

**Kochville Township Downtown Development Authority  
Board Meeting Minutes: May 21, 2010  
8:30 a.m. at Kochville Township Hall**

**Board members present:** Lyle Davis, Jr. (Chair); Vern Weber (Vice-Chair); Dave Abbs (Treasurer); Jim Loiacano (Supervisor); Tom Basil, Jr.; Don Jackson; Scott LaDouce;

**Board members absent:** Dave Maine, Jon Howell

**Others Present:** Steve King (Director); Kevin Kilby, Rob Eggers; Mike Burger, Steve Yanca, Patricia Bourdow, Kenneth Bayne, Marci Plahutnik, Students from Saginaw Valley State University

**Proceedings:**

**I. Opening**

Lyle Davis called the meeting to order at 8:30 a.m. and led the pledge of allegiance. He welcomed students from Saginaw Valley State University in attendance.

**II. Agenda:**

- Moved by Jackson to approve the agenda as presented, second by Abbs. Motion approved unanimously

**III. Minutes:**

- Moved by Weber to approve the April 23, 2010 minutes as presented, second by Abbs. Motion approved unanimously

**IV. Public Comment**

Patricia Bourdow said she and others would host a retirement party in June for Sharon Wilkins, the Township's office manager. She requested a contribution from the DDA toward this event, if the Authority is able to.

Steve Yanca, Kochville Township Treasurer, reiterated it would be nice to provide a nice party for Sharon's retirement. Kochville Township scored the highest rating of any municipality in Saginaw County for a recent desirability study. He complimented the DDA for its work. At least 80 percent of the tax revenue generated in Kochville Township comes from the business community. He wondered if there were any projects coming soon to help fill empty storefronts. He encouraged the DDA to be patient with SVSU while the university deliberates the Township's offer to purchase its lift station. He said it has been a pleasure working with the DDA director.

Mike Burger, Kochville Township DPW Superintendent, also asked the DDA board to be patient with SVSU regarding the lift station consideration. There is no need for two lift stations within one-half mile of one another.

**V. Communications** - None

**VI. Reports**

a. Financials

Mr. Abbs suggested that the DDA should transfer \$250,000 from its Citizens Bank account into other institutions, perhaps through CEDARS. There are at least two or three CDs available right now that charge no penalty for early withdrawal.

**VII. Unfinished Business**

a. Kochville Road

Mr. Eggers recalled that at its April 2010 meeting, the low bidder on the Kochville Road project was Tri City Groundbreakers, with the second-lowest bid being Rohde Brothers. Research on Tri City Groundbreakers came back positive. Following an interview with the company, the Township's concerns with the company were assuaged. The company's financial records are also sound. The price difference between the low bid and the second-lowest bid for the road portion is about \$54,000. Due diligence was performed in researching the company, and based on the results he recommended proceeding with Tri City Groundbreakers.

Mr. Weber asked if the project cost outlined in the low bid included upgrading the easternmost 710 feet of the road to "All Season" classification. Mr. Eggers replied that the change order noted was not yet a certainty, and was not included in the low bid figure already provided by Tri City Groundbreakers. Mr. Weber asked what the cost of the upgrade would be, which Mr. King replied was estimated at \$147,000.

Mr. King said that at its May 10 meeting, the Kochville Planning Commission voted to support the special use permit request for Prairie Farms Dairy to use the facility at 3120 Kochville Road, which is within the DDA district and along the affected stretch of Kochville Road. As a condition to this approval, Mr. King requested of the Planning Commission – and received – a recommended requirement of Prairie Farms to take out a \$50,000 12-month performance bond guaranteeing their use of the property. This request was made because the road rebuilding project did not call for construction of the road to "All Season" classification that would allow truck traffic during winter months, and the timing of the special use permit and site plan requests did not allow sufficient time for the DDA to redesign and re-bid the Kochville Road project. The \$50,000 figure was determined by Mr. King as a roughly one-third reduction of risk to the DDA should the business not open to necessitate the immediate investment in the upgrade to the eastern portion of the road. The DDA would pay in cash the entire \$147,000 for the upgrade, and assuming the business would open within 12 months of site plan approval, it would only be responsible for the costs of obtaining that performance bond.

Mr. Weber asked when the project can get started. Mr. Kilby said the project is set to bond on June 9, and could commence after that. Mr. Weber asked that signs be placed to inform the community about the improvement work.

May 21, 2010 - **DRAFT**

Mr. King requested a motion to confirm the board's support of the \$50,000 amount of the requisite performance bond attached to the Prairie Farms Dairy special use permit request to be considered by the Kochville Township Board of Trustees.

- Moved by Loiacano to request to the Kochville Township Board of Trustees, on behalf of the Kochville DDA, requirement of a \$50,000 performance bond on behalf of Prairie Farms Dairy to cover approximately one-third of the project cost to improve part of Kochville Road to "All Season" classification; second by Davis. Approved by roll call vote 6 – 1 to support.  
Yeas: LaDouce, Weber, Abbs, Jackson, Loiacano, Davis  
Nays: Basil  
Absent: Howell, Maine

Mr. Kilby asked for clarification on how the DDA intended to pay for the change order to the Kochville Road project, estimated at \$147,000. Mr. King said that this would have to be paid for in cash from fund balance. He noted two other issues from the project for the board's consideration. One was the agreement with Kochville Township to pay the debt service on the capital improvement bonds, which he outlined the terms of.

Mr. Davis asked for clarification on the payment process for the project. Mr. Eggers said that the contractor would request payment, which would be submitted to Spicer Group, who would review the request and if approved, send it to the DDA Director for recommendation for payment. Spicer Group will hold up to a 10 percent retainer as part of the contract. Mr. Davis asked that the DDA director observe the project every month and keep the board informed.

Mr. Weber asked for the basic terms of the bond issue. Mr. Eggers noted that the board had requested a 15-year issue, and the expected yearly debt service at a 4.75 percent interest rate was about \$64,000.

- Motion by Weber to approve Resolution Authorizing an Agreement with Kochville Township for the Payment of Debt Service on the Capital Improvement Bonds; second by Davis. Motion carried unanimously by roll call vote.  
Yeas: Weber, Abbs, Basil, Jackson, Loiacano, Davis, LaDouce  
Nays: None  
Absent: Howell, Maine

Mr. Jackson asked if all necessary permits were already approved for the Kochville Road project. Marci Plahutnik of Spicer Group said that a detour route was already approved, and the contractor is responsible for the Saginaw County Road Commission permit. Mr. Eggers noted that the SCRC has been involved with the project since the beginning and supports it.

Mr. Eggers asked if the DDA board wished to proceed immediately with the change order to upgrade the easternmost portion of Kochville Road to All Season classification, or if it wished to wait for the outcome of the special use permit request before the Township Board of Trustees or the site plan approval from the Planning Commission.

May 21, 2010 - **DRAFT**

- Moved by Weber to approve a change order to upgrade the easternmost 710 feet of Kochville Road west of M-84 to “All Season” classification, not to exceed \$150,000; second by LaDouce. Approved unanimously by roll call vote.

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

Nays: None

Absent: Howell, Maine

b. Bay Road (M-84) Sewer District

Mr. Davis noted that Kochville Township has approached Saginaw Valley State University with an offer to purchase its lift station to include in the M-84 sewer district project. He noted that Steve Yanca and Mike Burger requested patience on behalf of the DDA. The DDA will wait for a response by SVSU regarding the project consideration.

Mr. Abbs noted that SVSU’s deliberation on the subject is important to the university and reflects a policy change. He expected that the Township would hear back hopefully within the next 60 days.

Mr. Jackson noted that a recent press article discussed SVSU’s plans to build a new facility that may increase demands on the system.

Mr. Loiacano said that the Township may need to investigate having a utility study done.

c. Signage (Gateway, Wayfinding) – Eggers

Marci Plahutnik said MDOT had reviewed the proposed wayfinding sign locations within the township, and noted only one problem, for a sign on Bay Road. That issue was modified and approved. Approval is still needed from the Saginaw County Road Commission, and once that is received the project can move forward.

Mr. Eggers noted that he and Mr. King had met with Diane Doyle of Garbko, the owner of the 7-Eleven at Mackinaw and Tittabawassee Roads. She is reviewing a proposed easement for a gateway sign at that location, and if approved, the DDA can proceed with building that sign.

Mr. Davis asked how the project would proceed if an easement is obtained from the property owner. Mr. Eggers replied that the Authority could bid out the project, or proceed by immediately contracting for the project, like it did with the bus stop at Wal-Mart.

Mr. Jackson requested that the DDA work with the Fire Department to address any concerns pertinent to fire hydrant access.

Mr. Eggers said that Spicer Group would prepare a bid package for the project.

d. Charter School Safety

Mr. King gave an overview presentation of the DDA’s charter school safety project. The DDA approved funding for the project in the spring of 2009; reiterated its support for the project and

May 21, 2010 - **DRAFT**

submitted a letter of concern to the Saginaw County Road Commission in January 2010; and is still awaiting the formal results of a speed study by the Michigan State Police, but is at this point unable to proceed with installing signage in the area of the school, including “No Parking” signs.

Mr. LaDouce reiterated his concern that a person will be injured near the North Saginaw Charter Academy because of high traffic speeds and illegal parking along the street during student release.

Mr. King reviewed the approved project components. The only portion of the project that has been completed is a school speed limit sign. Pedestrian and “no parking” signs have not been installed, nor has a crosswalk.

Ken Bayne said that there are six years’ worth of speed studies on the section of Trautner Road of concern. If one child walks to school, the road speed limit is eligible to be lowered.

e. DDA Director Performance Evaluation

Mr. Davis asked Mr. King if he wished for discussion of his review to take place in closed session, which Mr. King declined.

Mr. Davis noted that he had received comments from DDA board members and included these into a performance evaluation of the DDA Director, Mr. King, who as part of his contract is to receive an evaluation. The evaluation ranked 10 areas of performance on a scale of one (1) to three (3), with three being the highest. Mr. King’s average ranking across the evaluation was 2.5.

Mr. Davis said he was recommending a five percent increase in salary, with a contribution to a retirement account of Mr. King’s of five percent of salary.

Mr. Basil asked what the actual amount of this increase would be. Mr. Kilby replied that five percent of salary would equal \$2,250.00, and the additional five percent retirement contribution of this increased salary for the current fiscal year would equal \$2,362.50. Mr. King’s total compensation package would now equal \$49,612.50.

- Moved by Weber, to approve a five percent increase in salary for the DDA Director, effective as of April 1, 2010, with an additional contribution to Mr. King’s retirement account of five percent of annual salary. Second by Jackson. Motion carried unanimously by roll call vote.  
Yeas: LaDouce, Weber, Abbs, Basil, Jackson, Loiacano, Davis  
Nays: None  
Absent: Howell, Maine

**VIII. New Business**

a. DDA Revenue Sharing Agreement

Mr. King said the DDA already had a revenue sharing agreement in place from fiscal year 2008 to return captured Kochville Township tax revenues to the Township. An addendum to that agreement had been prepared for the 2009 fiscal year that would return \$45,000.00 from the Kochville Township DDA to

May 21, 2010 - **DRAFT**

Kochville Township. The actual amount of capture for the fiscal year was \$44,324, and this amount was rounded up to \$45,000.

- Moved by Abbs to approve 1<sup>st</sup> Addendum to Agreement, a revenue sharing agreement between the Kochville Township DDA and Kochville Township, in the amount of \$45,000 for the 2009 fiscal year; second by Jackson. Motion approved unanimously by roll call vote.  
Yeas: Davis, Loiacano, Jackson, Basil, Abbs, Weber, LaDouce  
Nays: None  
Absent: Howell, Maine

b. DDA Secretary Appointment

Mr. King noted that the DDA was required to have an appointed secretary to sign bond-related documents, a position that was not filled. Mr. LaDouce had volunteered to fill the position if the board so wished.

- Moved by Weber to appoint Scott LaDouce as DDA secretary; second by Jackson. Motion carried unanimously.

c. Solar Energy in the DDA

Mr. Eggers discussed some projects in the region pertinent to solar energy. Detroit Edison and Consumers Energy are required to produce 10 percent of their total energy production from renewable sources by 2015. Detroit Edison is partnering with businesses to install solar arrays and other production mechanisms, and perhaps Consumer Energy will follow suit in the future. The largest solar array in Michigan recently was installed in Homer Township, which occupies a five-acre area.

Mr. Weber noted that Thomas Township recently received a quote to line its township hall roof with solar panels, which came in at \$450,000. The payback on that investment is not very feasible.

Mr. Abbs said that he recently met with representatives from leading area companies, including Dow Chemical and Dow Corning, who expressed the need for “shovel ready” sites to build on in the future. Mr. Davis commented that part of the DDA along Tittabawassee Road lies within the Anchor Zone for Hemlock Semi Conductor. Mr. Weber suggested looking at the number of “shovel ready” sites already available in the region.

d. DDA Liquor License Eligibility

Mr. King described redevelopment liquor licenses, enabled by 2006 state legislation. These liquor licenses can be available in designated, approved business districts approved by the Michigan Liquor Control Commission. These redevelopment liquor licenses cost \$20,000 and are site-specific, and would still require approval by the Township’s Board of Trustees. The DDA can be designated as an eligible “redevelopment district” to meet LCC criteria for redevelopment liquor license eligibility. If the DDA desired for these licenses to be available, it would recommend that the Township Board of Trustees approve an application to the LCC to become eligible.

e. SVSU Study Results

Mr. King presented findings from the winter 2010 SVSU Marketing Principles 331 study of Kochville Township. The study included surveys of all Kochville Township registered voters, business owners and commercial land owners within the DDA, and an email survey of SVSU students.

1,644 surveys were sent to registered voters in the township, with 355 responses. 87 percent of responses were from single-family homeowners. 56 percent of respondents noted something in reference to “rural,” “country,” “farms,” or similar phrases as what they like most about Kochville Township. 41 percent referenced a phrase like “close to everything,” “near shopping,” “close to SVSU,” or another similar phrase as what they like most about Kochville Township. 73 percent of respondents have lived in the township for 11 or more years. Voters supported more housing on SVSU’s campus more than “near” SVSU’s campus, for which only a slight majority favored.

339 business surveys were mailed in the community, with 84 responses. 93 percent of those who responded do not live in Kochville Township, and more than 60 percent of the responses were from those who own their business. Most respondents do business in smaller-sized stores. Most expect to stay in Kochville Township with their business. The vast majority value the appearance of Kochville Township as important to their business. There is much overlap between what residents and businesses value about Kochville Township.

The SVSU student survey was a new measure of Kochville Township. 10,400 email surveys were distributed to students, with 972 responses. A conservative measure of direct spending in Kochville Township by SVSU students is \$7.9 million. Less than half of students live on or within 10 minutes of SVSU’s campus, indicating the economic generation effect that SVSU has upon the township. One in eight student respondents is 30 or more years of age. One great opportunity going forward is for the DDA and Township to better communicate with SVSU students, as only three (3) percent responded that they know a great deal about Kochville Township.

The study also included interviews with faculty at the SVSU Center for Business and Economic Development. Comments from faculty included encouragement to build and promote around SVSU as a community magnet. Other comments included encouraging renewable energy in the community, addressing residential needs of students, and encouraging entrepreneurship.

Mr. Davis asked Mr. King to share the findings with other boards and commissions of Kochville Township. There is a clear need to work toward preserving the Township’s semi-rural identity while also promoting economic and business development within the township.

**IX. Township Supervisor’s Report – Supervisor Loiacano**

At the Township Board of Trustees April 20, 2010 meeting, the board approved improvements to the Fire Hall’s training room. Improvements are also taking place at Elmer Lange Park. At its May 4, 2010 meeting, the Township Board of Trustees approved Resolution 10-17 for the Thunder in the Valley event. The Township is interviewing candidates for the office manager position becoming available due to the retirement of Sharon Wilkins.

**X. Planning Commission Report – Don Jackson**

Mr. Jackson noted that the Planning Commission had passed a motion to recommend approval of the special use permit for Prairie Farms Dairy, which will then go to the Township Board of Trustees. Mr. Jackson discussed improvements made to the bathroom facilities at Krossroads Park and for a future sledding hill at Elmer Lange Park.

**XI. Board Member Comments - None**

**XII. Other Business**

a. Payment of the Regular Bills

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

**b. NEXT BOARD MEETING – Friday, June 18, 2010 at 8:30 a.m.**

**XIII. Adjournment**

- Moved by Weber to adjourn the meeting, second by Abbs. Motion carried unanimously.

The meeting adjourned at 10:40 a.m.

Minutes prepared by Steve King

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Lyle Davis, Jr. – Chairman

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Stephen M. King - Director