

MINUTES (DRAFT)
KOCHVILLE TOWNSHIP
DOWNTOWN DEVELOPMENT AUTHORITY (DDA)
MAY 20, 2011 – 8:30 AM (Township Board Room)

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

Board Members Absent: Scott LaDouce (Secretary)

Others Present: Steve King (Director), Rob Eggers, Kevin Kilby, Mike Burger, Steve Yanca, Steve Fausnaugh, Sheila Hill, Dan Hill, John Wisniewski

Proceedings

I. Opening of Meeting

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

II. Approval of Agenda

Mr. King noted that the agenda had been revised, labeled "Revised – 5/18/11."

- Moved by Basil, second by Loiacano, to approve the agenda as presented. MOTION CARRIED UNANIMOUSLY.

III. Public Comment - None

Mr. Davis reviewed the DDA's meeting procedure and asked meeting attendees and board members to address the board during public comment and not during the meeting in order to streamline the meetings.

IV. Communications / Information

- a. Kochville Township Board of Trustees Meeting Minutes (draft) – April 26, 2011
- b. Kochville Township Planning Commission Meeting Minutes – April 11, 2011
- c. M-84/Pierce Sanitary Sewer Extension Progress Meeting Minutes – May 16, 2011
- d. Letter from Country Inn & Suites dated May 18, 2011

Mr. King referenced a letter received from the Country Inn and Suites on Davis Road, requesting the DDA to consider improving access management in that area of the district.

V. Reports

- a. Financials

Mr. Abbs reviewed the DDA profit/loss statement, noting "nothing unusual."

- Moved by Jackson, second by Weber, to receive and file the financial statements (effective through April 30, 2011). MOTION CARRIED UNANIMOUSLY.

- b. Police Protection (None)

Mr. Weber said the DDA had paid all police-related bills through December 2010, and he had approved the purchase of an automatic electronic defibrillator (AED) for the patrol car at approximately \$1,700. The DDA will be under-budget for the time frame of September 2010 through March 2011. The DDA will have paid total bills of approximately \$143,000 during that time.

Mr. Weber said he had analyzed the 488 calls made within the DDA district the effective period of the contract with the Saginaw County Sheriff's Office. Of those 488 calls, 355 (73-percent) were answered by the DDA's deputies, reflecting the value of this service to the district.

Deputy Fausnaugh said he felt the hours being worked were working out well within the DDA district.

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Mr. Weber noted that the State Police post in Bridgeport will be closing, so the troopers at that location will need to be relocated. The State Police could possibly relocate up to six troopers to Kochville Township, which would require a location for equipment and spots to park the cars. The State Police work very well with the Sheriff's Department.

VI. Consent Agenda

- a. Meeting Minutes of April 15, 2011
- b. Treasury Report / Payment of the Regular Bills
- c. Next DDA Meeting: Friday, June 17, 2011
- d. DDA Strategic Planning Workshop: Wednesday, September 7, 2011 @ 8:30 a.m.

- Moved by Abbs, second by Loiacano, to approve the consent agenda as presented. MOTION CARRIED UNANIMOUSLY.

VII. Projects and Updates

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

Mr. Eggers said that the sewer work on the east side of Bay Road was being completed this week. Next week the contractor will work to the west side of the road starting at Pierce. Some borings were removed to reduce the project cost. The project is currently on schedule and on budget.

Mr. Loicano noted that the substantial completion date on the project is September 2011, with full completion by October 2011.

- b. Tittabawassee Road Streetscape Project (Bay to Davis) – LED Lighting

Mr. King noted that while the board had already approved funding parameters for the project, a project hang-up had been determining what type of lighting fixture to use. Of the several options considered, including conventional metal halide – currently used in the district, LED, and induction, he was recommending using an LED fixture on Tittabawassee Road.

Mr. Weber said that a demonstration LED fixture by the same manufacturer, Beacon, was on display on Miller Court in Thomas Township.

Mr. Eggers provided a computerized photometric graphic showing the estimated lighting spreads from the proposed LED fixtures. The poles would stand 25 feet tall, and spacing between poles would be about 150 feet. The necessary wiring and connections would cost less with the LED lights because of the reduced gauge size necessary for the more efficient LED fixtures.

Mr. Weber noted that the project has to go out for bids.

Mr. King said that the initial quote on metal halide street lights was \$3,100 per assembly, whereas the quote provided for the recommended LED fixtures was \$2,100. Even after adding five more pole assemblies to the project, the DDA will save money on the upfront project cost. In addition, the expected life of an LED fixture (50,000 hours) is at least five times that of a metal halide fixture, saving the DDA maintenance and electricity costs.

Mr. Maine asked how aesthetics and lighting quality were considered in making the recommendation.

Mr. Eggers replied that the project required a balance of aesthetic and road lighting quality, but this project emphasizes the aesthetic quality of the lights. Right now there are only five cobra head road lights from Bay to Davis on Tittabawassee, so the project will certainly improve lighting on that stretch. He noted that the DDA should save nearly \$20,000 by simply removing the existing cobra head lights, since those overhead wires will not need to be bored under Tittabawassee Road, as had initially been planned for.

Mr. Abbs asked about the color of the LED light, which Mr. Wisniewski of Standard Electric described as a white-color light.

- c. Street Light Retrofitting

Mr. Wisniewski said that induction is an ideal retrofit for the DDA's existing metal halide fixtures. The induction fixtures run cool, last a long time – 50,000+ hours – and provide a nice quality light that uses less electricity.

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Mr. King said that while considering street light options, the potential for induction lighting was discussed relative to the DDA district. Induction lights should save about 50-percent on electricity costs compared with metal halide fixtures. While the induction lights weren't as ideal for the new street lights on Tittabawassee, they are an ideal match for retrofitting the existing street lights in the district. At the moment, Consumers Energy is offering grant funds for some energy efficiency improvements, which this project would qualify for at approximately \$45.00 per fixture. The DDA has 232 fixtures to retrofit currently in its district. The DDA's total upfront materials cost to retrofit the district would be about \$34,000, and perhaps \$11,000 for labor. After the Consumers Energy grant, the materials cost would drop to about \$22,000. The payback time for the materials would be less than two years based on energy savings from the new fixtures, and including labor the payback time would be about two-and-a-half years. In addition, the DDA would save substantially on future maintenance and replacement expenses.

Mr. King said he would be seeking board approval for project funding not to exceed \$45,000 (before the Consumers Energy grant) to retrofit the DDA's existing street light fixtures with induction lighting, in order to take advantage of the grant funds while they're available.

Mr. Basil asked if the retrofitting would include the ballasts, which Mr. Weber said was correct.

Mr. Basil asked to clarify that \$34,000 was for materials. Mr. King replied that this is the expected upfront cost for materials, before receiving Consumers Energy rebate toward the project.

Mr. Weber noted that Standard Electric would process the initial processing paperwork to Consumers Energy at no cost to the DDA.

- Moved by Maine, second by Abbs, to approve funding not to exceed \$45,000 to retrofit the DDA's existing street lights with induction light fixtures. (MOTION CARRIED BY ROLL CALL VOTE.)
Yeas: Howell, Maine, Abbs, Basil, Jackson, Loiacano, Davis
Nays: None
Abstention: Weber
Absent: LaDouce

d. Gateway Signs (New Sign Concept, Solar Lighting, Text for Applebee's Sign)

Mr. King noted that the "Welcome to Kochville Township" east gateway sign is now under construction in front of Applebee's on Tittabawassee Road. One of the elements initially envisioned as part of this sign was solar lighting, though the board decided to hold off on the solar lighting in 2010. A quote was provided by The Green Panel, a presenter at the recent Great Lakes Bay Solar Summit, to install a solar panel at this sign and add lighting.

Mr. Weber commented that Standard Electric has had no problems working with The Green Panel.

Mr. Maine expressed concern with the installation of a solar panel on the aesthetic quality of the gateway sign, as well as its energy production potential in Michigan. Mr. Weber agreed that there are still tweaks to be made in many larger solar lighting systems, but said he was more comfortable with using solar lighting for this project.

Mr. Davis suggested that a tag line could be added to the gateway sign reflecting something like "Gateway to the Solar Valley" and incorporate a solar lighting element, enhancing the already beautiful gateway sign. Mr. Weber said he felt this was a good idea.

Mr. Maine wondered how many phrases should be included on the sign. Mr. Davis noted that the newest gateway sign will not show "Cardinal Square" like the other signs.

Mr. Weber asked if the DDA could approve this project if it was under \$5,000 without going out for bids. Mr. Kilby replied that the DDA did not have to go out for bids on this project if it did not wish to. Mr. Weber noted that this order would not be done through Standard Electric Co.

Mr. Kilby noted that the quote included an option for two additional spotlights for \$729.

Mr. Jackson asked if this quote applied to just the Applebee's gateway sign, or to all three gateways. Mr. Davis replied that the DDA would try out solar lighting on the Applebee's sign first, though the board could choose to light all of its signs if the first project goes well.

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- Moved by Weber, second by Howell, to approve the quote for a solar lighting system to be incorporated into the DDA east gateway sign, not to exceed \$5,613.73. MOTION CARRIED BY ROLL CALL VOTE.
Yeas: Howell, Weber, Abbs, Basil, Jackson, Loiacano, Davis
Nays: None
Abstention: Maine
Absent: LaDouce

Mr. King said the final gateway sign issue to address was a potential new sign format in order to accommodate the tight intersection space at Bay and Tittabawassee. There is no way to fit one of the existing gateway sign formats in the areas around that intersection because of a lack of space and potential utility conflicts. Using a smaller format sign, such as one following the brick column format, would give the DDA far more flexibility on addressing that area. (Mr. Eggers distributed three design renderings to the board.)

Mr. Abbs asked if the existing brick columns at the intersection could be used for the proposed design ideas. Mr. Eggers said this could be possible with some modifications and permissions.

Mr. King noted that he was not asking for approval of a particular sign, but rather was seeking general feedback on the design ideas in order to examine how to move forward with a sign at that intersection.

Mr. Weber inquired what expense the DDA was looking at with the design ideas. Mr. Eggers replied his initial estimate was perhaps \$3,000 to \$5,000.

Mr. Davis asked the board to provide feedback on the ideas to Mr. King before the next DDA meeting.

Mr. Eggers asked Mr. Jackson if Lover's Lane is required to install Cardinal Square elements as a condition of their site plan approval, because if they are, perhaps they could incorporate the proposed sign ideas into those improvements. Mr. Jackson replied he did not believe the company was required to install Cardinal Square landscaping elements because of their reuse of the existing property. Mr. Loiacano said this was not a requirement because the Township did not require the Cardinal Square improvements on the property, following the recommendation of Township legal counsel.

Mr. King said he thought the business had agreed during discussion at the site plan hearing to incorporate some Cardinal Square improvements. Mr. Jackson said Dale Klein needed to be asked about the issue.

e. Pierce Road

Mr. King recalled that Jim Muladore of SVSU had proposed the idea to Mr. King at a meeting in 2010 about doing something to improve Pierce Road. Mr. King noted that Pierce Road has long been discussed as a potential Township road project, though it is not in as bad of shape as Davis Road, nor is it to the point of Kochville Road before that road's reconstruction in 2010. He had asked Spicer Group to prepare a preliminary estimate as to the potential costs involved in improving Pierce Road as a two-lane road.

Mr. Eggers said three conceptual project scopes were prepared, all for a two-lane road between Bay and Davis Roads. The first scope was to crush and shape the existing road like had been done on Kochville Road but adding curb and gutter and fill in the drainage ditch on the road's south side, for \$2.0 million. The second scope estimate was the same as the first, but without curb and gutter, for \$1.95 million. The third estimate was for a full all-season reconstruction of the road with curb and gutter, also with the ditch filled, for \$2.3 million.

Mr. Maine asked what the DDA's reason was for considering the project. Mr. Eggers replied that the university had approached the DDA regarding the project, and that the DDA would likely more facilitate Pierce Road as an SVSU project, with support also perhaps coming from Kochville Township.

Mr. King mentioned that he has been working on developing overlay concepts to improve walkability and other enhancements for the DDA district. At present, Pierce Road is not a safe route for pedestrians, despite the obvious need for the road to be safe with 8,000 vehicles a day using the university's south entrance. There is a 10-foot drainage ditch next to the road that poses a safety hazard for motorists and pedestrians alike, and also detracts from the aesthetic quality of that area. The estimates were provided just to get the discussion started about the project; however, if the project is to ever be done, the DDA needs to make sure the project design would meet its objectives of beautifying the district and making it safer for all users of the road.

Mr. Maine asked if Pierce Road could end up looking like Davis Road after SVSU improved that road between Pierce and Freeland Roads.

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Mr. Loiacano and Mr. Jackson agreed that Pierce Road would need to be Complete Streets compatible.

Mr. King noted that perhaps the only community complaint about the Kochville Road project was the lack of sidewalks or a bike lane – improvements often included in a Complete Streets plan. He reiterated that if the DDA is to be involved in the project it needs to address the street holistically.

Mr. Maine said he would want to eventually see Pierce Road streetscaped like the DDA is doing on Tittabawassee Road.

Mr. King said he was not looking for a particular action by the DDA board. He reiterated that there is “absolutely no chance” of this being a standalone DDA project, though the DDA has expressed interest in participating.

Mr. Davis asked Mr. King to approach Mr. Muladore at SVSU to inform the university of the DDA’s potential interest in the project.

VIII. Business

a. Future Improvement Grant

Mr. King said that many DDAs offer a “carrot” or incentive to their stakeholders in order to promote reinvestment within their districts. The DDA derives its revenues from taxes, which reflect the level of investment within its district; thus, the DDA has a natural stake in encouraging investment with something like a matching grant program. He had asked Mr. Kilby to develop conceptual language for such a matching grant program, which could be used to address items including façade improvements, sidewalks, or even public art displays within the district. This would be a way to entice private investment, rather than the DDA being the sole investor in many of these projects.

Mr. Kilby described the potential grant program. The DDA board would allocate an amount of money to the program every year, and projects whose applications were submitted by March 15 of that year would be considered and funded based on that total funding level. The grant would match up to 50-percent of a total project cost. A review committee of three people, one of whom would be Mr. King, would review projects and submit funding recommendations to the DDA board. The improvements would have to be in place and maintained for at least five years. As long as the proposed project would fit within the DDA’s objectives and TIF plan, it could be considered and funded under the program.

Mr. King noted that an important question regarding the program proposal is how much of a grant the DDA can afford annually. Mr. King suggested that the DDA could likely afford to start with perhaps \$20,000 or \$25,000 for the 2012 fiscal year. He noted that the DDA’s fund balance will certainly drop because of recent investments in a number of capital improvement projects; however, the grant program is flexible enough so that it doesn’t need to burden the budget in the future if this is ever an issue.

Mr. Maine suggested that the grant should be incorporated into a strategic planning effort by the DDA.

Mr. Jackson asked if the DDA would be able to use funds if no projects were proposed to the DDA under this grant program in a year. Mr. Davis replied that the funds would then remain in the DDA’s general fund for use on other eligible purposes.

Mr. Abbs asked if there is a mechanism to add “teeth” to the proposal, in order to ensure follow-through on completion and maintenance of grant-funded projects. Mr. Kilby replied that the program would allow the DDA to maintain an improvement and invoice the owner through the five-year requirement period.

Mr. Kilby suggested that the program will need to be adjusted as it is implemented, streamlining and improving the process gradually. One item to address will be the funding schedule of grant funds. In addition, the board will need to determine at what total and project levels it wishes to fund the grant program.

Mr. Jackson asked if the DDA could offer a revolving loan fund. Mr. Kilby replied that he works with at least one DDA that does offer such a loan program; however, there is a significant amount of administrative work involved with such a loan.

Mr. Davis asked the board if it would like Mr. King and Mr. Kilby to continue developing the grant program, which the board agreed to.

b. DDA Bylaws

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Mr. King said the DDA Act requires the DDA to adopt and adhere to bylaws. It is time for the DDA to update its bylaws as one of several "housekeeping" items. He asked the board to review the proposed draft bylaws and send feedback to himself or Mr. Kilby before the June 17 DDA meeting.

c. Property Acquisition Policy

Mr. King noted that DDAs can acquire property; however, public negotiation and discussion can work negatively against the DDA. The proposed property acquisition policy would allow for more secure process in discussing and obtaining easements and property in the future if necessary. He asked the board to review the proposed policy and provided feedback before the next meeting.

d. DDA Office Space

Mr. King said the DDA is supposed to function as an intermediary between businesses and property owners in the DDA district and the Township government. He often thinks and functions as nearly a Township official; however, he is not a Township employee. It is important to work seamlessly with the Township in order to make things happen, but the DDA needs to be accountable and accessible to those stakeholders within the DDA. Currently the DDA office is not located within the DDA district. Many DDAs of Kochville's size and larger operate offices independent of their municipal parent, and it may be the right thing for the Kochville DDA to consider. He noted that he enjoys a great working relationship with Kochville Township staff and officials; however, he said he needs to be as accessible as possible to DDA businesses.

Mr. Loiacano noted that he had previously spoken with Mr. King about possibly moving the DDA office downstairs within Township Hall; however, that office is not much bigger than Mr. King's current office.

Mr. King said that if the DDA were to open up an independent office space, it would be very helpful to maintain some kind of office presence within Township Hall, too.

Mr. Weber asked if opening a separate office would necessitate hiring additional staff, such as an assistant. Mr. King replied that he was not thinking about this but that hiring additional staff was not intended.

Mr. Jackson commented that if Mr. King were to move his office within Township Hall, security would not be a problem, whereas it could be by moving to another location. He suggested that a secretary or assistant might warrant consideration as part of the office relocation.

Mr. Kilby noted that the Romeo and Bellville DDAs, both which he represents, have separate DDA offices. They utilize voicemail systems to maintain communication accountability.

Mr. Basil asked how the office would affect the DDA's revenue sharing agreement with the Township. Mr. Kilby said the revenue sharing agreement would need to be looked at as part of the shift. The revenue sharing agreement with the Township is not just for office space, but also for maintenance services within the DDA and other services and benefits. He noted that the DDA would also need to consider where it would hold its meetings in the future, or whether it would continue using the Township Hall's board room.

e. Performance Evaluation of DDA Director

Mr. Davis said that Mr. King had noted it was appropriate to review Mr. King's evaluation publicly, not in closed session. He thanked the board for their comments regarding Mr. King's evaluation, which were incorporated in the summary. Mr. King's overall rating was 3 out of 3. He complimented Mr. King for his work as DDA director and said he has done an outstanding job. Mr. Davis said the first motion would be to approve the performance evaluation, the second to approve the recommended salary increase of 5-percent for the 2011/12 fiscal year.

- Moved by Weber, second by Abbs, to approve the performance evaluation for Mr. King dated May 10, 2011. MOTION CARRIED UNANIMOUSLY.

Mr. Jackson said he felt a 5-percent raise was not enough.

Mr. Kilby clarified that the DDA had previously agreed in 2010 to give Mr. King a raise and fund his private retirement account at a level of 5-percent of salary. That would be continued as part of this action and in future years.

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Mr. Weber said that some preliminary research was done to compare Mr. King's salary as DDA director. Mr. Davis noted that he had asked Paul Moore, the manager of Birch Run, to provide data on comparable salaries. Average similar officials in similar-sized communities and DDAs tend to earn between \$30,000 and \$50,000 in salary, putting Mr. King near the top of this scale. Similar officials in larger metropolitan areas may tend to earn more; however, he is comfortable that the compensation package is appropriate.

Mr. Jackson asked what other benefits Mr. King receives as DDA director. Mr. Kilby said Mr. King receives an expense account to reimburse his business-related expenses, also provided to DDA board members. Mr. King does not receive any health, life, disability or other insurance through the DDA as part of his compensation.

Mr. Weber noted that the 5-percent retirement contribution does continue, however.

Mr. Davis noted that Mr. King's contract expires as of March of 2012, so that would need to be approached and negotiated in coming months.

- Moved by Loiacano, second by Abbs, to increase the DDA director (Mr. King) salary for fiscal year 2011/12 to \$49,613, an increase of 5-percent. MOTION CARRIED UNANIMOUSLY VIA ROLL CALL VOTE.
Yeas: Howell, Weber, Abbs, Basil, Jackson, Loiacano, Davis
Nays: None
Absent: Maine, LaDouce

IX. Board Member Comments - None

X. Adjournment

The meeting adjourned at 10:03 a.m.

Minutes written by Steve King

Lyle Davis, Jr. – Chairman

Date

Steve King – Director

Date