

Kochville Township Downtown Development Authority
Board Meeting Minutes: November 12, 2010 (DRAFT)
8:30 a.m. at Kochville Township Hall

Board Members Present: Lyle Davis, Jr. (Chairman), Vern Weber (Vice-Chairman), Dave Abbs (Treasurer), Scott LaDouce (Secretary), Jim Loiacano (Township Supervisor), Tom Basil, Jr., Jon Howell, Don Jackson

Board Members Absent: Dave Maine

Others Present: Steve King (Director), Rob Eggers, Steve Yanca, Bill Hahn, Sheila Hill, Mike Burger, John Olson

Proceedings:

I. Opening

Lyle Davis opened the meeting at 8:30 a.m. with the pledge of allegiance.

II. Agenda

Mr. King noted that Mr. Eggers would like to discuss a final recap of the Kochville Road project, which Mr. Davis added as item 7f.

- Moved by Loiacano, second by Jackson, to approve the agenda as amended. MOTION CARRIED UNANIMOUSLY

III. Minutes

a. October 15, 2010

Mr. Abbs asked for clarification in the October minutes that the DDA's landscape maintenance contract would now expire as of the end of October of next year, 2011, rather than 2010.

- Moved by Weber, second by Basil, to approve the October 15, 2010 minutes as amended. MOTION CARRIED UNANIMOUSLY.

IV. Public Comment

Mr. Yanca asked to reserve comment for the Bay Road sewer project discussion.

Mr. Burger said that the water irrigation systems had been winterized.

V. Communications / Information

Mr. King said he would be sending out a newsletter to DDA businesses soon that included items from both the DDA sheriff's deputies and the Township Fire Chief regarding business concerns. The Kochville Township Board of Trustees, the Township's Planning Commission, and the DDA were invited by Saginaw Township to jointly meet on December 14 to discuss several items, including the Cardinal Square district and the access management plans for Bay Road and Tittabawassee Road.

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VI. Reports

a. Financials

Mr. Abbs noted that the board had received its basic financial statements. Mr. Davis asked if FDIC guaranteed deposits up to \$250,000, which Mr. Abbs said was correct.

b. Police Protection – Weber

Mr. Weber said the DDA had not yet received its invoice from the Sheriff's Department to present to the board, but expected it soon. The DDA would arrange for both officers to be on patrol for "Black Friday," the day after Thanksgiving that is the busiest shopping day of the year.

VII. Unfinished Business

a. Bay Road (M-84) / Pierce Road Sewer Extension

Mr. Olson said that the low bid for the sewer project came in at just over \$999,000. The low bidder is working with Saginaw County and Spicer Group to reduce the overall project cost. The current project estimate, including soft costs, is \$1.171 million; however, with cost reductions this estimate should be reduced to under the \$1.1 million special assessment threshold.

Mr. Abbs asked how the DDA's local bid preference factored into the bid process on this sewer project. Mr. Olson responded that this preference did not factor into the sewer project. The low bid came from a contractor in Grand Blanc, and the second-lowest bidder was from Farwell. Mr. Abbs asked Mr. Olson to clarify how the local preference would affect the bid selection. Mr. Olson said that because the project is being financed with federally-subsidized Recovery Act bonds, the local preference clause could not be included as part of this particular project.

Mr. Kilby noted that because the Bay Road sewer project is being managed by Saginaw County, Mr. Koski's office actually would be awarding the bid, not the DDA or Township, so the DDA's local preference clause would not affect the selection anyway.

Mr. Olson noted that several actions were taken to encourage local contractors to bid on this project. The low bidder is very qualified and very experienced and is a mid-Michigan contractor. The contractor is looking to begin the work in March or April, with anticipated completion by late August 2011.

Mr. Yanca and Mr. Hahn suggested that if additional cost needed to be eliminated from this project, the section of pipe to be run from Pierce Road to the lift station might be removed from this project and installed as a separate Township project.

Mr. Jackson asked how much money the DDA was contributing toward the project. He said that the DDA would not be contributing a subsidy directly toward the project. Any changes like the one proposed were actually a Township issue, not one for the DDA.

Mr. Kilby said that the overall initial project cost estimate was \$1.1 million, which is what the cap was set as for the special assessment district. Since the current total estimate was \$1.171 million, the Township would need to adopt a resolution guaranteeing that any cost overruns above the \$1.1 million cap would be

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covered by the Township. The DDA through the end of October 2010 has spent \$115,000 on the project, which the DDA has not been reimbursed for. As the project becomes more expensive, the window for reimbursement narrows. The basic question was whether the DDA wanted to demand reimbursement for its incurred expenses.

Mr. Howell asked about the DDA's expenses for the project, and whether they had already been paid. Mr. Davis noted that the DDA has been paying for legal and engineering expenses since the project was initially planned in 2009.

Mr. Abbs commented that the DDA should not worry about recouping its expenses to date. Mr. Kilby said that the question was what would happen if project costs go over \$1.1 million in total. Mr. Abbs asked if the DDA's decision whether or not to leave the \$115,000 for reimbursement in the project would affect the total amount to be specially assessed. Mr. Kilby replied that it would not, as this amount is capped at a maximum of \$1.1 million. The DDA's expenses reflect a small share of the total project cost. Mr. Davis commented that the DDA should expect cost overruns on the project and he doesn't want the residential community or the Township put in a bind. He would prefer that the DDA's incurred expenses stay in the project and that reimbursement not be a priority.

Mr. Weber suggested that the DDA try to recoup what it can, but not necessarily demand full reimbursement outright.

- Moved by Basil, second by Weber: that the DDA will not invoice for complete reimbursement of its incurred project expenses of \$115,000 until the end of the Bay Road / Pierce Road sewer project, at which point it will only invoice for the remainder of the bond proceeds which do not exceed the actual out-of-pocket expenses for the DDA. MOTION CARRIED UNANIMOUSLY VIA ROLL CALL VOTE.

Yeas: Abbs, Weber, Basil, Jackson, Howell, Loiacano, Davis, LaDouce

Nays: None

b. Gateway Signs

Mr. Eggers noted that Pumford Construction was about to begin work on the gateway sign in front of Northwest Tire at Fashion Square Blvd. and Tittabawassee when a high-voltage underground electrical line was identified running under the proposed sign location. Spicer Group met with Consumer Energy to discuss the conflict. The area of concern is being surveyed to confirm the location of the Consumers easement and the location of the power line. Because cold weather is coming, this sign may not be constructed this fall.

Mr. King noted that a rendering of a potential future gateway sign in front of Toys 'R' Us, to match the sign in front of Northwest Tire, was included in the board's packet. He noted that a wooden light pole should be moved at the intersection if possible. At the Northwest Tire gateway sign location, the Northwest Tire sign similarly detracts from the view of that not-yet-built gateway sign. The property owner has no intention of replacing the sign before the mandatory sign conformance date of August 2016.

Mr. Weber said he agreed with Mr. Basil that the DDA should not assist private property owners with private signage.

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Mr. Jackson explained that the Planning Commission had extended the required date for conformance to the Township's sign ordinance from August 2010 to August 2016. Mr. Loiacano noted that this extension also was aimed at helping businesses during the current economic climate.

Mr. Basil asked if the DDA would be installing Cardinal Square gateway signs on both sides of Fashion Square Boulevard north of Tittabawassee. Mr. King replied that there currently was only approval for the sign in front of Northwest Tire, but that at some point in the future a request for the opposite gateway sign could be coming to the board.

Mr. Abbs asked if the utility burial project would take care of the wood pole in front of a potential Toys 'R' Us gateway sign. Mr. Eggers said that removing that pole would not directly be part of the utility project.

Mr. Davis explained negotiations and discussions that had taken place with Jim Faught, the owner of the property where Northwest Tire is located. Jim Faught does not own the Northwest Tire business, however.

Mr. King said that a recent finding by a MISS DIG ticket indicated that the proposed gateway sign location could interfere with an underground Consumers Energy line. He thought that by moving the gateway sign slightly to the east – over the current location of the Northwest Tire sign – the DDA could avoid a utility conflict and promote adherence to the Township's sign ordinance.

Mr. Weber asked if the DDA were allowed to build the sign over the buried electrical line, if it would have to worry about the Northwest Tire sign. Mr. Eggers replied this could potentially be correct; however, this was not certain.

Mr. Kilby asked Mr. Eggers whether liability for removal of the sign had been discussed with Consumers Energy, which Mr. Eggers said was not discussed.

Mr. Jackson advised determining who would be liable for sign replacement and repair costs if the high voltage line under the gateway sign would need to be dug up. Mr. Kilby also advised looking into liability for that line and sign.

Mr. Kilby noted that if the DDA were to provide compensation for a new sign, it would technically not be compensating for a new sign but rather for repairs to an existing fixture that the Authority needed to move for its own sign.

Mr. Abbs said that for consistency, the DDA should try not to move the gateway sign from its currently-proposed location. Mr. Loiacano agreed.

c. Tittabawassee / Bay Road Utilities

Mr. Eggers noted that burying utility lines was listed as a top priority at the DDA strategic planning session in September. At a recent meeting with Consumers Energy, the company gave a preliminary estimate of \$30,000 to bury the electrical leads crossing Tittabawassee Road east of Bay to about Art Van; \$250,000 to bury the leads crossing Tittabawassee west of Bay to Independent Bank; and \$400,000 to bury the electrical lines on Bay Road north of Tittabawassee to the high-voltage overhead lines.

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Burying the leads west of Bay on Tittabawassee for \$250,000 should save about \$400,000 on the cost of burying the Bay Road lines, which was initially expected as \$800,000.

Mr. King noted that the question for the board, if it is interested in burying these utility lines, is how to plan on spacing the three segments of the project out. In addition, MDOT is planning to reconfigure traffic signals at the Bay/Tittabawassee interchange in 2011, which came to light during discussions about this project with Consumers Energy. As such, although it would be a separate project, the projects are related.

Mr. Eggers noted that the DDA could install decorative mast arms for traffic signals at the Bay/Tittabawassee intersection as part of the MDOT project. By timing that project for next spring, the cost of the improvement, which had been discussed at a prior meeting as part of the utility burial and streetscaping along Tittabawassee, would be reduced by approximately \$50,000. MDOT already has the plans for the intersection improvements completed for 2011, so the DDA would need to make a decision immediately. The anticipated cost for upgrading to mast arms at the intersection would be about \$100,000. Normally this would cost \$150,000.

Mr. LaDouce asked for clarification of whether this cost would also cover the Bay/Pierce intersection. Mr. Eggers replied that the project would only address Bay/Tittabawassee.

Mr. Basil asked if the decorative mast arms would match those at the Fashion Square Boulevard / Trautner intersection. Mr. Eggers said this could be a condition of the project. Mr. Basil suggested using a not-to-exceed approach in discussions with MDOT and Consumers Energy.

Mr. Jackson asked if the DDA would pay for the entire project, or if Saginaw Township would contribute. Mr. Eggers replied that because of time concerns, it would seem that the DDA would want to plan for the entire intersection and later approach Saginaw Township about participating.

Mr. Jackson noted that most of the utility lines on Tittabawassee Road are on Saginaw Township's side of the road. Mr. Eggers replied that this was correct and would not change as part of the proposed burial project. Only the wires crossing Tittabawassee would be buried.

- Moved by Jackson, second by Basil, to approve funding not to exceed \$100,000 for the installation of decorative mast arm traffic signals at the Bay Road and Tittabawassee Road intersection in 2011. **MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE.**
Yeas: LaDouce, Abbs, Weber, Basil, Jackson, Howell, Loiacano, Davis
Nays: None
- Moved by Basil, second by Abbs, to approve funding to bury Consumers Energy electrical leads crossing Tittabawassee Road east of Bay Road and west of Davis Road, estimated to cost \$30,000. **MOTION CARRIED UNANIMOUSLY BY ROLL CALL VOTE.**
Yeas: LaDouce, Abbs, Weber, Basil, Jackson, Howell, Loiacano, Davis
Nays: None

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Mr. Basil noted that the DDA has always discussed establishing a unique look and feel for the entrance to Kochville Township, which is why the DDA is investing in projects like gateway signs. He believes that the interchange traffic signal improvements will provide a marked improvement.

Mr. Burger said that the water mains on Bay Road and Tittabawassee Road are old and cautioned against burying electrical lines over the top of an old water main. He suggested that replacement of this line needed to be taken into consideration.

Mr. Abbs asked when the DDA would need to consider whether to do the second phase of the utility burial along Tittabawassee. Mr. King said that the DDA needs to do the second phase before it does Bay Road; however, it did not need to do this phase to do the intersection.

- d. Closed session pursuant to MCL 15.268(h) to consider material exempt from discussion or disclosure by state or federal statute.
 - Moved by Loiacano, second by Abbs, to enter closed session pursuant to MCL 15.268(h) to consider material exempt from discussion or disclosure by state or federal statute. MOTION CARRIED UNANIMOUSLY VIA ROLL CALL VOTE.
Yeas: LaDouce, Abbs, Weber, Basil, Jackson, Howell, Loiacano, Davis
Nays: None

The DDA entered closed session at 9:41 a.m.

The DDA re-entered public session at 9:54 a.m.

- e. Revenue Sharing Agreement with Kochville Township

Mr. King described the proposed second addendum to the revenue sharing agreement between Kochville Township and the Kochville Township DDA. This addendum would raise the annually-shared revenue to the Township from \$45,000 to \$53,500 based on services and benefits that the Township provides for the DDA.

Mr. Weber asked if this revenue sharing amount was being increased for a particular project. Mr. King replied that the increase was not for any specific project but rather for general services.

- Moved by Weber, second by Abbs, to approve the second addendum to the revenue sharing agreement between Kochville Township and the Kochville Township DDA, increasing the amount of revenue to be shared to the Township to \$53,500 for fiscal year 2010-11. MOTION CARRIED UNANIMOUSLY VIA ROLL CALL VOTE.
Yeas: LaDouce, Abbs, Weber, Basil, Jackson, Howell, Loiacano, Davis
Nays: None

- f. Kochville Road Wrap-up

Mr. Eggers noted that the Kochville Road project was essentially completed. He described the history of the project and presented photos from before, during and after construction. The grand total on the entire roadway project was about \$701,000.

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VIII. New Business

a. Mast Arm / Cantilever Traffic Signals

Mr. Eggers noted that in addition to the Bay/Tittabawassee interchange, MDOT will also be reconfiguring the intersection of Bay and Pierce Roads in the spring of 2011. This work will include the installation of crosswalks, new traffic signals and pedestrian signals.

Mr. Davis asked Mr. King to meet with Mr. Abbs and determine the DDA's financial projection before committing to other projects. Mr. Abbs suggested putting this and the mast arms on the next meeting's agenda.

Mr. Eggers noted Mr. Kilby's idea on a benefit from mast arms for traffic signals: the ability to install on-demand switches for emergency vehicle use.

b. Streetlight Maintenance – Replacements on Hand

Mr. King said the DDA had no replacement streetlights on hand if any needed to be replaced this winter. Expected shipping time for a new streetlight pole is six to eight weeks. The poles will cost an estimated \$3,600 each. He requested direction from the board as to whether to order any to have on hand.

Mr. LaDouce asked how many poles were lost in 2009, which Mr. King said was one. Mr. Weber said that the DDA had not held on to any extra poles in the past because it had no place to store them. Mr. King noted that Roenicke Electric would store extra poles for the DDA.

- Moved by Basil, second by Loiacano, to order one streetlight pole to have on hand, to be stored by Roenicke Electric. MOTION CARRIED 7-1.
Yeas: Abbs, Weber, Basil, Jackson, Howell, Loiacano, Davis
Nays: LaDouce

c. Courtyard at Saginaw Square Shopping Center

Mr. King asked to defer this item to the December meeting.

d. DDA Director Travel to MAEDC Conference

Mr. King said he had been advised by some reputable DDA directors that in order to attract business interest to the district, he will need to attend conferences and other networking events outside of the region. Al McFadyen, the DDA director of Delhi Township near Lansing, suggested attending the upcoming Mid America Economic Development Council conference in Chicago in early December, which would cost \$570 plus travel and hotel fees; however, this conference is known for attracting many national retailers and businesses that might be interested in Kochville Township.

Mr. King said that in order to attract businesses to the district, he would probably need to travel to more such conferences in the future. He was not looking for approval right now, but direction as to whether he should consider similar events in the future. His current travel budget for the year is \$2,000, which would be exceeded in the future by much more travel.

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- Moved by Jackson, second by Loiacano, to approve up to \$1,300 for travel expenses for the DDA Director to attend the December 5-7, 2010 MAEDC competitiveness conference in Chicago, IL. MOTION CARRIED UNANIMOUSLY.

Mr. Howell said he would like to know more about future events that Mr. King might attend. Mr. Weber noted that in Thomas Township, officials attending conferences prepare summaries of those events for the board. He asked Mr. King to prepare a proposal or plan for the next meeting.

Mr. Howell also asked Mr. King to consider materials that he would need to distribute to market the DDA district.

IX. Township Supervisor's Report

Mr. Loiacano noted that the Township Board confirmed the special assessment for the Bay Road / Pierce Road sewer project district. The Venoy pumping station is being upgraded, which will include a bathroom, not to exceed \$120,000 for the entire site. The liquor control ordinance was passed. The Township also approved an on-call policy for emergency services for its DPW staff. A number of board and commission volunteers were re-appointed, including DDA board members Lyle Davis, Jr., Vern Weber, Dave Abbs, and Tom Basil, Jr., through 2013. The sign ordinance text amendment was also approved to address drive-through signs. The first bond interest payment was made. Another firefighter was also hired. The Township is addressing its rental housing ordinance. Phase three of the interceptor sewer project was approved.

X. Planning Commission Report

Mr. Jackson said the Planning Commission found a problem addressing non-conformance in the zoning ordinance, which it is addressing right now. This problem was identified in considering a site plan for Lover's Lane, for which the Commission determined parameters for administrative approval, including installation of Cardinal Square district elements.

XI. Board Member Comments

Mr. Jackson noted that the contract for the landscape maintenance contract extension was approved by a voice vote, not a roll call. Mr. Kilby said that because just a contract extension was approved, but that the bills still have to be individually approved by the board, a voice vote was sufficient.

XII. Other Business

a. Payment of the Regular Bills

- Moved by Weber, seconded by Basil, to pay the regular bills. MOTION CARRIED UNANIMOUSLY.

b. NEXT BOARD MEETING: Friday, December 17, 2010 at 8:30 a.m.

XIII. Adjournment

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The meeting adjourned at 10:28 a.m.

Minutes written by Steve King, DDA Director

Lyle Davis, Jr., DDA Chairman

Date

Stephen M. King, DDA Director

Date