

City of Mt. Pleasant

Mission-Pickard Downtown Development Authority (DDA)

MINUTES OF THE REGULAR MEETING

August 10, 2017 10:00 AM
City Hall, Conference Room C

I. Call to Order

The meeting was called to order by Chair Tim Driessnack at 10:01 am.

Present: Tim Driessnack (Chair), Tom Krapohl, Doug LaBelle II, Eric Noeker, Lisa Orlando, Mary Ann Kornexl (for Nancy Ridley), Jeff Smith (Vice Chair)

Absent: Thomas Baumann, Tim Coscarelly, John Hunter, Margaret McAvoy

Also attending: (Staff): William Mrdeza
(Guests): Chase Dicken, Rightway Automotive

II. Approval of Agenda

It was moved by Krapohl, seconded by Smith, to approve the agenda as presented. **The motion passed unanimously.**

III. Approval of the May 11, 2017 Meeting Minutes

It was moved by Noeker, seconded by Krapohl, to approve the May 11, 2017 meeting minutes as presented. **The motion passed unanimously.**

IV. Old and New Business

A. Consider Approving the Amended 2017 and Proposed 2018 Downtown Development Authority Budget

Mrdeza introduced the 2017 and proposed 2018 budgets for the Board to consider approving. He also referenced additional material in the packet that Board members had requested from the previous month including what taxing authorities the DDA captures taxes from, a breakdown of the amount of taxes captured by taxing entity, and a summary of the increase in taxable value for the DDA district since its creation in 1990. Mrdeza also reported that the City Commission has asked the tax capture districts to propose two budgets for 2018: one which includes the current rate of capture and a second which recommends expenditures based on .10 less than that amount. In the case of the DDA, that would mean a 2018 budget recommendation at 28% capture and one at 18%. He

then turned the discussion over to Kornexl for a summary of the proposed amendments to the 2017 budget.

Kornexl indicated that the amended budget showed a reduction in the anticipated amount from the Personal Property Tax reimbursement from the state, based on more current projections. In addition, the tax tribunal amount was adjusted upward to reflect the amount of actual adjustment experienced earlier in the year. Finally, Kornexl reported that due to revised scheduling, the corridor study and contribution to the proposed master plan was moved to 2018. It was moved by Smith, seconded by Krapohl, to approve the amended 2017 DDA budget. **The motion passed unanimously.**

Kornexl next explained the proposed 2018 budget at both a 28% and 18% capture rate as requested by the City Commission. The major changes in 2018 from the 2017 budget were the addition of funds for alley maintenance and for a Mission Street Corridor Study as part of the proposed Master Plan scheduled to begin next year. Mrdeza explained that the purpose of the corridor study was to address consistent feedback from the community regarding the continued danger Mission Street poses to pedestrians and vehicles due to congestion and traffic speed. In addition, Mrdeza indicated that reimagining Mission Street as a *business* corridor, together with MDOT, will allow for a greater emphasis on the commercial nature of street and its economic impact to the community. The proposed budget reduction in 2018 between a 28% capture and an 18% capture was to reduce the funds assigned for Pedestrian and Traffic Safety from \$200,000 to \$100,000.

Board members discussed concerns about reducing the capture rate from 28% to 18%, citing several reasons:

- The current 28% capture rate is already well below the allowable amount of 100% and below other DDA's which typically capture at least 50% if not more.
- The DDA has been focused on safety and maintenance issues along Mission Street which has included alley maintenance and the construction of grid and cross connection streets. These funds would not otherwise be available through General Fund sources.
- The DDA has also offered incentives to businesses along Mission Street to improve its appearance and to make it more attractive for shoppers as well as businesses looking to locate there.
- The DDA has a number of projects in the district plan which exceed the revenues generated under the current 28% capture rate. Reducing this further will likewise reduce the DDA's ability to implement many of these projects in a timely manner and will therefore impact the Board's priorities.
- There has been overwhelming and consistent community input on the challenges faced by the Mission Street corridor ranging from it being a divider between the east and west sides of the community, the presence of high traffic speeds and dangerous conditions for pedestrians attempting to cross the street, and its relative unattractiveness as a place to shop and do business.

Because of the above concerns, the Board was not willing to recommend a 2018 proposed budget which included less than a 28% capture rate. Therefore, on a motion by Smith, seconded by LaBelle, it was moved to recommend the proposed 2018 DDA budget as presented, with a capture rate of 28%, to the City Commission for adoption. **The motion passed unanimously.**

Recognizing that the City Commission could pass a DDA budget which included a lower, 18% capture rate, and therefore could further determine where reductions in that budget would occur without input from the DDA Board, there was a motion by Smith, seconded by Orlando, to approve the proposed alternative 2018 budget which included a capture rate of 18%, but to not recommend that budget to the City Commission for adoption. **The motion passed unanimously.**

B. Consider Authorizing the Chair to sign the Tax Capture Agreement with the Chippewa District Library Pursuant to Section 3 of PA 197

Mrdeza and Kornexl explained that late in 2016 the State Legislature passed a bill exempting separate millages levied for public library purposes from collection by tax capture districts. As a result the library, at its discretion, could agree to allow all or a portion of its levied taxes to be included as tax increment revenues to be captured if it entered into a written agreement with the tax capture district. City staff met with the District Library staff and Board regarding this issue. As a result of those discussions, the Board agreed to allow the DDA to continue to capture library tax increment revenues on a declining basis for 2017, 2018, and 2019. The specific amounts are detailed in the agreement which the Board received as part of the meeting packet. It was moved by LaBelle, seconded by Krapohl, to agree to the terms and conditions as outlined in the agreement and to authorize the Chair and Secretary to sign the agreement as presented. **The motion passed unanimously.**

C. Initial Presentation from Rightway Automotive for Amenity Incentives

Mrdeza introduced Chase Dicken of Rightway Automotive and explained that they were requesting incentives for amenities associated with correcting site plan requirements for their Mission Street location. Mrdeza reminded the Board that the guidelines for the amenities program require an initial presentation to the Board which outlines what the applicant will be requesting in order to make sure their request is consistent with the types of assistance the Board would support.

Mr. Dicken indicated that the initial site plan approval called for ten feet of greenbelt space along the sidewalk. At some point in the past, this was removed and replaced with parking for the automobiles they sell. Neither Rightway nor the City has any records as to when or why this action was taken. There currently is not enough space on their small lot to replace the ten foot greenbelt without negatively affecting their business, since they would be losing spaces for their car inventory to be displayed. Instead, working with City staff, Rightway proposed to install decorative fencing and some additional

landscaping in order to improve the appearance of their site and come into compliance with their approved site plan.

After some discussion, the Board members agreed by consensus to consider future action which implemented to request as presented. The Board indicated that such support would be for 50% of the cost of the requested amenities, based upon actual bids and not engineering estimates.

D. Consider Lighting Enhancements for 2017 on Mission Street at Bellows and Preston

The final item for consideration by the Board was funding the lighting upgrade planned for Bellows and Preston Streets on Mission. This project was similar to the upgrade undertaken at Mission and Broomfield in 2016 where additional L.E.D. lighting was installed to improve visibility at the intersection. The current project was originally planned for 2018 but initial estimates indicated the price for the work would be much lower than expected; based on that, the DDA Board voted to complete the lighting upgrades in 2017. Recently City staff received the final costs for the project from Consumers Energy which were higher than their original estimates (\$12,543 vs \$4,250). The increased cost was due to the fact that several existing light poles needed to be removed and new poles installed in the appropriate locations. The time and materials for this additional labor was responsible for the additional costs. Based on this new pricing information, the Board was asked to provide direction on whether or not they were still interested in completing the project in 2017 or preferred to wait until 2018 as originally planned. After some discussion, it was moved by Krapohl, seconded by Noeker, to proceed with a contract with Consumers Energy for \$12,543 and to authorize the appropriate contract documents to be signed. **The motion passed unanimously.**

V. Other Business

There was no other business to be considered by the Board.

VI. Public Comments

There were no public comments received or offered.

VII. Adjourn

There being no other business, **the meeting was adjourned at 11:15 am.**