

**OSHTEMO CHARTER TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS**

MINUTES OF REGULAR MEETING HELD MARCH 21, 2013

The Oshtemo Charter Township Downtown Development Authority (DDA) Board of Directors held a regular meeting on Thursday, March 21, 2013. The meeting was called to order at approximately 12:00 p.m. at the Oshtemo Community Center at 6407 Parkview Avenue.

Members of the Board of Directors present: Chairperson Terry Schley, Kathleen Garland-Rike, Michael Lutke, Fred Gould, Jack Siegel, Andy Wenzel, Maria Dacoba, and Chip Everett.

Members of the Board of Directors absent: Bruce Betzler, Glenn Steeg, Jay Brown, Libby Heiny-Cogswell, and Stephen Dallas

Also present was Gregory Milliken, Planning Director.

Approve Agenda

The meeting was called to order at approximately 12:00 p.m. by Chairperson Schley. The Chairperson asked for approval of the agenda. Mr. Lutke moved to approve the agenda as submitted. Mr. Siegel seconded the motion. The Chairperson called for a vote on the motion, and the motion passed unanimously.

Approve Minutes

Chairperson Schley asked if there were any comments or questions on the minutes of the regular meeting of January 17, 2013. Mr. Everett moved for approval of the minutes of the regular meeting of January 17, 2013. Ms. Garland-Rike seconded the motion. The Chairperson called for a vote on the motion, and the motion passed unanimously.

Treasurer's Report

Mr. Gould indicated that he had reviewed the Treasurer's Report and presented the report. It covered just one month and not much occurred in January.

Chairperson Schley indicated that it would be helpful for the Report to show the amount budgeted for certain items and the amount that has been spent against that amount. He indicated that as the DDA begins increased spending in the coming months, some of these numbers will be challenged. It is important that the DDA keep in mind the amount that is budgeted for larger projects as well as maintain a plan for the rest of the money.

Mr. Milliken indicated he would coordinate with Mr. Gould on revisions to the report.

Chairperson Schley asked about the \$5000 check for the earnest money for the purchase of the Citgo site that was missing from the reports as expensed. Mr. Milliken indicated that he would check on it.

Mr. Wenzel made a motion to approve the Treasurer's Report as presented. Mr. Siegel seconded the motion. The Chairperson called for a vote on the motion, and the motion was approved unanimously.

Citgo Station Update

Chairperson Schley indicated that the DDA is in the due diligence period of the property acquisition process. The acquisition papers were signed January 14 but were not binding until the Township Board approved the contract on February 12.

Chairperson Schley indicated that the DDA has 60 days from the effective date of the agreement to investigate the property. This 60 day period started February 12, although it should be confirmed there is not an expectation that it began on January 14. The first step is to get a consultant to investigate the property and inform the DDA of any hazardous materials in the building.

Mr. Lutke indicated that one of the demolition contractors he talked to had someone inspect the facility for hazardous materials and provided a proposal on removal costs from the building. He indicated this was already done. He indicated he has had two people give quotes on demolition of the facility.

Chairperson Schley stated we have three other proposals for the hazardous materials work that are more complete and cover additional services. He stated he has talked with Attorney Jim Porter, and the DDA is a public body and has a higher standard that does not apply to private businesses. He indicated that the due diligence process has to be thorough with a reasonable search for the best cost. The DDA is under scrutiny for using dollars in the public trust, so the proposals must be consistent. Therefore, the additional proposal would need to be more complete.

Mr. Lutke stated that the proposal is from someone the excavator brought out just to walk through the facility and simply provided the proposal on his own.

Chairperson Schley said that two of the proposals we received are quoted at \$1500 and a third is at \$1100. They are generally equal in all parts. He asked if the members felt the DDA should move ahead with one of these three proposals or wait on the new proposal to be updated to provide a more complete scope of services.

Mr. Gould asked if the DDA had time to wait.

Mr. Lutke stated that the seller does not appear to have a specific timeline, so he did not think there is a rush on their end or a clear definition of timing from them.

Chairperson Schley said that may be but the DDA did sign a written agreement and would probably want a written acknowledgment that it is acceptable to extend the 60 day period if we do so.

Mr. Wenzel agreed that such an acknowledgment was a good idea.

Ms. Garland-Rike asked how the three firms that submitted knew to submit proposals.

Chairperson Schley stated that he sent out a request to them following sub-committee discussion. He got one recommendation from Prein & Newhof, who did the underground environmental analysis. It would be good to keep them involved, but they do not do this kind of review. He asked how the DDA would like to proceed.

Mr. Lutke indicated that if there are three complete and good proposals, the DDA should proceed with one of them.

Mr. Wenzel made a motion to select the proposal from Fishbeck, Thompson, Carr, & Huber for the hazardous materials assessment at \$1100 and to proceed with that work. Mr. Lutke seconded the motion. The motion was approved unanimously.

Chairperson Schley explained the arrangement between the DDA and the Township Board and the discussion that occurred at the February 26th Board meeting when they were brought up to speed on the DDA's efforts. This discussion included reference to anticipated environmental costs up to \$1500, demolition costs between \$15,000 and \$18,000, a possible ALTA survey at \$2000, and the plugging of 21 wells at around \$10,000. He wondered if that was the DDA issue or the seller's issue.

Mr. Lutke indicated that the seller also does not know.

Chairperson Schley stated that the DDA needs to get some people running these details down. Citgo is under an arrangement with the DEQ for a closure plan, and it will need to be determined how that impacts redevelopment.

Mr. Wenzel stated that he will get three proposals for an ALTA survey.

Chairperson Schley said that the seller is under some obligations as well.

Mr. Wenzel said that is true. The seller needs to get the DDA the title work so the survey can be completed. He indicated they may have to extend the due diligence period in order to meet this requirement.

Chairperson Schley indicated that in order to demolish the structure as a public entity, the DDA probably needs to prepare an RFP with specifications. It is a unique site with DEQ issues.

Demolition will have to be done with proper procedures, and the DDA will maintain responsibility. The DDA cannot enter into a contract until the Township approves the contract as well.

Mr. Gould asked if this is where the DDA needs to hire professional support to help and do these functions.

Chairperson Schley said that the DDA members could do it themselves, the DDA could bring in someone to help, or the DDA could bring in someone to do it all. He suggested perhaps Prein & Newhof would be a good group to talk to about this due to their familiarity with the environmental aspects of the site as well as the Township.

Mr. Wenzel stated that ideally the same entity would do all of the demolition work at the site including removal of the building, removal of the tank, capping of the site, etc.

Chairperson Schley confirmed that the DDA approved of him talking with Prein & Newhof and getting an estimate for completing this type of work.

Mr. Lutke stated that the excavator indicated the biggest issue would be the monitoring wells.

Chairperson Schley confirmed with the DDA that there would be costs for this professional support as well as Attorney costs in the future, and there were no objections.

Ms. Dacoba asked who provided legal representation to the DDA

Chairperson Schley indicated it was Jim Porter, the Township Attorney.

Ms. Dacoba asked if Attorney Porter is reviewing all of the liability issues associated with the various contracts and hires that the DDA will be doing.

Chairperson Schley confirmed that that was correct and indicated that as property owners, the DDA would have several new responsibilities including insurance, maintenance, utilities, signage, etc.

Ms. Dacoba suggested that the Attorney come up with a 60 day addendum to expand the due diligence period.

Chairperson Schley indicated he would definitely discuss this with Attorney Porter.

9th Street Rear Access Drive Update

Chairperson Schley indicated that at the conclusion of the last meeting, it was determined that the DDA needed to determine the next steps to proceed with this project and also needed to reach out to the neighbors along the route. If this project is going to proceed, the neighbors need to be engaged.

Mr. Lutke indicated that certain individuals have no interest in donating property.

Chairperson Schley asked if the DDA wanted to shelve this project for the time being.

Mr. Siegel asked why this project could not get accomplished based on the feedback from the Board.

Chairperson Schley stated that this could go to the Township Board at the Supervisor's privilege to request use of the Township's land.

Mr. Lutke suggested the DDA put it in the Township Board's hands to either allow the drive or end the project. The Township has done projects in the past anticipating change, and this should be viewed similarly.

Ms. Garland-Rike clarified that four members of the Board indicated a preference for locating the drive along the property line, two indicated agreement with locating the drive on Township property, and one indicated it should be on private property.

Chairperson Schley stated that there was a general consensus from the Board in support of the intent of the drive but there was not full agreement as to how to accomplish it. The only way to find out for sure is to put it to a vote.

Ms. Garland-Rike suggested emphasizing that the drive is temporary.

Chairperson Schley said that that is the intent, but some temporary things last a while.

Mr. Wenzel asked if the Board had any concerns about cost or payment for the drive.

Chairperson Schley said no. There were comments about giving away something for nothing and some sentiment that the private entities should do it themselves.

Mr. Lutke stated that if the DDA tables this, the project is dead.

Mr. Everett indicated that some on the Board wondered what people along the drive intended to do with their property once the drive was installed. He wondered what the best case scenario was in terms of connections.

Mr. Lutke stated that he and Mr. Siegel were the only businesses that could connect to the drive for sure. The DDA agreed that the counseling office and Wally's Subs could also make a connection, if not directly then through adjacent property.

Chairperson Schley stated that if the DDA wants to proceed they first have to have a better plan and then have to get some leg work behind the plan.

Mr. Wenzel suggested that the cost figures be updated.

Chairperson Schley stated that may not be important for the Township Board, but it is important for the DDA to understand.

Mr. Wenzel agreed, particularly in terms of the Citgo project and work that will require going forward.

Mr. Lutke stated he had no problems getting more detailed estimates for the proposed driveway and work that it would involve.

The DDA agreed to keep the project moving forward with the next step to get better defined cost estimates and then seek stronger commitments from property owners regarding connections to a driveway before going to the Board in the near future.

Request for Letter of Recommendation to Accompany MDNR Grant Request for Flesher Field

Mr. Milliken indicated that last fall, the DDA provided a letter of recommendation regarding Phase I of the Master Plan for Flesher Field. The Township received that grant, and construction on the improvements is slated to begin this fall. The Township is now seeking a new grant with additional funding for Phase II and is once again seeking a letter of support from the DDA for this application.

Chairperson Schley confirmed that the letter is simply asked for the DDA's support of the project and improvements to the facility.

Mr. Milliken stated that is correct.

Ms. Garland-Rike made a motion to authorize the Chairperson to sign a letter of recommendation from the DDA supporting the MDNR grant request for Phase II of the Flesher Field park improvements. Mr. Everett supported the motion. The motion was approved unanimously.

Proposal for Landscape and Maintenance of Community Center

Chairperson Schley indicated that a proposal for planting and maintenance at the Community Center has been received and included in the packet.

Mr. Milliken indicated that S&T received this contract in 2011 following a competitive bidding process. This agreement was renewed in 2012 for the same price, and S&T has submitted a proposal for 2013 services at the same price again. Staff has not requested any additional proposals at this time.

Mr. Lutke made a motion to retain S&T to provide landscape maintenance services at the Community Center per their March 6, 2013 proposal at a cost of \$1,920 for the year. Mr. Wenzel supported the motion. The motion was approved unanimously.

Chairperson Schley stated that the DDA has received many positive comments about the work that is done outside the Community Center.

Other Business

Chairperson Schley reminded the DDA members that MDOT will be engaged in two significant projects over the next two construction seasons that could impact the DDA area. In 2013, the M43 (West Main Street) and 131 interchange will be under construction with the detour coming through 9th Street and Stadium Drive. Then, in 2014, the Stadium Drive and 131 interchange will be replaced in a massive construction project. He encouraged anyone with questions to contact the Township.

Chairperson Schley indicated that the next meeting will be in May.

Chairperson Schley stated that he would like to see the banners changed throughout the DDA area. He confirmed that there was money in the budget for this purpose. He suggested that the banners be reviewed in May to determine if they are adequate and also commence with changing the banners in the area.

Mr. Milliken informed the DDA that the RFP for the Traffic Circulation Study had been distributed by KATS. The DDA discussed the details of the project.

Announcement and Adjournment

The next meeting is scheduled for May 16, 2013.

Having exhausted the agenda, Chairperson Schley adjourned the meeting at 1:27 p.m.

Oshtemo Charter Township
Downtown Development Authority

Minutes Prepared: March 27, 2013
Minutes Approved: _____, 2013