cost from reserves. Depending on the judge's ruling and whether or not more pleadings need to be filed prior to the end of this fiscal year, an additional increase may be necessary.
- This budget amendment needs to be made at the DDA's February meeting, even though there is a possibility that it will need to be amended again. The Michigan Uniform Accounting and Budgeting Act (Act 2 of 1968) in Section 141.437(17)(1) requires "a deviation from the original general appropriations act shall not be made without amending the general appropriations act. Subject to section 16(2), *the legislative body of the local unit shall amend the general appropriations act as soon as it becomes apparent that a deviation from the original general appropriations act is necessary* and the amount of the deviation can be determined." Sometimes, we can hold off making budget amendments for particular line items if the overall department is not over budget, because we adopt our budget by department, not by line item. However, in this case, the entire department is now over budget and if we do not make the amendment now, we will be in violation of the Act.

**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 2016 is June 15<sup>th</sup>.
- Form 2604 – Tax Increment Financing Plan Report for Capture of Property Taxes (deadline to file is July 31<sup>st</sup> of each year).
- Qualifying Statement – File the Fiscal Year 2015-2016 Statement by December 31, 2016. Audit – File the 2015-2016 Audit by December 31, 2016.
- Publish the Fiscal Year 2014-2015 Annual Report by February 2016. *Scheduled to be published and filed February 24<sup>th</sup>.*

**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.

◆◆ SCOTT E. MUNZEL, P.C.  
ATTORNEY AT LAW

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E: SEM@MUNZELLAW.COM

\$ 9693.58

DDA

248-248-810.00

1/21/2016

Ms. Courtney Nicholls  
Manager  
City of Dexter  
8140 Main Street  
Dexter, MI 48130

DDA Invoice  
1811

Re: Invoice for Legal Services - Dexter Wellness Center

Dear Ms. Nicholls:

The invoice for legal services provided in December is below. Please contact me if you have any questions. Please note I have divided this invoice between the City and DDA.

12/1/2015	Review of State Motion for Summary Disposition; TC Courtney Nicholls re status; email Courtney and Shawn re update on status	1.3
12/2/2015	Review Order denying motion to adjourn; email to Courtney Nicholls, Shawn Keough; email to Renius, Haffey re trial schedule; TC Adam Sadowski re Order, issues, potential trial issues; TC Chris Renius re trial, alternative tax capture theories, testimony	1.3
12/3/2015	Review CWF Brief on "charitable" issue; review half of exhibits	3.0
12/4/2015	Complete review of CWF exhibits; TC Shawn Keough re current status, timing, procedural questions; email Brief to Cindy Maurer at Tribunal per her request	2.5
12/5/2015	Prepare outlines for three replies to CWF motions; analyze CWF motions for best responses; research re ownership of Stockbridge fitness center	4.0
12/7/2015	Draft Reply Brief for occupancy issue; draft Reply Brief for public health issue; email to Courtney, Shawn for review; draft Reply Brief for charitable issue; double check cases for citation; review documents for supporting documents to attach	9.0
12/8/2015	Finalize all Reply Briefs and prepare exhibits to attach; TC Shawn re comments on third Brief; TC Adam Sadowski re update, issues; email documents to Tribunal, mail to parties	5.6

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12/9/2015	Review CWF Reply to Dexter Motion for Summary Disposition; review CWF Reply to State Motion for S.D.; TC Adam Sadowski re analysis, potential issues for appeal	1.4
12/11/2015	Check Heydlauff deposition transcripts prior to filing with Tribunal; draft cover letter to Tribunal re filing of the 4 deposition transcripts; file deposition transcripts of Cope, Sargeant, Hummert, 3 of 4 Heydlauff	1.4
12/14/2015	TC Adam Sadowski re CWF motion to authenticate, how best to respond, premature, irrelevant; email to Schiff that I reserve right to file response	0.5
12/17/2015	Review CWF Motion in Limine re document authentication; review documents themselves and Court rules re documents; email Adam Sadowski re strategy Begin work on potential exhibits to use at trial in anticipation of Exhibit List due Monday	1.5 2.3
12/18/2015	TC Adam Sadowski re exhibits, upcoming trial, subpoenas; TC Cindy Maurer re Reply Brief; review attachments to CWF Motion, websites; TC Adam Sadowski re organization of exhibits	1.5
12/20/2015	Draft Reply Brief to CWF Motion in Limine re judicial notice of certain documents; file with MTT; work on Exhibit List- deposition transcripts, exhibits from motion for summary disposition, old emails	1.3 5.5
12/21/2015	Prepare Exhibit List; check Rules re rebuttal exhibits; TC Adam Sadowski re exhibits, hearing issues; add CWF answers; handle copying and deliver to Schiff; file Exhibit List with Tribunal; TC Shawn Keough re update; review Order granting judicial notice	6.5
12/22/2015	Review CWF Exhibit list; review Tribunal Order; TC Shawn Keough re same; TC Adam Sadowski re Order, trial issues, subpoenas; email Davi Hirsch re subpoenas	2.0
12/23/2015	Review St. Joe's Motion to File Amicus Brief and review Brief; review MTT Order re issues for trial; prepare letter requesting subpoenas for Cope, Hummert, Sargeant and file with MTT; TC Shawn Keough re status, Order, St. Joe's improper Motion	2.2
12/26/2015	Review all Pleading Files	3.0

1/21/2016  
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12/27/2015	Review all Pleading Files; prepare for trial	5.0
12/28/2015	Complete case outline, proofs; review all Discovery documents; email deposition transcripts to witnesses; review new CWF Motion to add a new exhibit; TC MTT re subpoenas ready, how to obtain; TC Davi Hirsch re service and acceptance of subpoenas, witness appearances	11.0
12/29/2015	Continued trial preparation; review depositions of Haffey and Renius, Heydlauff; prepare Exhibit binders for trial; TC Shawn Keough re status; TC Adam Sadowski re trial issues; add notes for Opening Statement	12.0
12/30/2015	Prepare witness fees and cover letter to Davi Hirsch; organize trial Exhibits; meet with David Haffey re testimony; meet with Chris Renius re testimony; TC Shawn re meeting; review Nicholls deposition; review Keough deposition for witness preparation; TC Matt Kennison re estimated time for witness testimony	12.0
12/31/2015	Meet with Shawn and Courtney to prepare for testimony; finalize binders of trial exhibits; review Heydlauff testimony	5.7
	Total Time	101.5 at \$170/hr
	Current Invoice	\$ 17,255.00
	Minus courtesy discount	\$ 1,600.00
	Revised Current Invoice	\$ 15,655.00
	Expenses- document production and binding of multiple documents- \$243.93, 162.94, 197.59, 117.87, 376.52	\$ 1,098.84
	Haffey consulting fee-\$880; Keough, Nicholls deposition transcripts- \$1753.31;	\$ 2,633.31
	Total Balance Due	\$ 19,387.15
	<b>Divided between DDA and Village</b>	<b>\$9,693.58</b>
	Outstanding balance	\$14,527.98
	Total amount due	\$24,221.56

Sincerely,

Scott E. Munzel

EIN 38-3120196

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## STAFF MEMO

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

**From:** Michelle Aniol, Community Development Manager

**RE:** Annual Report and End of Year Tax Capture Reconciliation

**Date:** February 11, 2016

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Enclosed with this memo you will find the proposed Annual Report for Fiscal Year 14-15, prepared by City Treasurer, Marie Sherry. This is the report the DDA/City is required to publish every year (this year by February 24<sup>th</sup>).

Ms. Sherry has modified the format from last year, due to questions that were raised regarding the tax increment revenue number in the financial statements not matching the revenue shown in the capture section. Ms. Sherry has included the reductions in current revenue due to Wellness and the brownfield.

Ms. Sherry also prepared the enclosed year-end tax reconciliation with Scio Township, for your information.

2014 DDA Tax Capture (Final)

\$19,564,270

DDA Total Capture Calculations	Millage Rate	Capture Amt.
<b>Summer</b>		
Washtenaw County Operating	4.54930	\$89,003.73
Village Operating	9.88070	\$193,308.68
Village Streets	3.43800	\$67,261.96
		Verified 5-28-15 Scio Twp On Line
		Verified 5-28-15 Village Tax Roll
		Verified 5-28-15 Village Tax Roll
<b>Winter</b>		
Washtenaw County	1.73450	\$33,934.23
Scio Township Operating	0.95180	\$18,621.27
Dexter Public Library Operating (No Debt)	1.12860	\$22,080.24
Washtenaw C.C. Operating (No Debt)	3.45760	\$67,645.42
Township Conservation	0.49420	\$9,668.66
		Verified 5-28-15 Scio Twp On Line
		Verified Scio Twp DDA Payment Spreadsheet
		Verified Scio Twp DDA Payment Spreadsheet
		Verified Scio Twp DDA Payment Spreadsheet
		Verified Scio Twp DDA Payment Spreadsheet
		Verified Scio Twp DDA Payment Spreadsheet
<b>TOTAL</b>	25.63470	\$501,524.19

DDA Adjusted Capture Calculations	Millage Rate	Capture Amt.
Scio Township Tax Billing - Capture	12.31600	\$ 240,953.55
Village Tax Billing - Capture	13.31870	\$ 260,570.64
Rounding in BS&A Program		\$ (3.34)
<b>Subtotal</b>		\$ 501,520.85
Set Aside Dexter Wellness Capture		\$ (115,042.00)
PPT Loss Reimbursement		\$ 7,821.41
Due to County (1/2 of Collections)	3.14190	\$ (61,468.98)
Reduce County for Brownfield		\$ 3,630.81
Road Millage Back to County		\$ (4,891.07)
Due to Brownfield (Village)		\$ (31,564.75)
<b>Total Tax Collection</b>		\$ 300,006.27
2014-2015 Current Revenue		\$ 300,006.27
		Per General Ledger

Cash Flow Tracking	Month	Amount
Received from Village of Dexter	September-14	\$ 260,567.30
Received from State of Michigan	October-15	\$ 7,821.41
Set Aside for Dexter Wellness	October-15	\$ (115,042.00)
Received from Scio Township	September-15	\$ 89,022.67
Received from Scio Township	January-15	\$ 216,858.19
Received from Scio Township	March-15	\$ 4,990.02
Paid to County Brownfield	April-15	\$ (36,554.77)
Due to Washtenaw County		\$ (62,729.24)
Due to Scio Township		\$ (64,927.31)
<b>Total:</b>		\$ 300,006.27

DDA Tax Capture - Summer 2014  
 Personal Property Tax Loss Reimbursement from State  
 Placed into liability account in General Ledger  
 DDA Tax Capture - Summer 2014  
 DDA Tax Capture - Winter 2012  
 LaFontaine Brownfield Capture from ISD  
 DDA Check # 1952  
 DDA Check # 1955 (\$57,838.17) and # 1956 (\$4,891.07)

**City of Dexter, Washtenaw County, Michigan  
Downtown Development Authority**

**ANNUAL REPORT**

For the fiscal year ending June 30, 2015

<b>Revenue</b>	Tax Increment Revenue	\$ 300,006
	Interest	\$ 1,111
	Operating Transfers In	\$ 310,095
	<b>Total:</b>	<u>\$ 611,212</u>

<b>Expenditures</b>	Community Development	\$ 89,035
	Debt Service - Principal	\$ 334,000
	Debt Service - Interest	\$ 218,012
	Operating Transfers Out	\$ 421,223
	<b>Total:</b>	<u>\$ 1,062,270</u>

**Excess (Deficiency) of Revenues Over Expenditures** \$ (451,058)

<b>Fund Balance</b>	Fund Balance - July 1	\$ 787,173
	Change in Fund Balance	\$ (451,058)
	<b>Fund Balance - June 30</b>	<u>\$ 336,115</u>

<b>Outstanding Debt</b>		
	Principal	\$ 3,572,000
	Interest	\$ 1,667,823

<b>DDA Taxable Value</b>	\$ 34,482,683
<b>Less Initial Assessed Value</b>	\$ (14,918,413)
<b>Captured Taxable Value</b>	<u>\$ 19,564,270</u>

<b>Tax Increment Revenue Levied</b>		
	City of Dexter	\$ 260,570
	Small Parcel Reimbursement (State)	\$ 7,821
	Scio Township	\$ 28,289
	Dexter District Library	\$ 22,080
	Washtenaw Community College	\$ 67,645
	Washtenaw County	\$ 60,207
	Set Aside for Tax Tribunal Case	\$ (115,042)
	Captured by Brownfield	\$ (31,564)
	<b>Total:</b>	<u>\$ 300,006</u>

**Number of Jobs Created** 130

**Project Status** Jeffords Parking & Forest Street - Complete  
 Jeffords Street and Mill Creek Plaza - Complete  
 Dexter Wellness Center (Brownfield) - Complete  
 LaFontaine (Brownfield) - Complete

**Other Related Projects** Maintenance - Ongoing  
 3045 Broad Redevelopment

**Submitted by:** Village of Dexter DDA, Steve Brouwer, Chairperson

**Published:** February 24, 2016, Sun Times

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OFFICE OF COMMUNITY DEVELOPMENT

8140 Main Street ♦ Dexter, Michigan 48130-1092 ♦ (734) 426-8303 ♦ Fax (734) 426-5614

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## STAFF MEMO

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

**From:** Michelle Aniol, Community Development Manager

**RE:** Pre-Development Agreement with Foremost Development Company

**Date:** February 16, 2016

---

Enclosed with this memo you will find the proposed Pre-Development Agreement with Foremost Development Company. The draft "Agreement" has been reviewed and recommended by the RFQ Committee and City/DDA Attorney, Scott Munzel.

The Pre-Development Agreement sets forth the following:

- The subject properties:
  - 3045 Broad Street( 08-08-06-280-001)
  - 8077-8087 Forest Street (08-08-06-280-024 and 08-08-06-280-025)
  - 8090 Grant Street (08-08-06-280-002)
- Provides the City and Developer an exclusive six (6) month period to try to develop a conceptual plan that each want, and if both side are happy, provides the Developer with an additional three (3) month period to reach an agreement with the City on the purchase of the property;
- Outlines a public meeting process the Developer must undertake, at his expense for obtaining public input on design, layout and use(s) of the property;
- Outlines tasks for each side during the Study Period, including whatever physical inspections the developer wants/needs, in order to provide a preliminary pro forma analysis;
- Clarifies the City is under no obligation to approve anything and neither party is required to enter into a Development Agreement, if parties cannot agree on terms; and
- Clarifies that neither Foremost, nor any professionals it uses during the public meeting process shall have a proprietary interest in any design work resulting from the public meeting process. In addition, the agreement also requires Foremost to include language in any contracts it enters with professionals that clarifies the professionals do not have a proprietary interest in any design works they may produce.

As you will recall, on December 22, 2015 City Council voted unanimously to authorize the RFQ Committee to pursue a Pre-Development Agreement with Foremost Development Company. The approval was subject to the DDA reviewing the Pre-Development Agreement, and making a recommendation to City Council.

Affirmative action should be in a motion to recommend approval of the Pre-Development Agreement with Foremost Development Company, revision dated February 16, 2016 to City Council.

**PRE-DEVELOPMENT AGREEMENT**

**THIS PRE-DEVELOPMENT AGREEMENT** ("Agreement"), made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2016 (the "Effective Date"), by the City of Dexter, a Michigan municipal corporation (the "City"), and Bailey Xenos Holdings, LLC, a Michigan limited liability company d/b/a Foremost Development Company (the "Developer"). (The City and Developer shall be known singularly as a Party or together as the Parties.)

**Recitals**

- A. The City collectively owns four parcels of land equaling approximately 3 acres, southwest of Main Street, between Grand and Forest Streets, and directly fronting to the west on the City's award-winning Mill Creek Park, in downtown Dexter (Attachment A), which includes 3045 Broad Street, 8077-8087 Forest Street and 8090 Grant Street (08-08-06-280-001, 08-08-06-280-024, 08-08-06-280-025, 08-08-06-280-002)(the "Property").
- B. The City desires that the Property be redeveloped to meet several goals. First, provide a residential environment with diverse housing options for City residents, recognizing that a viable, healthy residential market is of primary importance to the overall health and vitality of the community. Second, preserve and strengthen the existing character of the downtown area as an historic, pedestrian-scaled community, with traditional site and architectural designs which create an aesthetically memorable place containing vibrant streetscapes and community spaces. Third, incorporate common design elements, such as architecture, streetscape, signage, and landscaping, that promote the continuation of the downtown theme for downtown redevelopment projects. Fourth, expand the downtown core in a manner that supports and encourages walkability, and adds mixed-use, high-density residential and retail/commercial uses in and within close proximity to the downtown (the "Project").
- C. The City recently completed a process to select a developer who the City believes has the experience, interest and financial capability to successfully undertake the Project, the exact nature of which would involve creating consensus for the Project between the developer and the City after significant public input.
- D. To pursue the potential development of the Property with the Project, the City and the Developer agree to enter in to this Agreement.

## Agreement

In consideration of the mutual promises and covenants contained below, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the City and Developer agree as follows:

1. Exclusive Ability to Pursue the Project: For the six (6) months after the Effective Date (the "Study Period"), the Developer shall have the exclusive right and ability to pursue the Project and the Property, and undertake the Project Evaluation outlined below; and the City agrees that it shall not solicit for contracts, enter into any contracts, or negotiate for any contracts with any person or entity for any development or improvements on the Property during the Study Period.
2. Project Evaluation: The City and Developer shall undertake the following actions during the Study Period:
  - a). The City and the Developer shall jointly organize and participate in three (3) public meetings regarding the potential site plan, uses, and design of the Project. The City and the Developer shall use their best efforts to schedule the first of the three (3) public meetings to take place near the end of March 2016, the second to take place near the end of April 2016, and the third to take place near the end of May 2016. At least one (1) of the public meetings, at the beginning of the Study Period, shall be a "visioning" session for members of the community to provide comments on their visions and issues for the Project. The purpose of the public meetings is to assess the community's and the City's preferences and concerns related to the Project with the goal of creating a development plan or plans that will be i) consistent with the City's vision for the Property and ii) successful in the marketplace for the Developer (the "Development Plan(s)"). The Development Plan(s) shall include a site plan depicting the layout and arrangement of the building(s) on the Property, the uses within the Project, and façade design and architectural details of the building(s).
  - b). The actual costs to undertake the public meetings will be paid by Developer. The City will attempt to assist the Developer in minimizing such costs, for instance by providing meeting space; however, the City is under no obligation to provide any particular assistance. The public meetings shall be subject to the Open Meetings Act.
  - c). The City and Developer shall jointly evaluate the results of the public meetings. If, at any time, the Developer concludes, in its sole discretion, the results indicate that the successful development

of the Property is unlikely for any reason, the Developer may terminate this Agreement with no further obligation or liability on the part of the City or the Developer (except as stated in Sections 6 and 16 below). If, at any time, the City concludes, in its sole discretion, the results indicate that the successful development of the Property is unlikely for any reason, the City may terminate this Agreement with no further obligation or liability on the part of the City or the Developer (except as stated in Sections 6 and 16 below).

d). The City shall appoint a single point-of-contact for communications between the Parties required under this Agreement.

3. Specific Tasks During Study Period: During the Study Period, the Developer shall:

a). undertake, at its sole cost, such physical inspection or studies of the Property so as to allow Developer to determine the feasibility of the Development Plan(s). The Developer shall provide copies of any such inspections or studies to the City.

b). prepare preliminary financial pro forma(s) for the construction of the buildings and site depicted in the Development Plan(s), which pro formas would indicate financing sources, estimated construction costs, other development costs, and a tentative land value for the Property. The Developer shall share these pro formas with the City.

During the Study Period, the City shall:

c). undertake such studies as it determines are necessary to determine the current capacities of the infrastructure supporting the Project site and what infrastructure would be required to support the Development Plan(s). The City shall provide copies of any such studies to the Developer.

d). provide to the Developer an anticipated timeline for the removal/relocation of a DTE building structure, and power distribution lines (if they are to be moved) on the Property.

e). assist Developer in exploring options for tax increment financing for the Project. To this end, the City shall use its best efforts to procure meetings between representatives of the Developer, the City, the Downtown Development Authority and the Washtenaw Brownfield Redevelopment Authority, Michigan Economic Development Corporation, and Michigan Department of Environmental Quality, time being of the essence. The City shall provide a letter of support for the Development

Plan(s) to be included in redevelopment incentive applications, if any, submitted to the County, State and Federal Government.

f). as soon as practicable, provide to Developer all environmental and geotechnical information regarding the Property that is known to the City. If, during the term of this Agreement, environmental or geotechnical information regarding the Property becomes available to the City, the City shall likewise provide that information to Developer.

4. Development Plan and Development Agreement: If at the conclusion of the Study Period, the Developer and the City determine that one or more of the Development Plan(s) meet their respective goals, they shall so notify the other Party prior to the expiration of the Study Period. If both Parties so notify each other, then the Developer will have the exclusive right, for a three (3) month period (the "Negotiation Period"), in which to negotiate a development agreement (the "Development Agreement") with the City for the development of the Property implementing one of the Development Plans. The Development Agreement would include the items typically included in the City's development agreements, as well as the terms for the purchase of the Property. Either Party may determine, in its sole discretion, that the terms of the proposed Development Agreement are unacceptable, in which case this Agreement shall terminate and the Parties shall have no further obligations to each other (except as stated in Sections 6 and 16 below). During the Negotiation Period, the City agrees that it shall not solicit for contracts, enter into any contracts, or negotiate for any contracts with any person or entity for any development or improvements on the Property. If one or the other Party notifies the other that the activities during the Study Period have not resulted in a Development Plan(s) which that Party believes meets its respective goals, this Agreement shall terminate and the Parties shall have no further obligations to each other (except as stated in Sections 6 and 16 below).
5. Mutual Covenants: The City and Developer covenant and agree as follows:
  - a). Neither Party shall unreasonably withhold its participation during the Study Period and from preparation of the Development Plan(s).
  - b). In the course of implementing the activities above, issues may arise which are outside the scope of this Agreement but which require resolution in order to proceed with successful development of the Property. Whenever such issue(s) is identified by either Party, the City and Developer mutually agree to enter into good faith negotiations for the purpose of resolving said issue(s), which may include amendment to this Agreement.

- c). Both the Developer and the City understand that this Agreement does not require the City to use its power of eminent domain; and the City does not anticipate using such power for the development of the Property.
  - e). The City makes no representation or warranty that even if the Parties reach a consensus on the Development Plan(s), that such Development Plan(s), or any proposed development of the Property, will be approved by the City, and the City explicitly reserves the right to reject the Development Plan(s) (or any proposed development of the Property), for any reason or no reason at all (notwithstanding that such rejection must comply with all otherwise applicable legal standards).
  - f). Neither the Developer, nor any architect or any other professional consultant retained by Developer, shall have any copyright, trademark, or other proprietary interest in the Development Plan(s), or any other site plan, layout, or design materials created as part of the evaluation of the Property and Project; and the City shall have the right to use any and all such materials in the future, notwithstanding the termination of this Agreement. Developer shall include this language in any contracts it enters into with any architect or other professional consultant retained by Developer to work on the Property or Project.
6. Access to Property: During the term of this Agreement, Developer shall have the right for itself, its agents, employees, licenses and contractors (i) to enter upon any portion of the Property which is under the City's control with persons, equipment and material to make any and all inspections, surveys, test borings and other site investigations as it may deem appropriate, and (ii) to discuss the Property and the Project with governmental and other appropriate agencies as it may deem appropriate in order to determine any use to which the Property, or any part thereof, may feasibly be put. The Developer will provide liability insurance acceptable to the City in connection with its conduct of activities described in clause (i) above, shall name the City as an additional insured on such insurance, and will provide evidence of such insurance prior to entry upon the Property. Upon conclusion of any investigations or in the event of termination of this Agreement, the Developer shall return the Property to its original condition. The Developer shall not allow any liens to be recorded against the Property based on any contractors or consultants it retained to work on the Property or the Project, and shall immediately act to have any such liens discharged. Furthermore, Developer shall defend, hold harmless, and indemnify the City from and against any and all claims or damages which result from Developer's investigation of the Property.

The obligations contained in this Section shall survive the termination of the Agreement.

7. Termination: This Agreement shall terminate upon the earliest of the following events:
  - a). The Developer's or the City's decision to terminate as set forth in Section 2 above.
  - b). The mutual agreement of the Developer and the City.
  - c). Upon occurrence of a default as set forth in Section 8.
8. Remedies on Default: The Parties recognize that this Agreement does not transfer an interest in the Property, but in the event of default, except as otherwise stated in this Agreement, each Party shall be limited to the remedies provided below. If either Party is in default of performing the responsibilities set forth above, which default is not cured upon notice (a) within a reasonable time for the circumstances creating the default, but in no event more than forty-five (45) days after notice is given or as otherwise agreed to by the Parties, then the non-defaulting Party shall have the right to terminate this Agreement, and the Parties shall have no further obligations to each other, except for those stated in Sections 6 and 16, which survive the termination of the Agreement
9. Broker: The City represents and warrants to the Developer that it has employed no broker in connection with this Agreement or any purchase and sale to be consummated pursuant to this Agreement and the City shall defend, indemnify and hold the Developer harmless from and against any claim by real estate agent or broker in connection with or arising out of any acts or agreements of the City. The Developer represents and warrants to the City that it has employed no broker in connection with this Agreement or any purchase and sale to be consummated pursuant to this Agreement, and Developer shall defend, indemnify and hold the City harmless from any claim by real estate agent or broker retained by the Developer, or claiming through or under the Developer.
10. Notices: All notices sent pursuant to this Agreement shall be sent by certified mail, return receipt requested. Notices shall be deemed given on the date deposited with the United States Postal Service with proper address and postage fully prepaid. Notice as required under this agreement shall be:

If the City, to:

City of Dexter

Attention: Michelle Aniol  
Community Development Manager  
8140 Main Street  
Dexter, MI 48130

If the Developer, to:

Foremost Development Company  
Attention: Elias T. Xenos  
550 W. Merrill Street, Suite 100  
Birmingham, MI 48009

12. Time: Time shall be of the essence in this Agreement.
13. Binding Effect: This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns; provided however that the Developer cannot assign its rights in this Agreement to any other entity without the prior approval of the City.
14. Agreement: This Agreement constitutes the entire agreement of the Parties; all prior agreements between the Parties, whether written or oral, are merged in to this Agreement and shall be of no force or effect. This Agreement cannot be changed, modified or released orally, but only by an agreement in writing signed by the Parties against whom enforcement of said change, modification, or discharged is sought.
15. Counterparts: This Agreement may be executed in counterparts, each of which is an original document and all of which together constitute but one and the same document.
16. Violations of Agreement: In any dispute over this Agreement or its terms, the prevailing Party shall be entitled to reimbursement of the costs it incurred in enforcing the Agreement or its terms, including reasonable attorneys' fees, from the non-prevailing Party. The obligations contained in this Section shall survive the termination of the Agreement.

**DEVELOPER:**

Bailey Xenos Holdings, LLC  
a/k/a Foremost Development Company

By: \_\_\_\_\_

Its: Authorized Representative

**CITY:**

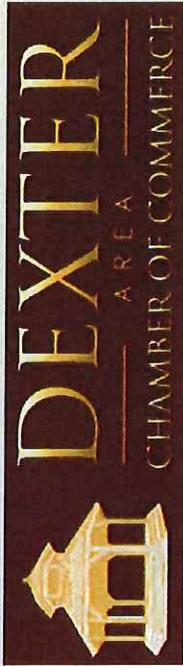
This Agreement was approved by the \_\_\_\_\_ and the Mayor and Clerk were authorized to sign this Agreement on the \_\_\_ day of \_\_\_\_\_, 20\_\_ and was signed by the Mayor and Clerk on the \_\_\_ day of \_\_\_\_\_, 20\_\_.

CITY OF DEXTER

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk

**EXHIBIT A**  
**Property Description**



# City of Dexter Downtown Retail Market Assessment

Report #3

February 18, 2015

Chuck Eckenstahler & Carl Baxmeyer

## Summary of Findings Market (Trade) Area

- Trade area is generally coterminous with school district.
- 2016 household count of 7,182 to increase by 2,322 to 9,504 in 2026.
- 2016 trade area income used for retail goods & services is \$301,497,615 to increase by \$52,059,819 in 2021.
- Spending outside of trade area “leakage” is estimated to be about 50%.

## Summary of Findings Supportable Building Space

- Increase in trade area spending can support 496,171 square feet of building space at the per square foot of sales volume generated by current downtown businesses.
- Recognizing substantial “leakage” the most likely maximum building space supportable in the downtown would not exceed ½ this amount or about 200,00 square feet.

## Summary of Findings Suitable Downtown Store Types

- Nine store types (by 3-digit NAICS code) drive the trade area demand for approximately 500,00 square feet of building space.
- Forty-One (41) store types (4-digit NAICS codes) have greater than 15% projected growth during 2016-2021.
- Of these not all suitable or desired with in the downtown shopping district.

## Summary of Findings Recommended Downtown Store Types

- Recommended downtown store types focus on “specialty retailers” having greater than 15% project future growth.
- Furniture, home furnishings, (indoor & outdoor) clothing, clothing accessories, jewelry, luggage, general merchandise, food service, reading materials, hobby/sewing, are likely candidates.
- Most probable will be unique multi-offering general merchandise stores.

## Summary of Findings Observations and Recommendations

- DDA/Chamber has a full complement of traditional and contemporary customer recruitment activities.
- Visitor attraction, shopping, social event, cultural enjoyment will aid expansion of external trade area customer sales and increase resident customer patronage.
- Increasing trade area resident customer patronage trends via a concentrated marketing effort should be considered.

## Summary of Findings Observations and Recommendations

- High downtown building occupancy limits ability to accommodate new retailers.
- Downtown land use planning to expand retail space inventory critical to future growth of existing and potential new businesses.
- Downtown PlaceMaking and walkability will be inspirational with a market desired “mixed-use” living environment.

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## STAFF REPORT

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

**From:** Michelle Aniol, Community Development Manager

**Date:** February 16, 2016

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### Planned Unit Development Update

- In your last report, staff provided a flow chart of the Planned Unit Development (PUD) process. Upon further review, staff has updated it to provide greater detail regarding the next steps following Area Plan Approval. For example, an Approved Area Plan for a project 80 acres or less allows an applicant to submit for final site plan review, in accordance with Section 21.04.E. An Approved Area Plan for a project more than 80 acres allows an applicant to submit for preliminary site plan review. The flow chart has been updated to reflect these details.
- Staff also included a copy of the Pros and Cons of PUD and Site Plan Review, which was provided to the Planning Commission and City Council.

### City Council Updates

- City Council, in a 6-1 vote, awarded the 2016 & 2017 tree planting project to Ann Arbor Landscaping and authorized an additional \$4,000 in funding to facilitate tree planting this spring.
- City Council will consider a Resolution to Approve an Amendment to the City of Dexter Master Plan on Monday, Feb 22<sup>nd</sup>, as recommended by the Planning Commission.

The Planning Commission conducted a public hearing to consider an Amendment to the City of Dexter Master Plan regarding Oil and Gas Drilling Operations on January 4, 2016 and recommended approval to Council on February 2, 2016.

The proposed amendment includes the following modifications to the current Master Plan:

- Page 13 – A new heading entitled "Oil and Gas Drilling" has been added under City Planning Initiatives.
- Page 19 – The introductory paragraph has been modified to include protection of resources.
- Page 21 – A new bullet (last bullet) under City of Dexter Goals was added.
- Page 22 – Objective #9 under Natural Resources was added (numbering modified for inclusion).
- Page 32 – Objective #3 under Transportation was added (number modified for inclusion).
- Page 34 – Objective #9 under Community Facilities was added.
- Page 45 – Oil and gas exploration and development was added to the listing of appropriate uses in the Light Industrial Future Land Use Category.
- Page 46 – Oil and gas exploration and development was added to the listing of appropriate uses in the Light Industrial Future Land Use Category.
- Page 77 – Water Resources (bottom of page) was re-drafted to include language related to conservation and protection of water bodies as a single interconnected hydrologic system.
- Page 87 – Bullet #5 under Zoning Requirements modified to include natural resource reference.
- Page 88 – (First Bullet on page) Last bullet under Zoning Requirements was added.

- Page 88 – Item #7 has been added under Zoning Adjustments.
- Page 89 – Items #2-4 have been added under Zoning Adjustments.

A copy of the amendment to the Master Plan accompanies this report.

#### **Quarterly and YTD Reports**

- Accompanying this report you will find the fiscal year to date report of permits issued, list by category.

#### **Miscellaneous Updates**

- The Dextech expansion project is smaller than had initially been considered. The project will be limited to the 40,000 sq. ft. "future addition" to the manufacturing building, which was identified on the final approved site plan; back in 2013. The Final Site Plan was approved with parking, landscaping, parking lot lighting, stormwater, etc., included for future expansions. As such, a pre-app was not required nor was it needed, in the case. Therefore staff met with the applicant to go over the development review process.
- Staff has been informed that construction has been halted on a house on Bridgeway. Apparently this action was precipitated by a dispute between the new homeowner and the builder. Staff will continue to monitor the situation in the hope of preventing the partially constructed home from becoming an issue.
- ASTI has decided not to be the environmental consultant for Foremost Development Company. Tom Wackerman cited the 16+ year history the company has had with the City as the primary reason for declining the job.
- Rene Papo requested a meeting with staff to discuss Mill Creek Terrace. The meeting is scheduled for Tuesday, Feb. 16<sup>th</sup>. Staff will provide a verbal update at the DDA meeting.
- Staff has three meetings with developers and the MEDC on Wed, Feb 17<sup>th</sup>, to discuss the potential for Community Revitalization Program (CRP) and Community Development Block Grant (CDBG) funding assistance programs for the following projects:
  - Strawberry Alarm Clock – Jack Savas
  - 3045 Broad Street – Foremost Development
  - Grandview Commons – AR Brouwer

A copy of the MEDC CRP Guidelines accompanies this report.

- The Michigan Economic Developers Association (MEDA) Capital Day program is scheduled for Tuesday, February 23<sup>rd</sup>, at the Radisson Hotel in Downtown Lansing. Capitol Day is MEDA's annual legislative conference. This one-day conference includes sessions on the latest legislative issues related to economic development as well as State and Federal agency updates on economic development initiatives and laws. Capital Day also provides a unique opportunity to sit down one-on-one with your local legislator and discuss issues specific to your community or region. Capitol Day attendees are encouraged to invite their legislators and legislative staff.

The kick-off session this year is a panel titled, The Real Return on Investment for Economic Development Programs and Services. The panelists will talk about how decisions and/or assistance at the local and state level impacted their location and/or growth decisions. Dexter will be uniquely represented, as Dexter's NUBC CEO, Tony Grant will be a panelist.

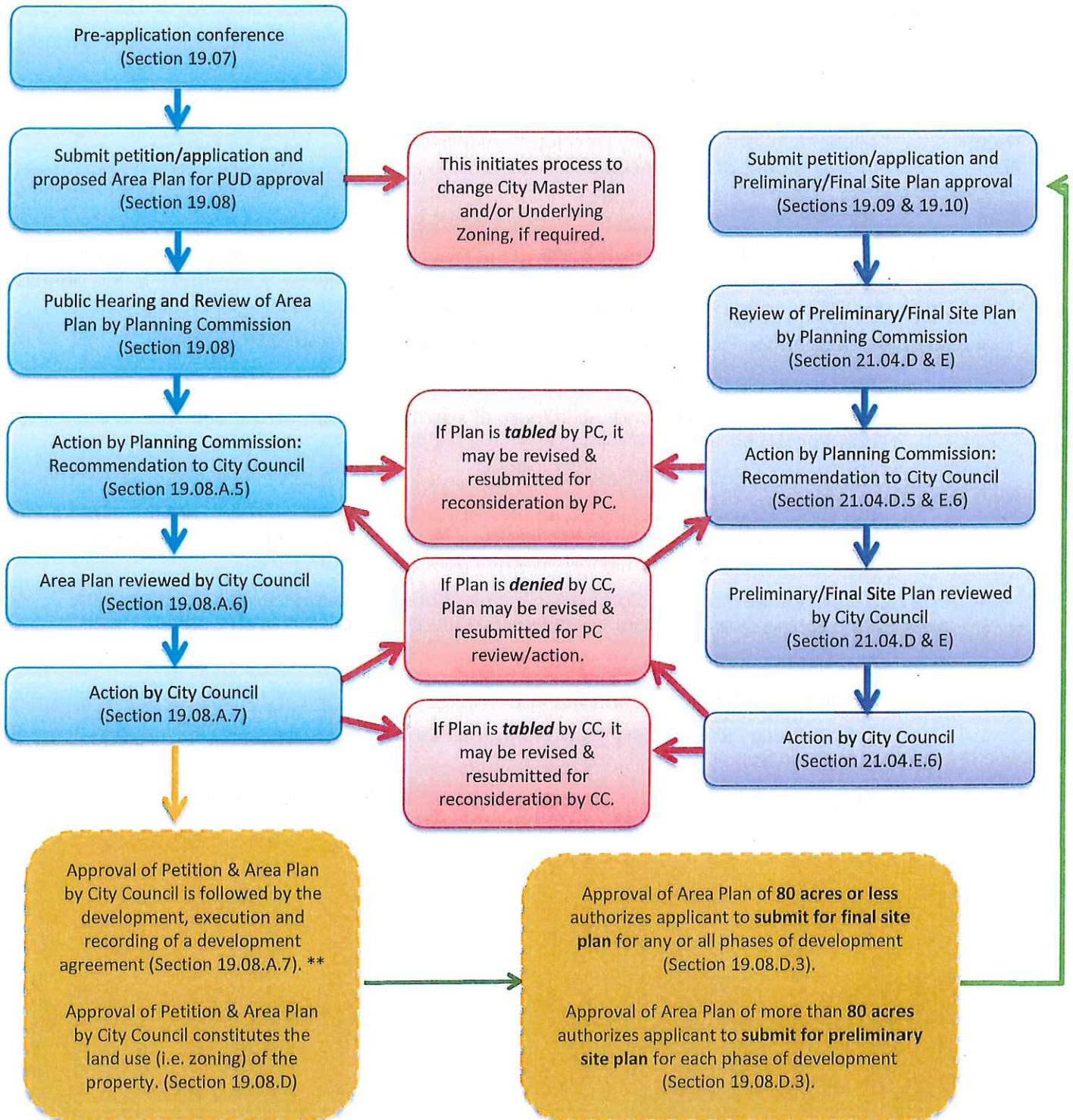
Other sessions will be addressing skilled labor challenges, potential legislative amendments to TIF legislation, and how and what to communicate to your legislator regarding economic development in Michigan.

A copy of the agenda is attached for your convenience. Please let me know if you would like to attend.

- Staff and Ann Arbor Spark are conducting a business retention call with Rob Toth at Dexter Research Center on Wed, Feb 24<sup>th</sup>.
- The first Dexter Business Summit for 2016 has been scheduled for Thurs, Mar 4<sup>th</sup> from 7:30 – 9:00 am. Our host is MC3. The Save-the-Date announcement is attached to this report.

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**CURRENT Article 19 Planned Unit Development Process**



\*\*Staff is of the opinion that the development agreement may be amended to include development project details following final site plan review.

**STAFF MEMO**

**To:** Chairman Kowalski and Planning Commissioners  
Courtney Nicholls, City Manager

**From:** Michelle Aniol, Community Development Manager

**RE:** Pros and cons of PUD and Site Plan Review

**Date:** January 29, 2016

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As you know, Ex-officio member Jim Smith requested the Pros and Cons of the PUD and Site Plan Review ordinances, in order to better understand these development review tools, in regards to the pending Grand Street and Baker Road project. The following comments are offered for your consideration:

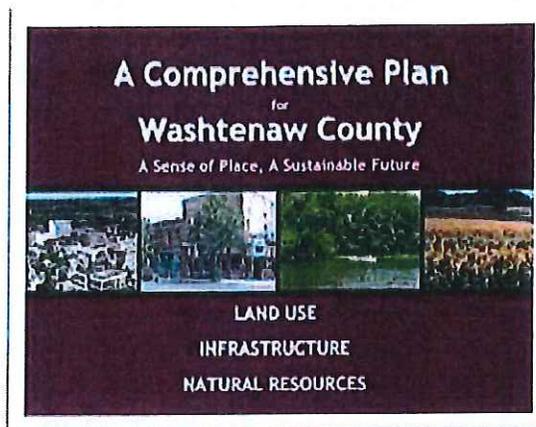
- Pros and Cons for the Planning Commission to consider this development as a PUD
  - Flexibility in the regulation of land (Pro)
  - Encourage innovative land use in terms of variety of design, layout and type of structures constructed (Pro)
  - Enables negotiation with Developer (Pro)
  - The Ordinance was substantially amended in 2007, but neither the PC nor the City Council has had an opportunity to use this tool since then. Consequently, PC is not familiar with the standards and regulations in the current version of the PUD. (Con)
- Pros and Cons for the Planning Commission if they choose to consider a development with appropriate zoning changes (from the current industrial) applied to the property.
  - Known process (Pro)
  - Prohibits negotiation with Developer (Con)
  - Strict adherence to existing regulations, which may require variances from Zoning Board of Appeals (Con)
  - The zoning districts from which to choose from have limited applicability in this case (Con)

**Oil and Gas Drilling** - The City of Dexter has experienced increased interest in oil and gas exploration and development, which the City will balance with other community goals for existing and planned land uses, including natural resource protection.

## County Planning Initiatives

A number of planning initiatives recently took place in Washtenaw County and the City of Dexter which have relevance to the current Plan. Elements of these various plans and initiatives are incorporated throughout this document.

**2004 Washtenaw County Comprehensive Plan** - While the County Plan is now becoming dated, there are elements of this plan that remain relevant for the City of Dexter. The 2004 Comprehensive Plan for Washtenaw County recommends a development pattern for the City of Dexter described and illustrated below as follows:



- \* Sustainable small city and village development encouraging social interaction and environmental health;
- \* Reduce negative impacts and made future development more livable by changing existing land use patterns in areas surrounding villages;
- \* Development within one-half (1/2) mile of existing village limits should be developed at higher densities, and a grid system of roads with sidewalks should be required to provide convenient and alternative vehicle and pedestrian access to downtown main streets;
- \* Encourage infill development opportunities, particularly by encouraging urban service districts; and
- \* Develop model ordinance to ensure desired character of community is retained such as architectural guidelines, landscaping, signs, lighting and parking standards.

**Washtenaw Area Transportation Study (WATS)(Updated 2011)** - The Washtenaw Area Transportation Study has updated a long-range transportation plan for the County. The plan includes goals and capital and operating improvement projects which involve reconstruction or resurfacing, transit improvements, intersection and widening projects, as well as non-motorized projects (see Transportation Plan (pg. 49) for additional information).

**Washtenaw County Non-Motorized Plan (2006)** - WATS was also involved in the Washtenaw County Non-Motorized Plan which inventoried existing County-wide, non-motorized transportation facilities, identified missing links and provided

# Community Goals and Objectives

The City of Dexter is a growing community that faces the difficult challenge of accommodating increasing growth and development, and private land uses and values, while retaining its small town character, protecting natural resources, including air, water and public land. A key component of the City of Dexter Master Plan is the articulation of a vision for the City's future growth and the formulation of community goals which reflect the community desires regarding how to respond to future development.

The goals of the community attempt to balance the various interests and ensure that each development decision is consistent with the overall vision for the City. They help convey preferred development strategies and outline development policies for the City.

The goals were developed with input from residents, property and business owners, the Planning Commission, the City Council and other City officials. Public participation was sought through an on-line survey of residents. A summary of the survey findings can be found in the Appendix.

## Public Participation

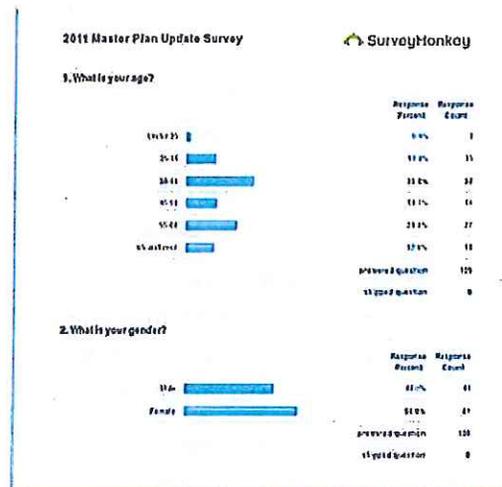
### Master Plan Update Survey

In early 2011, the City of Dexter began a comprehensive survey of its residents. Surveys are an important tool in obtaining the input of participants on many important issues facing the community. This input will assist the City's elected and appointed officials in the process of preparing a Master Plan. The responses provided will help guide the City in the process of preparing land use and transportation, arts and culture, recreation and leisure activities and other City policies.

An on-line community survey was made available to residents in early 2011. A total of 162 people participated in the survey which concluded in spring 2011.

The survey included four (4) sub-topics of questions:

- (1) Demographics – inquired about age, gender, educational attainment, household income, employment status, etc.
- (2) Strengths and Weaknesses – these questions were primarily open-ended in nature. They asked respondents what they like best/least about the City of



- \* Encourage development in the Baker Road and Dexter-Ann Arbor Road corridors that is separate and distinct from the Downtown that serves the needs of Dexter's growing population.
- \* Encourage common design elements, such as: architecture, streetscape, signage, and landscaping that promote continuation of the downtown theme along the Baker Road corridor.
- \* Provide commercial areas that meet the needs of City residents in terms of location and services offered.
- \* Promote quality, job producing economic development within the City that serves the needs of the City residents.
- \* Provide a variety of safe, efficient modes of transportation to meet the needs of City residents and visitors.
- \* Provide timely, efficient and quality governmental services to City residents.
- \* Assure that new development , and existing residential, commercial and industrial areas, protect the City's small town character, open space, natural resources and recreational values of the City from activities and land uses related or ancillary to mineral, sand and gravel, and oil and gas exploration and development.

## Natural Resources

*Protect and maintain the City's natural resources, particularly the Huron River and Mill Creek areas.*

### **Objectives:**

1. Guide development to foster the responsible use of land, preserve natural features, and to make the best use of existing public services, utilities, and infrastructure.
2. Protect and enhance the Huron River and Mill Creek. Collaborate with Huron-Clinton Metropolitan Authority, Washtenaw County Water Resources, Huron Watershed Council and Washtenaw County, when possible to improve water quality.
3. Promote protection and maintenance of the City's natural landscape.
4. Protect and preserve existing trees and wooded areas within the City.



5. Promote street tree planting to help preserve the residential character and tree-lined streets of the City.
6. Promote safe management of disposal of all waste materials, both hazardous and non-hazardous, which are generated within or transported through the City through coordination with state and local agencies to ensure that contaminated sites are returned to an acceptable environmentally safe condition.
7. Reduce noise and air pollution and site lighting levels so as to minimize their impact on residential areas.
8. Continue to concentrate efforts on wellhead protection and groundwater quality to protect this vital community resource through the protection program initiated by the City.
9. Protect the water quantity and quality of the City's rivers, streams, groundwater, springs, lakes, ponds, wetlands, and creeks, particularly the Huron River and Mill Creek, as a single interconnected hydrologic system.
10. Continue to monitor and improve the City's wastewater treatment and stormwater management systems to minimize negative impacts on City residents, the Huron River and Mill Creek.
11. Utilize progressive stormwater management and erosion control techniques to ensure that development will not adversely impact natural resources and surrounding property. Incorporate Federal Phase II Stormwater Requirements and Guidelines into planning review process of the City.
12. Encourage the use of best management practices and low impact development (LID) strategies to minimize stormwater run-off.

### Recreation / Open Space

*Provide various passive and active recreational opportunities for all residents of the City including programs and activities offered by the City and other agencies.*

#### **Objectives:**

1. Meet present and future community needs for parks, greenways, trails and recreation by planning and developing a system of parks, greenways, open space and recreation facilities and encouraging the preservation of green space and the development of new parks and/or recreation assets when opportunities arise.

## Transportation

*Provide a variety of safe, efficient modes of transportation to meet the needs of City residents and visitors.*

### **Objectives:**

1. Maintain a transportation network that maximizes the capacity of existing roads while maintaining roadways and facilitating safe and efficient movement of vehicles and pedestrians throughout the Village.
2. Continue to evaluate and resolve issues with Village "through traffic" constraints by coordinating and cooperating with the County Road Commission.
3. Evaluate the impact of traffic generated by existing development and new or expanded land uses, including extractive uses, and work toward improvements, compatibility with other existing and planned uses, and safety concurrent with new development and uses.
4. Continue to implement access management standards for new development in order to improve the function and appearance of local streets, streetscapes and alleys; providing adequate rights-of-ways and appropriate improvements for traffic volume.
5. Encourage new streets to be designed in an interconnecting network with flexibility within the neo-traditional residential pattern, similar to the existing street network.
6. Coordinate transportation improvements with the County Road Commission and state agencies, including participation in Washtenaw Area Transportation Study (WATS).
7. Provide a variety of transportation choices including public transit and non-motorized transportation, and areas for bike parking.
8. Expand upon existing connections to create a City-wide, non-motorized network to provide opportunities for pedestrian activity such as walking, jogging and bicycling.

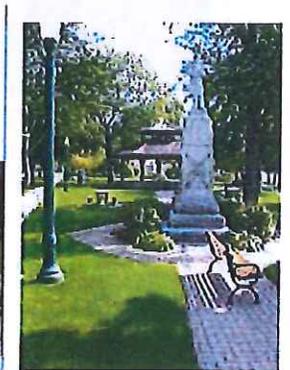
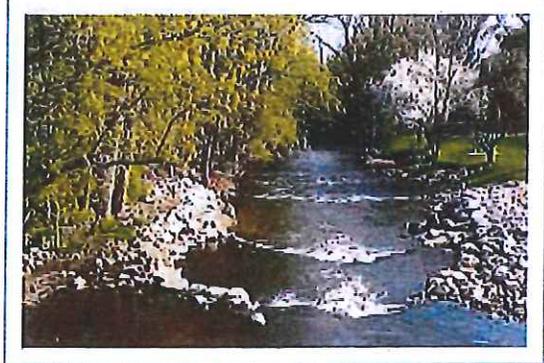


## Community Facilities + Services

*Provide timely, efficient and quality governmental services to City residents.*

### **Objectives:**

1. Provide and maintain open space, parks and recreation facilities to meet the needs of Village residents as formulated in the Parks and Recreation Master Plan.
2. Work with adjacent municipalities and Washtenaw County to provide area residents with high quality community services and facilities.
3. Provide adequate level of services regarding police, fire and safety services.
4. Provide adequate and affordable sewer and water service for Village residents.
5. Provide a public restroom facility in the Downtown area.
6. Provide adequate storm and seasonal services to Village residents.
7. Initiate stormwater upgrades as necessary and investigate whether a stormwater utility would be cost-effective for the Village.
8. Work with adjacent communities, Washtenaw County Water Resources Department, and the Huron River Water Shed Council to protect the area watershed.
9. Evaluate impact of new development and new and expanded land uses on community services and facilities, such as police, fire, and parks, and work to ensure there are adequate regulatory tools and resources available to support new development and uses while protecting existing and planned uses and environmental quality, in particular where uses involve a higher risk of release, discharge, or spill of hazardous substances, pollutants, or similar substances.



## Light Industrial

**Intent:** The Future Land Use Map establishes only one (1) area for Light Industrial use. This designation is intended to allow the continued operation of the current industrial uses.

**Description:** The Light Industrial area is located along Huron River Drive in the northeast corner of the City.

**Relationship to Physical and Natural Features:** Direct access to this area is provided via Huron River Drive. Municipal sewer and water are also available within this area.

**Appropriate Uses:** Desirable land uses and elements of the Light Industrial category are:

- \* Light manufacturing, assembly, packaging, and testing facilities that provide:
  - o Abundant landscaping
  - o Screening of services and loading areas
  - o Landscape buffering to protect adjacent residential uses
- \* Oil and gas exploration and development, and similar extractive activities, to the extent the activities and uses are: sufficiently setback from incompatible uses, such as residential, office, commercial, recreation/conservation, and environmentally sensitive areas and natural resources; and the ancillary activities and uses generating potential nuisance effects such as traffic, lights, vibration, and noise will not be incompatible with surrounding existing or planned uses.



Land intensive industrial uses should not be permitted within the City limits due to the associated off-site impacts that have the potential to significantly detract from the quality of life in the City's residential neighborhoods.

**Compatible Zoning Districts:** The I-1, Light Industrial zoning district is compatible to the Light Industrial future land use classification.

## Research/Development

**Intent:** The Research/Development land use classification provides for a diverse range of wholesale, parts assembly, high-tech industry, research facilities, laboratories and light fabrication operations.

**Description:** The Future Land Use Map designates two (2) areas for Research/Development use. The Dexter Business and Research Park is located south of Dan Hoey Road and is a subdivided industrial park targeted toward research and development activities. A second Research/Development area is located between Second Street and the Railroad. In this area, the Research/Development designation is intended to allow the continued operation of its current uses.

**Relationship to Physical and Natural Features:** Utilities are available throughout the Dexter Business and Research Park development area, and soils are generally good for building construction. A woodlands buffer exists to the south of the industrial park providing screening from uses within Scio Township.

The area between Second Street and the railroad has access via Second Street with proximity to rail available to the rear. Municipal sewer and water are also available within this area. Additional screening of the existing facility is appropriate due to its proximity to an established single-family neighborhood.

**Appropriate Uses:** Desirable land uses and elements of the Research/Development category are:

- \* Wholesale, parts assembly, high-tech industry and light fabrication operations that provide:
  - o Well-designed circulation systems
  - o Supportive facilities such as utilities
  - o Abundant landscaping, screening of services and loading areas
  - o Landscape buffering to protect adjacent residential uses.
- \* Oil and gas exploration and development, and similar extractive activities, to the extent the activities and uses are: sufficiently setback from incompatible uses, such as residential, office, commercial, recreation/conservation, and environmentally sensitive areas and natural resources; and the ancillary activities and uses generating potential nuisance effects such as traffic, lights, vibration, and noise will not be incompatible with surrounding existing or planned uses.

**Compatible Zoning Districts:** The RD, Research and Development, zoning district is compatible to the Research/Development future land use designation.

## Public/Semi-Public

**Intent:** The Future Land Use Map designates uses such as existing and planned municipal buildings and facilities, parks, churches, cemeteries, public schools, and other uses providing public or semi-public services within this category. The Master Plan also designates areas for additional neighborhood parks in the City to assist in meeting the recreational needs associated with future population increases and the

2010, a Tree Replacement Account was set up with a significant contribution from the United Methodist Retirement Community for tree removal that occurred as part of the Cedars of Dexter site development. When considering land to be annexed, saving existing natural features and protecting habitats should be a priority.

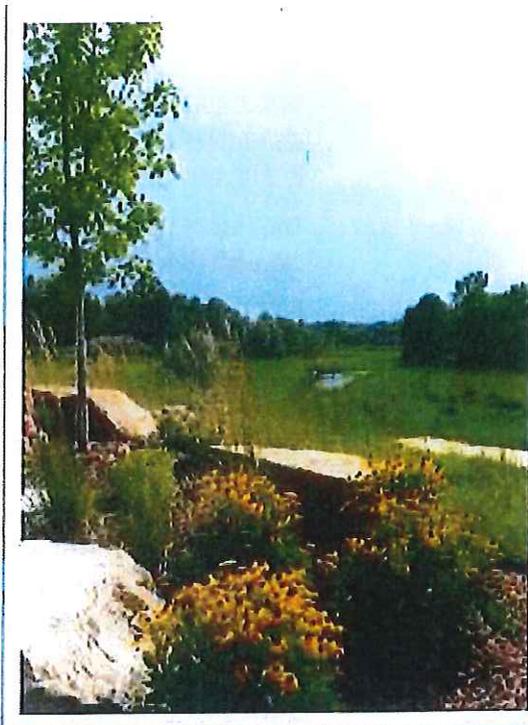
The Village's northeastern border along the Huron River remains the most naturally preserved. This section of town is within the Village's Public Park Zone, as can be seen in the City zoning map. The Public Park Zone has the greatest potential for becoming a link to the Washtenaw Counties regional greenway system due to its location adjacent to the Huron River and the abundant natural resources and recreation opportunities available.

The Mill Creek within the City provides residents with considerable access to natural resources. The Mill Creek, just west of downtown, was re-established in 2008 following the removal of the dam built by Henry Ford in 1932. In 2011-12 the City will begin the process of reclaiming the former dam impoundment into the Mill Creek Park with assistance from several grants, general funds and Washtenaw County Parks. Stream restoration efforts, habitat enhancement, boardwalks, fishing and observation decks, boat launches, an amphitheater and stone seating areas will be constructed within Mill Creek Park. Washtenaw County Parks and Huron Clinton Metropolitan Authority (HCMA) will also complete a portion of the Border-to-Border Trail north of the City by the fall of 2012. A subdivision connector to the Westridge Subdivision will also be completed in 2011. The combined trails north and east of the City will compile over fifteen (15) miles of non-motorized pathways around the Village's borders. The Mill Creek Park and the newly accessible areas will remain a place for wildlife to subsist and for residents and visitors to enjoy.

The City of Dexter is within the scenic and natural open areas of the Middle Huron River Watershed, which consists of plans to further develop the existing natural areas within the City to enhance the small town feel. The Village's goal is also to provide wildlife habitat and recreation opportunities for City residents and guarantee that the resources that exist today continue to be preserved into the future.

#### Water Resources

The Huron River and its largest tributary, the Mill Creek, encircle the City of Dexter. The Huron River constitutes primarily the northern border of the Village, with some minor exceptions. The Mill Creek is the west border of the Village, although a site condominium project (Westridge of Dexter) was also annexed beyond the Mill Creek. It is essential to the health of these water bodies to conserve and protect



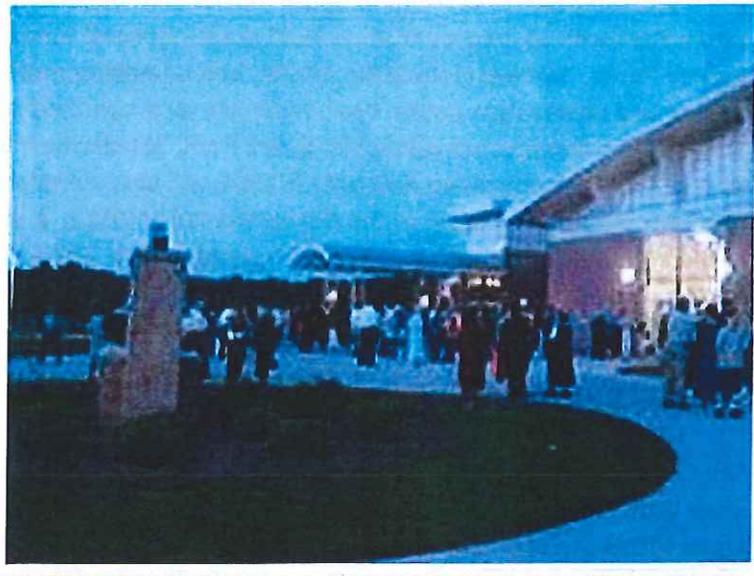
water quality and quantity and to regulate in a manner that recognizes that groundwater, springs, creeks, streams, lakes, ponds, and wetlands are a single interconnected hydrologic system.

The Huron River Watershed Council (HRWC) is staffed with experts in the fields of watershed management, river ecosystems and river habitats. The HRWC provides information on watershed management and protection and organizes community groups and volunteers for river clean-up days and other habitat monitoring and restoration projects. The HRWC is a regional organization that the City participates with and is a member of, although the HRWC has taken the lead in the conservation and education of the river and its tributaries.

The Village, as well many communities along the middle stretch of the Huron River, is under a total maximum daily load for phosphorous into the Huron River. The City is working to address this through a cooperative effort with other impacted municipalities to reduce loading.

### School Facilities

Dexter Community Schools are ranked in the top twenty percent (20%) of schools within the State of Michigan. The Dexter Community School District campus size has also dramatically increased in the past decade along with the Village's population. In 1998, two (2) new schools were built, Cornerstone Elementary and Mill Creek Middle School, and in 2002 a new high school opened.



Dexter Community School facilities include: two (2) kindergarten through second grade elementary schools (Bates and Cornerstone); one (1) third and fourth grade elementary school (Wylie); one (1) fifth and sixth grade intermediate school (Creekside); one (1) seventh and eighth grade middle school (Mill Creek); and Dexter High School for grades nine through twelve. The City collaborates with the school district on many initiatives given that a majority of the school's campus is located within the City limits.

# Implementation

The Master Plan is essentially a statement of goals and objectives designed to accommodate future growth and redevelopment. As stated in the Introduction of this document, the Master Plan is the officially-adopted document that sets forth an agenda for the achievement of goals and policies. It helps develop a balance of orderly change in a deliberate and controlled manner that permits controlled growth. As such, it provides the basis upon which zoning and land use decisions are made.

The Plan forms the philosophical basis for the more technical and specific implementation measures. It must be recognized that development and change will occur either with or without planning, and that the Plan will have little effect upon future development unless adequate implementation programs are established. This section identifies actions and programs that will be useful if the Plan is to be followed.

A variety of programs or administrative tools are available to allow the Plan to succeed. These include:

## Zoning Requirements

Zoning is the development control that has been most closely associated with planning. Originally, zoning was intended to inhibit nuisances and protect property values. However, zoning should also serve additional purposes that include:

- \* To promote orderly growth in a manner consistent with land use policies and the Master Plan.
- \* To promote attractiveness in the Village's physical environment by providing variation in lot sizes, architectural design guidelines and appropriate land uses.
- \* To accommodate special, complex or unique uses through mechanisms such as planned unit developments, overlay districts, or special land use permits – specifically within the areas designated for mixed use in order to allow complimentary uses and design guidelines.
- \* To guide development away from conflicting land uses (i.e. industrial uses adjacent to residential areas).
- \* To preserve and protect existing land uses, natural resources, air, land, water, and other significant natural features in accordance with the Master Plan.
- \* To promote the positive redevelopment of underutilized areas of the Village.

- \* To balance the increased interest in activities and land uses related or ancillary to oil and gas exploration and development with other community goals to ensure the uses occur in a manner consistent with other existing and planned uses, and in a manner that protects the open space, natural resources, recreation, and other priorities in the City.

The Zoning Ordinance and Future Land Use map by themselves should not be considered as the major long range planning policy of the Village. Rather, the Master Plan should be regarded as a statement of planning policy, and zoning should be used to assist in implementing that policy.

### Zoning Adjustments

Certain areas of the City have been designated for a land use classification in the Master Plan which conflicts with either existing zoning or existing land uses. These designations were developed in order to guide the desired development of these areas. Certain areas may benefit from a Village-initiated rezoning in order to provide more consistency. Additionally, other areas may continue with an existing zoning designation that, although currently conflicting with the Future Land Use designation, may be rezoned in the future once the existing use terminates or conditions change. It is at this future time the land use recommendations will provide guidance as to the proper zoning. The City Planning Commission should further study and make decisions with regard to which areas warrant Village-initiated rezoning. The following should be considered for Village-initiated rezoning:

1. Encourage new residential developments to provide contiguous internal recreational amenities.
2. Modify the CBD zoning district to ensure redevelopment, increased viability, adequate parking, walkability and the reuse of the upper floors of the existing structures.
3. Create a tree preservation ordinance.
4. Create a Huron River, Mill Creek overlay zone to ensure natural feature preservation.
5. Evaluate the adequacy of the noise, air and light standards of the Zoning Ordinance.
6. Create provisions requiring bike parking for government, commercial and educational institutions.
7. Evaluate likely potential effects of mineral, sand and gravel, and oil and gas exploration and development, on the public health, safety, and welfare; and review existing zoning and other police power ordinances to ensure they balance the need for those uses with their effects on other existing and planned uses in a manner that furthers and protects community goals and priorities, including land use, land preservation and

the protection of natural resources and water quantity and quality, transportation, and safety and community facilities and services.

Adopt land development regulations that provide standards and regulations specific to various elements within the Village:

1. Develop Stormwater Management Regulations that comply with Phase II and encourage use of Best Management Practices.
2. Adopt regulations that recognize the connection of groundwater and surface water, and include limitations that protect, and prevent pollution, impairment or diminishment of, the quantity and quality of available water resources, including aquifers, springs, rivers, creeks, ponds, and wetlands, for existing and future water needs for residential recreation, commercial, industrial, and for protection and preservation of water bodies and their natural resources and uses.
3. Review City Ordinances to ensure the City is sufficiently reviewing and collecting data and information regarding the likely effects of land uses on the public health, safety, and welfare, including the effects on the City's environmental and natural resources.
4. Review ordinances to ensure the City requires sufficient disclosure of information and permits, with sufficient conditions, to allow the fire and police to provide an emergency response adequate to protect the public health, safety, and welfare to the spill or other release of hazardous or other dangerous substances or pollutants during transport of use.
5. Create development design guidelines as a means of preserving the existing architectural character of the Village. The emphasis of the guidelines shall be placed upon major renovation projects and new construction.
6. Work to create incentives for the maintenance and rehabilitation of the existing residential structures, such as Rental Rehabilitation and Façade Rehabilitation programs through the MEDC.
7. Continue coordination with the Washtenaw County Brownfield Authority and upon identifying a site, adopt a Brownfield Redevelopment Plan.
8. Pursue a property maintenance ordinance, a component of which would recognize property owners who further the historic character of the Village.
9. Continue to coordinate a Village-wide path system that requires developers to construct a pathway and/or contribute to the system which links new residential developments to downtown, local parks and/or schools.

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## PERMITS ISSUED LIST BY CATEGORY TOTALS

Categories/Number of Permits

Addition-single family	1
Addition-Single Family	7
Building Sign	4
Change In Tenant	2
Comm office building	1
Comm Office Building	1
Deck	8
Demolition	7
Demolition-Interior Only	1
Detached Structure	1
Exterior Remodel	4
Exterior Remodeling	2
Fence	8
Ground Sign	3
Interior Remodel	12
Interior Remodel/Change of	1
Multi family dwelling	4
New Single Family	5
New Single Family Dwelling	14
Other Property Alteration	1
ROW Residential	17

<b>ROW work in</b>	<b>12</b>
<b>Special Events/Other Temp</b>	<b>1</b>
<b>Temp Non Residential</b>	<b>1</b>
<b>Temp. Commercial Sign</b>	<b>4</b>

**122**

Population: All Records

Permit.DateIssued Between 7/1/2015

12:00:00 AM AND 6/30/2016 11:59:59 PM



## MICHIGAN COMMUNITY REVITALIZATION PROGRAM GUIDELINES

### PROGRAM GOALS

The Michigan Strategic Fund (MSF) Act, MCL 125.2011 et. seq. was amended to add Chapter 8C to create and operate the Michigan Community Revitalization Program (MCRP), administered by the Michigan Economic Development Corporation (MEDC) on behalf of the MSF. Community Revitalization will accelerate private investment in areas of historical disinvestment, contribute to Michigan's reinvention as a vital, job-generating state, foster redevelopment of functionally obsolete properties, reduce blight, support the rehabilitation of historic resources, and protect the natural resources of this state. The focus of the MCRP is to encourage and promote capital investment and redevelopment on brownfield and historic preservation sites located in traditional downtowns and high-impact corridors.

### ELIGIBLE APPLICANTS

Any person or multiple persons may apply to the MSF for approval of a MCRP incentive associated with a project.

### PROJECT CONSIDERATIONS

Projects must meet the Community Development Guidance standards as established by the MEDC, which can be reviewed at: [http://www.michiganbusiness.org/cm/Files/Community\\_Development/2015-Community-Incentive-Guidance.pdf](http://www.michiganbusiness.org/cm/Files/Community_Development/2015-Community-Incentive-Guidance.pdf). If the project meets the Community Development Guidance standards, a review of all statutory criteria will be conducted. The following legislative criteria will be evaluated by the MSF for all projects regardless of their applicability to any individual project:

- I. The amount of local community and financial support for the project. For example:
  - Community has committed financial support in the form of tax increment revenue or tax abatements.
  - Community has deemed this project a priority and the project type falls within their identified local plans.
- II. The applicant's financial need for a community revitalization incentive. For example:
  - A gap in financing is demonstrated via the submitted pro-forma and application.
- III. Whether the project is financially and economically sound. For example:
  - Ability to secure all sources of financing for the project.
  - Financial gap no longer exists after MCRP incentive is applied.
  - Reasonable assumptions are used for rental rates and owner occupied space.
- IV. Whether the project involves the rehabilitation of a historic resource. For example:
  - Property qualifies as a historic resource as defined in the Eligible Property section of this document.
  - Significant historic restoration and rehabilitation on the resource is to be performed.

- Applicant consultation with the State Historic Preservation Office (SHPO).
  - Utilization of federal historic tax credits.
- V. The level and extent of environmental contamination. For example:
- Department of Environmental Quality (DEQ) has determined the site a Facility.
  - DEQ committed funding for cleanup of the site via a loan or grant.
  - Applicant consultation with the DEQ.
- VI Competition with existing Michigan businesses. For example:
- Extent of comparable existing businesses in the region.
- VII Any other requirements required by the MSF Board

The MSF will evaluate any other legislative criteria as applicable to the specific project including, but not limited to:

- The extent of reuse of vacant buildings and redevelopment of blighted property
- Whether the project promotes mixed-use development and walkable communities
- If the project will act as a catalyst for additional revitalization of the community in which it is located.
- Creation of jobs.
- The level of private sector and other contributions, including, but not limited to, federal funds and federal tax credits.
- Whether the project increases the density of the area.
- Whether the project converts abandoned public buildings to private use.
- Whether the project promotes sustainable development.
- Whether the project addresses area wide redevelopment.
- Whether the project addresses underserved markets of commerce.

#### **LEVEL OF SUPPORT**

MSF support for a single project shall not exceed 25% of the eligible investment, and in no event shall the MSF support exceed a total of \$10,000,000 for any project (including any combination of loan, grant or other economic assistance). However, legislation allows that annually the MSF may consider support up to three single projects that shall not exceed 50% of the eligible investment up to \$10,000,000 for the specific purpose of historic preservation. Further, no part of the MSF support that is in the form of a grant shall exceed \$1,500,000 for any project.

#### **ELIGIBLE PROPERTY**

Documentation that the project is located on an eligible property is required at the time the application is submitted. While subject to legislative change, eligible property includes one or more of the following:

- I. Facility: As defined in Public Act 451 of 1994, MCL 324.20101, means any area, place, or property where a hazardous substance in excess of concentrations that satisfy the cleanup criteria for unrestricted residential use has been released, deposited, disposed of, or otherwise comes to be located. A Phase I and Phase II Baseline Environmental Assessment is used to determine whether the property is a facility. The MEDC will confirm with the MDEQ who will certify the property as a facility after adequate documentation is received from the developer.
- II. Historic Resource: Means a publically or privately owned historic building or structure,

individually listed, or located within a historic district designated by the National Register of Historic Places, the State Register of Historic Sites, or a local unit acting under the Local Historic Districts Act, 1970 PA 169. Documentation is required to verify any of the above designations. These projects must meet the federal Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings, (Standards) (36 CFR 67);

- III. **Functionally Obsolete:** Means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself, or the property's relationship with other surrounding property as determined by a Michigan Advanced Assessing Officer or a Michigan Master Assessing Officer.
- IV. **Blighted:** Means any property that meets any of the following criteria as determined by the respective unit of government, building official, or assessor when applicable:
  - Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance;
  - Is an attractive nuisance to children because of physical condition, use, or occupancy;
  - Is a fire hazard, or is otherwise dangerous to the safety of persons or property;
  - Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use;
  - Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state;
  - Is property owned, by or under the control of, a land bank fast track authority under the Land Bank Fast Track Act, 2003 PA 258; and
  - Has substantial subsurface demolition debris buried on site so that the property is unfit for its intended use.
- V. **Adjacent or Contiguous:** Other parcels that are adjacent or contiguous to property described in (I) through (IV), as long as the property is improved and the taxable value is increased for the adjacent and contiguous property in conjunction with the project property.
- VI. **Any Other Property:** "Any Other property" means property that previously met the conditions described in (I), (III) and (IV) within the last 15 years for which assistance will further the program goals of the MCRP

### **ELIGIBLE INVESTMENT**

An eligible investment, as adopted in Resolution 2013-031, Approval of the Definition of Eligible Investment for the MCRP Program, means at least one, or any combination of, the following expenditures which may have occurred prior to the MSF approval of the application and has not been completely reimbursed to, or paid for on behalf of, the applicant. Collectively these expenditures are eligible investments and are referred to as "Hard Costs":

- Any fees or costs for alteration, construction, improvement, demolition, or rehabilitation of buildings of an approved project, including utility tap fees, and fees and costs paid to a governmental entity for permits, zoning, and inspections;

- Any fees or costs for site improvements to an approved project, including, a surface parking lot, parking garage, parking ramp, utilities and public infrastructure, such as roads, curbs, gutters, sidewalks, landscaping, lighting, grading and land balancing;
- Any fees or costs for the addition of machinery, equipment or fixtures to an approved project; or
- Professional fees or costs for an approved project for architectural services, engineering services, Phase I environmental site assessment, Phase II environmental site assessment, or Baseline Environmental Assessment, or surveying services.

The MSF or MSF Fund Manager, on its behalf, may impose additional terms and conditions involving any Hard Costs that meet eligibility for reimbursement under any tax increment financing, including requiring those costs to be repaid to the MSF, or excluding any such costs from Hard Costs.

In no event shall any of the following, which are collectively referred to as "Soft Costs", be deemed any part of the Hard Costs:

- acquisition fees or costs for real property,
- developer fees or costs,
- closing fees or costs,
- legal fees or costs,
- professional fees or costs (other than those included above as part of the Hard Costs),
- title commitment fees or costs,
- title insurance fees, premiums or costs,
- management fees or costs (including Project management and construction management),
- appraisal fees or costs,
- bank or other lender financing, interest, or inspection fees or costs,
- leasing or sales commission fees or costs,
- shared savings, or fees or costs arising from penalties or other reductions in payment from any contract for improvements to the Project,
- performance bond and other risk contingency fees and costs,
- marketing fees or costs,
- LEED certification costs,
- zoning fees or costs (other than those zoning fees or costs paid to a governmental entity included above as part of the Hard Costs),
- taxes, or
- hazard, liability or any other insurance fees and costs.

#### **PROJECT EVALUATION, PROCESS AND MSF SUPPORT**

Request for MSF support of projects, includes the following:

- Intake form, pro-forma, financial and supporting documentation and MEDC leadership consideration;
- Letter of Interest, when appropriate;
- A completed application package;
- Financial structure and terms sheet;
- Payment of any required fees;
- Michigan Strategic Fund consideration;
- Development Agreement and milestone completion; and
- Project completion, required reporting following project completion, and closeout.

All MSF support shall be memorialized by final written grant, loan or other economic assistance agreements, with terms and conditions in accordance with state law, these guidelines and otherwise satisfactory to the MSF, including, without limitation, requiring performance-based milestones which shall govern disbursements; and requiring periodic reporting of data, financial information, and any other information required to facilitate reporting to the MSF and the Michigan legislature, including periodic reporting after completion of a project. The program may require applicants to pay reasonable application fees, and any other expenses incurred in administering the program, to the MEDC.

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## Capitol Day Agenda

February 23, 2016

Radisson Hotel, Lansing, Michigan

Event Sponsor



#MEDA16CD

MEDA's Corporate Sponsors



**DTE Energy**



**8:30 a.m. Registration Opens**

**9:00 a.m. The Real Return on Investment for Economic Development Programs and Services**  
Even though Michigan is becoming a more business-friendly state, state and local programs and services such as incentives still have a strong influence on corporate decisions to expand in our state and others. Engage with leaders in the business community as they talk about what was vital in their decision making process on whether to stay or grow in Michigan.

**Confirmed Moderator:** *Steven Black, Transaction Manager, RACER Trust*

**Confirmed Panelists:** *Tony Grant, CEO, Northern United Brewing Company*

*Joseph Martin, Program Officer, Charles Stewart Mott Foundation*

*Others TBD*

**9:45 a.m. Break**

**10:00 a.m. Skilled Labor Challenges**

Being there for client companies nowadays often means being asked to help them find workers but often economic developers don't have the tools to work with. Learn about a few creative things that have been done with what is available and discuss what could be available for increased success.

**Confirmed Moderator:** *Colby Spencer-Cesaro, Senior Director, Research & Strategy, Workforce Intelligence Network (WIN)*

**Confirmed Panelists:** *Stephanie Comai, Director, Talent Investment Agency*

*Janene Erne, Apprenticeship Coordinator, Oakland Community College*

*Laura McGuire, North American Educational Development and Training Manager, Denso Manufacturing*

*Brian Sarvello, Career and Technical Education Director, Marquette-Alger RESA*

**10:45 a.m. Networking Break**

**11:00 a.m. Putting the Right TIF Forward**

Recent attempts have been made to rewrite Tax Increment Financing Authority (TIFA) laws, which has resulted in concerns about the potential negative impacts on economic development. There are a lot of players in the game. Both supporters of the current TIFA laws, and those that would like to make changes, will put forth their concerns regarding and the pros and cons of the proposed changes.

**Potential Moderator:** *Al McFadyen, Consultant, Bay MCF*

**Confirmed Panelists:** *Kurt Brauer, Attorney/Partner, Warner, Norcross & Judd LLP*

*Representative Kurt Heise, Michigan House District 20*

*Kris Larson, DDA Director, City of Grand Rapids*

**11:45 p.m. Lunch and Membership Meeting**

**12:45 p.m. What Needs to be Communicated to Your Legislators**

More than a typical update, this session will talk about the impression that the MEDC is getting from the business community as well as what's on the horizon regarding the challenges that we face.

**Confirmed Speaker:** *Jeremy Hedges, Deputy Director for Policy and Legislative Relations, Michigan Department of Talent and Economic Development*

**1:30 – 4:00 p.m. Meetings that You Scheduled With Your Legislators or Their Staff**

**3:00 – 5:00 p.m. Report Back Reception at Midtown Brewing**

Join the MEDA staff and Advocacy Committee to talk about your discussion with your legislator or just to mingle with fellow attendees.

# SAVE



# THE

# DATE

March 3, 2016  
7:30—9:00AM

Dexter Business Summit

Host: MC3

2555 Bishop Circle E  
Dexter, MI 48130



