

**City of Brighton
Downtown Development Authority
Regular Meeting Minutes
December 17, 2013**

The Board for the Downtown Development Authority (DDA) held a regular meeting on Tuesday, December 17, 2013 at the City of Brighton Council Chambers located at 200 N. First Street, Brighton, MI.

1. **Call to Order** – Chairperson Herbst called the meeting to order at 7:20 a.m.

Members Present:

Dave Beauchamp, Mark Binkley, Tim Corrigan, Scott Griffith, Bob Herbst, Ashley Israel (arr. at 7:28), Pam McConeghy, Mondie Miller, Jim Muzzin, Lisa Nelson, Shawn Pipoly, and Claudia Roblee

Members Absent: Linda Botka

Also present:

Mr. Piet Lindhout, Lindhout Associates, Mr. Doug Cameron, DDA Attorney, Mr. Matt Modrack, DDA Executive Director/Community Development Director, City of Brighton, Mr. Dana Foster, Brighton City Manager, Ms. Kelly Hanna, Brighton Finance Director and an audience of two.

Motion by Mr. Pipoly, supported by Mr. Griffith, to excuse the absence of Linda Botka. Motion carried 11-0-2.

2. **Approval of December 17, 2013 Agenda**

Chairperson Herbst noted that there are two additions to today's agenda. Add item 5.E., Landscape Design Associates, in the amount of \$279.15 for a total amount of \$6,572.28. Add item 8.C.2.b., Discuss demolition agreement with Thomas Duke for Davis Office Center.

Motion by Ms. McConeghy, supported by Mr. Corrigan, to approve the December 17, 2013 meeting agenda as amended. Motion carried 11-0-2.

3. **Call to the Public** was made at 7:22 a.m. Hearing no comments, call to the public was closed.

4. **A. Approval of the November 19, 2013 Regular Meeting Minutes**

Motion by Ms. Roblee, supported by Mr. Corrigan, to approve the November 19, 2013 regular meeting minutes as presented. Motion carried 11-0-2.

5. **Approval of Bills**

Mr. Modrack reviewed the bills and noted that he has Lindhout Associates working on several projects including theater elevations to be used by Contracting Resources to generate a pro forma for a two or three story building. Lindhout has also been working with ANC Engineering to coordinate the CSX west lot survey work, and a bill from ANC is included to reimburse them for insurance required by the CSX that was not in the original bid. Property tax bills for the Barton property are also included in this month's bills for approval.

Motion by Mr. Pipoly, supported by Mr. Muzzin, to approve the bills as presented. Motion carried 11-0-2.

6. **A. Financial Reports**

Mr. Modrack noted that an updated budget spreadsheet is included in the packet and that City Manager Foster and Finance Director Hanna will go into more detail about the budget in their presentation.

Motion by Ms. McConeghy, supported by Mr. Pipoly, to accept the FY 13-14 financial report through 12/13/13 as presented. Motion carried 11-0-2.

7. DDA Fund 6-Year Budget Forecast – Kelly Hanna, Dana Foster

The Powerpoint presentation for the 6-year forecast presented to City Council was reviewed by Ms. Hanna. She noted that starting in FY 14-15, the forecast continues to assume personal property tax revenue for True Cash Values less than \$80,000 is reduced by \$30,000 and the reduction increases thereafter. Also of note for FY 13-14 is that Michigan Tax Tribunal prior year chargebacks are expected to be \$34,000 higher than budgeted but that we started off this fiscal year with a higher than expected beginning fund balance, so this should be a wash. The forecast includes only those projects that have been formally adopted by the DDA and currently assumes no additional TIFA bond issues. The DDA Fund will make its last TIFA bond payment in FY 14-15. The forecast also assumes restructuring of the Johnson land contract to an interest only loan. She presented and compared the March 21 and November 7 forecasts presented to Council to illustrate the changes that have taken place. Mr. Muzzin had a question about why the ending fund balance for FY 13-14 is different between the 6-year forecast and the budget spreadsheet prepared by staff. Ms. French advised that the budget spreadsheet includes changes made since November 7 including the addition of the \$5,000 seller's expense for the Johnson land contract refinance on today's agenda and the proposed demolition loan for the Davis Office Center.

Mr. Foster reviewed a slide showing how the 6-year forecast revenues would be affected to the positive if the commercial and industrial personal property tax changes slated to begin in FY 15-16 do not take effect. This issue will be decided by a vote in August 2014 and if it fails to pass, the PPT will revert back to the tax rolls in FY 15-16. There is no plan by the state to reimburse DDA Funds for the loss of PPT revenue at this time.

8. New Business

A. Approve 2014 meeting dates – *Motion by Ms. McConeghy, supported by Mr. Corrigan, to approve the 2014 DDA Board meeting dates as presented. Motion carried 12-0-1.*

B. SBTDC Report – Nancy Johnson

Ms. Johnson noted that she was asked to write an op-ed by the editor of the Press & Argus, and it appeared in last Sunday's paper. She passed around a copy for the board members to read if they had not seen it. The article was about supporting small business and how unless you own a small business, you have really no idea how hard it is. Her next article will be about Ladies Night Out. Her written report is included in the packet for today's meeting. She reported that all the pictures taken by Alex Cabildo (Portraits by Alex) are up on the Downtown Brighton, Michigan Facebook page.

C. Sub-Committee Reports

1. **Design** – No meeting
2. **Development**

a. Approve Johnson land contract proposed refinance agreement and authorize Chairperson Herbst to sign the agreement and approve \$5,000 for Seller's expenses to extend the Land Contract per the agreement (para.4) – Mr. Modrack asked Mr. Cameron to review the agreement. He noted that the revised agreement is at 9% for a total of 7 years and also excludes \$1,500 in legal fees that was in the prior draft. The other changes are to the balance amount which is per Finance Director Hanna and the monthly payment amount. The seller's expenses have increased to \$5,000 which covers legal fees and costs associated with buying out the loan from Fifth Third; this expense will be separate from the land contract and will be paid by check to Mr. Ritz.

Motion by Ms. McConeghy, supported by Mr. Muzzin, to approve the Amendment to Land Contract and authorize Chairperson Herbst to sign the amendment on behalf of the DDA, and to approve \$5,000 for Seller's expenses per paragraph 4 of the Amendment. Motion carried 12-0-1.

b. Discuss demolition agreement with Thomas Duke for Davis Office center – Mr. Modrack reported is asking the DDA Board to consider a contract similar to the one we have with the Mitchells to participate in the demolition of the Davis Office Center buildings. The DDA would loan Thomas Duke \$50,000 (\$25,000 to be paid in FY 13-14 and \$25,000 in 14-15) and would be contingent on demolishing the buildings, payback within 18 months, allowing the DDA to post a sign advertising our participation and receiving an invoice from the demolition company. We would also get a personal guarantee written in the agreement similar to the one with the Mitchells. There was discussion about whether this would affect the current lawsuit by the City, and Mr. Foster noted that any agreement with Thomas Duke would not overturn any court orders. Mr. Israel disclosed that he would not be involved in the discussion about this item and he will recuse himself from voting on any motion brought today.

Motion by Ms. McConeghy, supported by Ms. Nelson, to authorize City staff and DDA Attorney Cameron to draft an agreement with Thomas Duke to participate in a loan agreement for \$50,000 for the purpose of demolishing the Davis Office Center buildings and to authorize Chairperson Herbst to sign it on behalf of the DDA Board. Motion carried 11-0-1-1 with one absence and one abstention by Ashley Israel.

3. **Budget** – No meeting
4. **Executive** – No meeting

9. **Lindhout Report**

A. Approve 2014 Flower & Property Maintenance Bid in January 2014 contingent on approval by DDA Design Subcommittee – Mr. Lindhout reported that the bid has to go out in January for next year's flower and property maintenance program since the winner of the bid has to order the flowers early in order to have them available by May to put up the baskets. Mike O'Leary will be reviewing the bid specs with the Design Committee on Thursday, December 19. Some of the issues to decide will be whether anything needs to be added such as maintenance of the Sculpture Garden. Mr. Lindhout also suggested that we bid out for a 2-year contract which will reduce the DDA's administrative expenses for Lindhout Associates for this program. Mr. Foster noted that the DPS seasonal employees could pick up trash. Mr. Modrack stated that the grass has to be cut at the garden. There was discussion about whether the baskets on Main Street could stay up through the holiday season and put some greenery and ribbons in them. Mr. Lindhout will bring the bid results to the January meeting for approval by the DDA Board.

10. **Chamber of Commerce Report (Pam McConeghy)** – Ms. McConeghy reported that Holiday Glow was very cold but a lot of families came out so it was considered successful. She said that it was colder than last year for Ladies Night but that it also was very successful with lots of women shopping. She noted that the Mt. Brighton grand reopening was Saturday, December 14, and was attended by some DDA and staff members. She also discussed the major MDOT project that she, Dana Foster and Matt Modrack have been involved in for the I-96/US-23 major construction project to begin in 2014. She reported that the Spencer Road bridge will probably be totally closed for 45 days, but they have not told us when that would start. Ms. French noted that a note should be sent to City merchants once we have more details so they can attend the MDOT informational meetings and voice their opinions about closing the Spencer Road bridge options.

11. **Administrative Report (Matt Modrack)**

A. External projects – Mr. Modrack noted that there are a lot of projects taking place by other entities and/or communities that will positively impact Brighton; specifically, Vail/Mt. Brighton, the Legacy Center soccer fields in Green Oak Township, Lake Trust Credit Union in Brighton Township and the Robertson Brothers residential project at the Lindbom School site.

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B. Routine projects – Mr. Modrack also recapped a few of the more routine projects that the DDA will be working on in 2014 such as the AA Muffler/Dairy Queen sidewalk expansion and CSX West parking lot. He also advised that City Council had given their approval at the December 7 retreat for Planning & Zoning Director Cyphert to write an amendment to the current ordinance that will allow for seasonal/event parking lots.

C. Big Projects – Mr. Modrack noted that the three big DDA projects – the Mill Pond Plaza makeover, theater and repurposing City Hall as an art/community center – will require a lot of work in 2014 in preparation for bonding and eventual construction.

Scott Griffith noted that there is a comic book store going in to the former Parent Teacher Tech building on Grand River. Claudia Roblee wished everyone a Merry Christmas and Happy New Year and thanked Mondie Miller for bringing in the pies for us this morning.

12. **Adjournment**

Motion by Ms. McConeghy, supported by Mr. Muzzin, to adjourn at 9:00 a.m. Motion carried 12-0-1.

Respectfully submitted,

Lauri French, Deputy Director
Community Development, Planning & Zoning
December 18, 2013