

**Kochville Township Downtown Development Authority
Board Meeting Minutes: April 23, 2010
8:30 a.m. at Kochville Township Hall**

Board members present: Lyle Davis, Jr. (Chairman); Vern Weber (Vice Chairman); Jim Loiacano (Township Supervisor); Tom Basil, Jr.; Jon Howell; Don Jackson; Scott LaDouce; Dave Maine

Board members absent: Dave Abbs (Treasurer)

Others Present: Steve King (Director); Rob Eggers; Marci Plahutnik; John Olson; Ken Bayne; Deborah Brown; David Sanchez; William Hahn

Proceedings:

I. Opening

Lyle Davis called the meeting to order at 8:30 a.m. and led the pledge of allegiance.

II. Agenda:

- Moved by Weber to approve the agenda as presented, second by Howell. Motion approved unanimously

III. Minutes:

- Moved by Maine to approve the March 5, 2010 minutes as presented, second by LaDouce. Motion approved unanimously

IV. Public Comment

Don Jackson read a letter from Judy Fath Jackson, who is chair of the Kochville Parks and Recreation Committee. Mrs. Jackson wished to thank Vern Weber and Standard Electric for the wonderful price agreement on a new security system for Rainbow's End Park. Mr. Jackson also noted that a fundraiser for the Parks & Recreation Committee would take place on April 29 at Bennigan's in Saginaw Township.

- Mr. Loiacano arrived at 8:10 a.m.

V. Communications - None

VI. Reports

a. Financials

Mr. King noted that the DDA's financial statements looked healthy. Bills haven't come in yet for several projects, but the fund balance is strong heading into the summer work season.

b. Police Subcommittee

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Mr. Weber noted that Saginaw County will soon provide its budget to the public. Mr. Davis noted that the committee is making excellent headway.

VII. Unfinished Business

a. Kochville Road

Mr. Eggers noted that bids for the Kochville Road project were due and submitted on Wednesday, April 21. Eleven (11) general contractors submitted bids. The bids were structured into two components: Division A for the road section; and Division B for the water main and sanitary sewer. The DDA is concerned with the Division A bids. The lowest Division A bid received was from Tri City Groundbreakers at \$630,940; the second lowest bid was from Rohde Brothers at \$684,695. Tri City Groundbreakers' Division B bid was \$236,828 and Rohde Brothers' bid was 239,349. All of these figures are well within and under the initial cost estimates. Mr. Eggers noted that his company is not very familiar with Tri City Groundbreakers and would be doing research on their past projects for comparison. Spicer Brothers is very experienced with Rohde Brothers. An award shouldn't be made until due diligence research is completed on these companies.

Mr. Basil asked if any of the businesses are located in Kochville. Mr. Eggers noted that Champagne & Marks is a Kochville business, but was the highest bidder. Of the low bids, Rohde Brothers is closest with a Saginaw mailing address. Mr. Eggers noted that a motion to award the project to the low bidder subject to review and research would be helpful, in order to establish the contract prior to the next DDA board meeting.

Mr. Davis noted that Mr. Eggers and Spicer Group would be qualifying the bidders to ensure their quality of work.

- Motion by Maine to approve funding up to \$924,044 for the repaving of Kochville Road, as well as water main installation, to either the low bidder or second-lowest bidder, subject to review of credentials; second by Basil. Motion carried unanimously.

Mr. Eggers noted that Mr. Kilby had requested that the DDA determine if it prefers to seek a 10-year or 15-year bond issue for the project. A 15-year bond for the project is currently at approximately 4.75%, and a 10-year issue is at 4.4%. Payments on the 15-year issue at \$650,000 would be about \$64,000 annually, and payments on a 10-year issue for the same amount would be about \$80,000 annually.

Mr. Maine noted that borrowing costs are quite low right now, and he'd recommend spreading the issue out as long as possible. Mr. Loiacano concurred.

- Moved by Maine to recommend to the Kochville Township Board of Trustees issuance of a 15-year bond not to exceed 4.75-percent interest for purposes of Kochville Road improvements; second by Weber. Motion carried unanimously.

Mr. Eggers noted that "soft" costs pertaining to the project could be included in the bond issue as well, such as legal, design and administration fees.

Mr. King noted that a business, a dairy co-operative, is interested in purchasing an existing facility at 3120 Kochville Road. This facility is located within the DDA. The business' potential truck traffic does not conform to the existing road standard, nor the planned construction standard, during winter months. At least the easternmost 700 or 800 feet of this stretch of Kochville Road, just west of Bay Road, is zoned for commercial use. Mr. King suggested upgrading this noted section of the road to All Season specification in order to accommodate potential truck traffic in this commercial area.

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Mr. Weber asked if a deadline was known for consummation of the new business. Mr. King replied that the timetable for the project conflicts with the existing Kochville Road project, hence the amendment discussion. The purchaser would like to occupy the building as soon as possible, but first must seek a special use permit at the May 2010 Planning Commission meeting, and a site plan approval at the June 2010 Planning Commission meeting.

Mr. Davis asked if the business had provided any kind of commitment to the DDA. Mr. King said the purchasers have committed to taking out a performance bond to cover a set amount of the total upgrade cost.

Mr. Jackson said the Shaheens discussed their 15-acre parcel at the western portion of the DDA on Kochville Road. The Shaheens have no plans to develop that parcel right now, and do not want a road running through that parcel.

Mr. Weber asked if the purchasers had discussed contributing toward the costs of the project. Mr. King said that the company is concerned with making the project costs meet their budget on the facility. The purchasers may be willing to contribute toward the project, but he does not have a commitment from the company for that.

Mr. Basil asked for clarification of what the \$150,000 upgrade estimate would include. Mr. King said that this figure reflected bringing the easternmost section of the affected Kochville Road, from Bay Road west to the edge of the current John Deere Landscapes building, to All Season status. Mr. Basil asked if this would require re-engineering of the road, which Mr. Eggers said was correct.

Mr. Davis noted that his impression was that the board is open to the idea of the upgrade, subject to the purchasers taking out a performance bond as protection for the DDA's investment.

Mr. Maine noted that the additional upgrade expense reflected roughly the gap between the initial cost estimate for the Kochville Road project and the amount of the low bid. The upgrade would allow the DDA to help fill an empty facility in the community.

Mr. Jackson commented that the building is virtually unsellable in its current condition without the road upgrade. He said he favored the All Season upgrade.

Mr. Davis noted that the board comments reflected support for the potential road upgrade. He asked Mr. King and Mr. Eggers to put together a final amended estimate for the board for its next meeting.

b. Bay Road (M-84) Sewer District

Mr. Eggers noted that John Olson from Spicer Group was the primary engineer on this project, and was present to talk with the board.

Mr. Olson said the project is about 70-percent designed. They are looking to seek DEQ approval within the next month, get bids in June, and start construction this summer.

Mr. Weber asked for a tentative construction start date. Mr. Olson replied this was likely August.

Ken Bayne requested three minutes to speak toward the sewer project, saying he didn't realize that the DDA meeting began at 8:30 a.m. Mr. Davis agreed to give Mr. Bayne three minutes for public comment.

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Mr. Bayne requested that the DDA board consider pulling back on the sewer project; however, it's a worthwhile project and shouldn't be "mothballed." The sewer system will advance development in the community. There are some alternatives to constructing a new lift station that would accomplish the same result. The developer who intends to build at Bay and Pierce Roads has extended his timeline significantly, allowing more flexibility on when the sewer is installed. Adding another lift station to the sewer system is not a benefit to the Township at large. He suggested that gravity sewer could be run to the existing SVSU lift station to accomplish the same objective, at considerable savings. He said that even with additional necessary design and engineering from changing the project, using the SVSU lift station could save \$250,000 from the project cost.

Mr. LaDouce inquired whether SVSU is open to use of their lift station to run the sewer expansion. Mr. Eggers said that the initial discussion for the project took place at SVSU during the summer of 2009, at which point SVSU was not interested in the project. Eventually following subsequent meetings when the issue was again brought up, the cost of conducting the necessary feasibility study – perhaps \$7,500 – became a barrier for the university's involvement. The SVSU lift station is not located within the DDA, so while the DDA could substantially contribute toward the project, it cannot pay for the lift station itself, or any needed improvements outside of the district.

Mr. Weber suggested delaying the project for one month in order to assess all options still available. Mr. Howell concurred, saying that if the developer has moved his timetable for needing sewer, then the DDA has time to reassess the project.

Mr. Davis said the DDA would wait one month, until its May meeting, to provide time for any potential changes to be considered. In the meantime, the DDA would move forward in seeking easements and with the existing approved project.

c. Signage (Gateway, Wayfinding) – Eggers

Mr. King noted that the DDA is working on the gateway signs one at a time, rather than trying to do all six at once. He and Mr. Eggers would be meeting soon with the owner of the property at the corner of Tittabawassee and Mackinaw Roads.

The previous week, Mr. King, Ms. Plahutnik, and others marked the tentative locations for the 35 wayfinding signs to be installed in the township. Those locations are still subject to approval by MDOT and the Saginaw County Road Commission. The signs should be in by June of this year.

VIII. New Business

- a. Upcoming Bond Issues - None
- b. SVSU Study Results

Mr. King said he would have results from the marketing study being conducted by SVSU Marketing Principles 331 students at the next DDA meeting. He had presented some of the comments provided by SVSU students through one component of that study, in relation to the students' attitudes toward Kochville Township. One item that stands out from those comments is that there's a great deal of opportunity to improve communication between the Township and the SVSU student body.

Mr. King requested a commitment of up to \$1,500 from the DDA board to fund an extension of the study into the spring 2010 semester. This project would include surveying SVSU faculty and administration, as well as developing a comprehensive email and contact information list among local businesses.

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- Moved by Maine to approve \$1,500 for an SVSU spring 2010 semester student market study of the Kochville DDA district; second by Weber. Motion carried unanimously.

c. MSU Small Town Design Initiative

Mr. King thanked the board for its funding support of the STDI project. The design project will begin in July and run through the spring of 2011.

d. Business Show / Picnic Request

Mr. King noted that the Kochville Parks and Recreation Committee is looking at hosting a community picnic in August. He will be working with that group to make the event happen and tie in a business show component to that event.

Mr. Maine noted that Lake Huron Credit Union hosts a member appreciation day that is tied in with other businesses. Events like car seat adjustments, bike helmet fitting, and other beneficial activities can enhance community get togethers.

e. Performance Evaluation

Mr. King noted that he needs to complete a performance evaluation with the DDA board. Mr. Davis said he would work on this.

IX. Township Supervisor's Report – None

X. Planning Commission Report – Don Jackson

Mr. Jackson noted that the Planning Commission amended the Township's sign ordinance to allow nonconforming signs to remain until 2016, which matches Saginaw Township. The rental housing ordinance has been submitted to the Township for review and consideration.

XI. Board Member Comments - None

XII. Other Business

a. Payment of the Regular Bills
(See Attached Itemized Report)

- Moved by Weber to approve payment of the regular bill, second by Howell. Motion carried unanimously.

b. **NEXT BOARD MEETING – Friday, May 21, 2010 at 8:30 a.m.**

XIII. Adjourn

The meeting adjourned at 9:40 a.m.

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Minutes prepared by Steve King

Lyle Davis, Jr. – Chairman

Stephen M. King - Director