

**DOWNTOWN DEVELOPMENT
AUTHORITY
Meeting of the DDA Board of
Directors December 20, 2022**

The December meeting of the DDA Board was called to order at 8:00 am.

ROLL CALL

Present: *Mayor Brian Turnbull, DJ Boyd, David Cole, Margene Buckhave, Steven Huprich, Mike Jaafar, Jim Long, Greg Presley, Shawn Riley*

Absent: *Aaron Cozart, Ryan McKindles*

Also Present: *Lori Ward/DDA Executive Director, Jeri Johnson/DDA Marketing & Communications Director, Jessica Howlin/DDA Marketing & Administrative Assistant, Patrick Sullivan/City Manager, Barbara Morowski-Browne/City Council, Marilyn Price/City Council, Andrew Krenz/City Council, Mark Wollenweber/Interim City Manager, Dave Gutman/Resident, Fred Sheill/Resident*

AUDIENCE COMMENTS

None

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Turnbull introduced Mark Wollenweber as the interim City Manager. Wollenweber will be on staff for the next several months while the City selects a new City Manager. Wollenweber said he has been an interim manager 3-4 times, and worked in Plymouth, Huntington Woods, St. Clair Shores, Grosse Pointe Woods and Grosse Pointe Shores. Wollenweber added that he is an AICP member and has prior experience working with DDAs.

APPROVAL OF AGENDA AND CONSENT AGENDA

Motion by Boyd, seconded by Turnbull, to approve the agenda and consent agenda.

Motion carries.

INFORMATIONAL MEETING – PA57

Ward said the state requires DDA's to host two informational meetings annually. DDA staff invites all taxing jurisdictions that the DDA captures tax from, and the meeting is to review revenue/expenditures. This requirement was implemented about 4 years ago, and included a reporting component to include more information and tracking. DDA staff works with the City's finance department to prepare. Ward said the DDA was established in 1978, last amended in 2015 and there are currently discussions to amend again and possibly include a boundary expansion. The current TIF plan is set to expire in 2040, but an option to extend the expiration will be reviewed as part of an amended and restated plan.

Ward said the DDA has been collecting revenue since 1979. Last year \$767,750 was collected in TIF revenue, and captured tax breakdown includes about 29% from Wayne County, 58% from the city, 4% from the library, 8% from Schoolcraft College and 1% from other, which includes the Metroparks. Ward said the DDA tax capture allows the DDA to collect not only locally but also from other entities that would normally revert back to other jurisdictions. Ward added that DDA expenditures, sorted by committee, were \$844,862. This number fluctuates annually based on projects planned. Ward said a previously issued bond that was issued for a streetscape improvement project is set to expire in 2025 and will provide the DDA capability to issue new debt. Long asked what the bond expense is. Ward said the expense is about \$175,000 annually. Ward noted that DDA staff will work with the Executive Committee to adjust the informational meeting schedule going forward.

JAG ENTERTAINMENT CONCERT SERIES PROPOSAL

Riley said that he and Johnson reviewed contracts and met with both Cal Stone and JAG Entertainment for a proposal for the 2023 concert series. Johnson said that since the pandemic is waning a bit, the DDA has received feedback to bring back larger bands in the stage area. Johnson said for the summer 2023 series, the DDA would like to have 2 large Saturday night concerts per month, for the months of June, July, August and September. The remaining Friday and Saturday nights each month will continue to have acoustic acts. The concert series will end after the Skeletons event the first weekend of October. Johnson said that having two larger acts per month increases the cost of the series. Last year the cost was \$29,100 and this year it has increased to \$32,800. Riley noted that the JAG contract includes a sound team during the concerts to manage volume. JAG also brings great equipment for performers to use. Riley said the Cal Stone contract was different in that the solo/duo acts would be required to bring in their own equipment. Ward said the music will still be set up both on Center and Main Streets, with the exception of the big bands in Town Square. Huprich asked if there is any oversight on which performers are hired. Riley said the performers are hired directly through JAG Entertainment, and the JAG crew reports back if there are any issues, which there haven't been any.

Motion by Presley, seconded by Long, to authorize the DDA Director on behalf of the DDA board to enter into a contract with JAG Entertainment to continue managing the concert series at \$600 per acoustic concert and \$2,000 per stage concert for a total of \$32,800, and to provide talent, sound equipment and management. **Amended by Boyd**, to include veto power on bands the DDA deems inappropriate. **Motion carries.**

INCREASE IN CITY'S PURCHASING POLICY

Ward said the subject of purchasing limits came up during a recent Executive Committee meeting. Currently the City's purchasing policy requires that sealed bids be required for all transactions involving expenditures of more than \$5,000. The limit has not been changed in many years and the financial cap sometimes makes it difficult and cost consuming. Boyd requested that the policy be reviewed and possibly updated. Huprich asked if there is a certain number of bids required for high dollar amount expenditures. Ward said there is no requirement for a minimum number of bids.

Motion by Boyd, seconded by Buckhave, to request City Council to review the City's existing Purchasing Policy with the intention of updating the specifications to address the increased cost of goods and services. **Motion carries.**

STREET CLOSURE UPDATES

Ward said the board packet includes several renderings of the design concept for the streetscape plan. Ward said that Grissim Metz Andriese Associates (GMAA) hosted a community walking workshop on December 7, which was attended by approximately 75-80 people. GMAA took small breakout groups around town to show the concepts and receive feedback. On December 15, traffic engineers from Fleis & Vandenbrink (F&V), hosted a community meeting at City Hall to review pedestrian and traffic impacts of the street closures. Ward said that during this meeting, many attendees spoke out on wanting the streets reopened. The next meeting for the pedestrian plan project is scheduled for January 4th, where the Advisory Committee will fine tune the plan with GMAA. There is also a joint meeting scheduled with City Council and DDA board on Thursday, January 19th. The DDA Board will also have a regularly scheduled board meeting on Tuesday, January 17th.

Jaafar asked if the designs will go before the Historic District Commission (HDC). Ward said the HDC appointed a 3-member subcommittee and is working with GMAA to work through issues – this so far has been very positive. Long asked what material the decking system is made from, since Trex decking is very slippery when wet. Ward said GMAA is aware of an outdoor product that will not be slippery, which they have used in Milford. Huprich said it was very helpful to walk around and see the designs. Ward reminded the board that the Advisory Committee is comprised of the EDC and some downtown merchants. Ward added that the meetings are open to the public and the encourages attendance to anyone available to attend.

NORTHVILLE DOWNS PROJECT

Presley recused himself from the discussion as he is part of the project design team.

Ward said DDA staff has been authorized by the DDA Board to move forward with two items. The first is to solicit a proposal and hire a planning consultant to begin working on updating the TIF and Development Plan and extend DDA boundaries. Staff contacted Beckett & Raeder, a landscape architecture, planning and engineering firm located in Ann Arbor. John Iacoangeli, a partner at the firm, will be working on updating the TIF and Development Plan. Iacoangeli has previously worked with the DDA to update other TIF and Development Plan amendments and is familiar with Northville and the community. The proposal came in at \$15,000 and City Council took action to support the contract.

Ward said the second item that the board authorized DDA staff to accomplish, with an approval at the board meeting on May 17th, is to retain legal counsel to prepare documents. DDA staff vetted several attorneys and selected Emily Palacios of Miller Johnson to represent the DDA. Ward said Palacios has over 20 years of experience and comes highly recommended. Ward said Palacios has submitted a bio and draft of an engagement letter, however, there is not a determined rate yet. Ward said that Palacios will assist the DDA to either draft or review an interlocal agreement, which is required between the DDA and the Brownfield Redevelopment Authority in order for brownfield to be able to collect the TIFs resulting from the project.

Ward said she reached out to Hunter Pasteur Homes (HPH) before going to City Council, and asked that HPH pick up the costs associated with the consulting services, which are a direct result of the development and the DDA would not otherwise be taking action on these items.

The fees could be up to \$25,000. Ward said that HPH response was that their participation is to credit the DDA \$50,000 per year for any unforeseen expenses related to the development and they will not cover the additional fees. Ward said the \$50,000 is not going to be received by the DDA until 2026, and the services need to be done right away. The most recent response from HPH was an agreement to participate in half of the costs with a cap of \$12,500. Ward said she does not recommend accepting this and if HPH wants the DDA to move forward with the boundary expansion and interlocal agreement, HPH should cover all of the related service charges.

Long asked what the total DDA loss of revenue would be. Gutman said there is a TIF schedule; Ward said that it's about \$2.9 million. Long asked if this is a tax abatement. Ward said the DDA is not giving a tax abatement, the abatement is through the City. Ward said there are multiple aspects at play with financing, including a brownfield TIF and a tax abatement on the apartment building. Boyd said the expenses are rough numbers that total approximately \$17 million, which the developer is incurring upfront, with the DDA responsibility to be about \$3 million of the total \$17 million expense; the DDA is forgoing the revenue for an agreed upon time, it's not actually a loss of revenue. Sullivan noted that the City/DDA are actually going to be getting more revenue than before; the tax revenues are not considered losses because it is revenue the City/DDA would not have had if the project was not moving forward.

Ward said at this juncture, DDA staff needs direction on how to proceed with the limited participation that HPH is willing to offer. Long asked if the DDA board or Executive Committee will be making the decision. Ward said that at the May 17th Board meeting, DDA authorized Riley, Boyd and Ward to retain counsel. Riley said that HPH wants to limit financial involvement to \$12,500 and the DDA doesn't have an exact number to work with. Johnson said that at the last DDA meeting, Richard Barr said that HPH will cover costs of survey preparation with a certified surveyor. Buckhave asked if all the fees are separate. Ward said the services are all combined. Huprich asked why the developer is not willing to pay more. Ward said that the developer has agreed only to providing a cash flow of \$50,000 annually for the DDA to use on unforeseen expenses as a result of the project and the developer thinks that the DDA should pay for the costs of boundary expansion, counsel etc. should be paid for out of that balance. Riley said the expenses are immediate and the developer is not paying \$50,000 for three more years.

Buckhave asked what happens if the project is delayed, Ward said that the DDA doesn't get money until the developer starts collecting money. Gutman said that the issue is that these expenses were not previously recognized as expenses during the negotiation process, and the DDA has good reason to pushback as these costs sprang out of nowhere. Boyd said the DDA recognizes the added expense and the DDA does not have the funds to cover the necessary work to be done for the project's expansion. In previous meetings with Barr and Herkowitz, the expenses were referenced and it was indicated that the developer would support the DDA to cover these expenses.

Sullivan said one cost was a land survey, which would create a legal description of the park property and added that HPH may not want to pay for expanded boundaries outside of the project. Ward said the DDA is only concerned with covering the expenses incurred within the project boundaries. Long asked why HPH is unagreeable to paying for the DDA legal fees if HPH is already covering the City's legal fees. Riley asked how long a boundary expansion takes. Riley also asked, (referencing Attachment 9.b in board packet) why the DDA would include the Art House into the new DDA boundaries. Buckhave asked which areas on the list

would be subject to DDA tax capture. Ward said the only area currently being considered that is not associated with HPH would be The Garage.

Motion by Boyd, seconded by Buckhave, to defer current engagement process for professional services connected to boundary expansion and interlocal agreement until HPH agrees to pay full consulting services. **Motion carries.**

DDA BOUNDARY DISCUSSION

Ward said as part of the boundary expansion, maps included in the packet include geographic areas the DDA previously considered expanding into. The 2022 map in the board packet, Attachment B, includes an expansion to include the river walk and to straighten the bottom boundary on the South to the newly created Beal Street, which is partly due to assessment ease. One additional area to be considered on the 2022 map is The Garage restaurant. Ward said that looking at Attachment A, other areas previously discussed for potential expansion included City Hall, the Library and the Community Center. These are not revenue producing and will not be considered at this time. Cole asked what The Garage will receive with being included in the DDA, will there be a PUD, and does anything else happen in the development standpoint, since this property is supposed to be transitional to the west side. Boyd said The Garage would be eligible for DDA covered expenses. Cole said he lives on High Street and wants to ensure the zoning does not change. Sullivan said the PUD goes with the property.

Ward said these are all strictly boundary considerations, when the process gets going and the DDA gets into revenue projections, it may be determined not to include some of the areas. Long asked if there was any consideration to include Cadytown in the boundary expansion. Boyd asked if the boundary approvals go from DDA to Council and are there any sticky points from Council perspective. Sullivan said that the Foundry Flask project is already committed under the brownfield for 10-13 years.

Jaafar said he is not comfortable voting on an expansion until there is more information. Ward said that the expansion can be further researched on pros and cons before making a decision.

Motion by Buckhave, seconded by Jaafar, to look at the viability of expanding the DDA boundary areas to include properties listed in areas A and B on Attachment B. **Motion carries.**

COMMITTEE INFORMATION AND UPDATES

- a. *Design Committee:* No report.
- b. *Marketing Committee:* No report.
- c. *Parking Committee:* No report.
- d. *Organizational Committee:* No report.
- e. *Economic Development Committee:* No report.
- f. *Sustainability Committee:* No report.

BOARD COMMUNICATION

Riley thanked Pat Sullivan for his years of service. Ward said the next meeting is on January 17th, and will be on goals and objectives.

Motion by Turnbull, seconded by Huprich to adjourn the DDA Board meeting. **Motion carried unanimously.**

Meeting adjourned at 10:00 am.

Respectfully submitted,

Jessica Howlin, Marketing & Administrative Assistant Northville DDA