

TO: Downtown Development Authority Board of Directors
FROM: Steven R. Deisler, Executive Director
DATE: September 12, 2016
RE: December Meeting

The next regular meeting of the Kalamazoo Downtown Development Authority is scheduled to take place on Monday, September 19, 2016 at 3:00 p.m. in the Community Room, City Hall - 241 West South Street.

SD
Attachments

pc: Michael O'Connor
City Clerk

[Type text]

The Downtown Development Authority exists to correct and prevent deterioration in the downtown district; to encourage historical preservation; to create and implement development plans in the district; and to promote the economic growth of the district.

**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING AGENDA**

DATE: Monday, September 19, 2016

TIME: 3:00 p.m.

PLACE: Community Room, City Hall

- I. CALL TO ORDER
- II. ADOPTION OF AGENDA
- III. MINUTES – August 15, 2016
- IV. FINANCIAL REPORT –
- V. ACTION ITEMS
 - A. 2015 Annual TIF Summary Report (attached)
 - B. Appointment of DDA Board Member to the TPM Committee
- VI. DISCUSSION ITEMS
 - A. Proposed 2017 DDA Budget Process
 - B. Urban Growth Initiative Update
 - C. ACW Update
 - D. Special Project Updates – Bates Alley, KRVT, Farmers Alley
- VII. COMMITTEE REPORTS (Time Permitting)
 - A. Transportation, Parking, & Mobility
 - B. Capital Improvements
 - C. Project Review
 - D. Citizens Council
 - E. Safety
- VIII. DIRECTOR COMMENTS
- IX. PUBLIC COMMENTS
- X. ADJOURNMENT

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DOWNTOWN DEVELOPMENT AUTHORITY
MEETING PROCEDURES

1. A person may speak on “Action or Discussion” items on the Downtown Development Authority’s agenda. The Chairperson will ask for people’s comments as each of these agenda items are discussed.
2. To address the Downtown Development Authority, please clearly state your name and business or home address for the record so that a response to your inquiry can be completed if necessary. Please limit your comments to four minutes.
3. Comments on non-agenda items are reserved for “Public Comments” agenda item prior to adjournment of the meeting.
4. Out of respect for business being conducted during the meeting, please turn off all cell phones and pagers prior to the start of the meeting.

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**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS**

REGULAR MEETING MINUTES

August 15, 2016

DIRECTORS PRESENT: Susan Lindemann, Patti Owens, Bob Miller, Greg Taylor, Derek Wissner, Bobby Hopewell, Grant Fletcher, Stephanie Hinman

DIRECTORS ABSENT: Bjorn Green, Carl Brown, Jim Escamilla

STAFF PRESENT: Steve Deisler, Patrick Halpin, Deb Houseman, Sarah Mead

OTHER: Michael O'Connor, Jerome Kisscorni, Greg Ayers,
Jim Bridenstine, Jack Urban

I. CALL TO ORDER

Director Taylor called the meeting to order at 3:03.

II. ADOPTION OF AGENDA

Add action item B Sign Grant.

**DIRECTOR HOPEWELL MOVED TO ADOPT THE AGENDA AS PRESENTED.
SUPPORTED BY DIRECTOR OWENS. MOTION CARRIED.**

III. MINUTES – June 20, 2016 and July 18, 2016

**DIRECTOR HOPEWELL MOVED TO APPROVE OF THE MINUTES OF
6/20/16. SUPPORTED BY DIRECTOR LINDEMANN. MOTION CARRIED.**

**DIRECTOR HOPEWELL MOVED TO APPROVE OF THE MINUTES OF
7/18/16. SUPPORTED BY DIRECTOR OWENS. MOTION CARRIED.**

IV. FINANCIAL REPORT

D. Houseman reviewed the financials and opened for questions. There were no questions.

**DIRECTOR OWENS MOVED TO APPROVE THE FINANCIAL STATEMENTS
AS PRESENTED. SUPPORTED BY DIRECTOR LINDEMANN. MOTION
CARRIED.**

V. SPECIAL PRESENTATION- Urban Growth Initiative

J. Kisscorni shared that the Upjohn Institute has raised the money to complete the study. A study group of downtown stakeholders has been created as a community leadership advisory council. A strategy group is being chaired by A. Haan.

The Urban Growth Initiative's goals and processes include developing a collective vision that builds supports, identifying major projects that would facilitate growth, identifying resources and tools for investment and funding, and developing a plan of action for implementing the strategies. The Initiative is looking to be completed in the first quarter of 2017.

M. O'Connor and Director Wissner expressed concern that no DDA Board member is on the Urban Growth Initiative committee. J. Kisscorni guaranteed that the DDA Board will have input in the Initiative. Director Hopewell shared that the governor's office of Urban is partnering with the City in this Initiative. Comments from the DDA, and other interested parties not represented in the Urban Growth Initiative committee, can be shared with the committee. Director Wissner expressed the importance of the community working together.

Director Taylor asked when the DDA Board will know how lowering the millage rate will impact current projects and TIF. Director Hopewell replied that there is still work to be done.

VI. ACTION ITEMS

A. Request to Endorse the Bronson Park 21st Century Plan

S. Deisler encouraged the DDA Board to endorse the Bronson Park 21st Century Plan. The DDA Board will also request TPM to support upgrading parking meters around Bronson Park. This endorsement request is to support the overall plan, not for financial support.

Multiple board members expressed concern for the lack of public restrooms in the plan. Director Hopewell suggested that the DDA Board do not endorse the plan at the moment, and speak with the Bronson Park Plan Chair about the public restroom concern.

The DDA Board will make a motion to support after a brief presentation by the Bronson Park Plan Chair to discuss public restrooms.

A. Sign Grant

P. Halpin shared that Cherri Choccol'art has applied for a sign grant request on the Mall. The request has been approved by the Downtown Design Review committee.

DIRECTOR HOPEWELL MOVED TO APPROVE THE SIGN GRANT REQUEST. SUPPORTED BY DIRECTOR WISSNER. MOTION CARRIED.

VII. DISCUSSION ITEMS

A. Bates Alley Place Making Project Update

S. Deisler shared that the MEDC crowdfunding grant fund limit is \$50,000. If DDA raises half of the money needed, we can get a 50% match. The Bates Alley plan is estimated between \$130,000 and \$150,000, and that includes new pavement, landscaping, new lighting, close the alley to vehicles, create space for loading at the ends of the street, relocate the dumpsters, and add decks into the street. A crowdfunding video needs to be prepared by mid-September, and there will be 30 days to raise the funds. We met with the property owners on Bates Alley last week, and they are supportive of the project. The Downtown Design Review Committee also supports this project.

Director Wissner asked for the status of the garage being installed in the middle of Bates Alley. S. Deisler replied that we are working out a solution with the property owner.

VIII. COMMITTEE REPORTS

A. Transportation, Parking & Mobility

S. Deisler replied that the TPM Committee has met with the consultants for the RFPs for the access control equipment and the bids for the ramp repairs. The goal is to send the access control equipment bids out in October and send the ramp repair bids out in September. The \$600,000 bond from the City is available for the first step of the projects.

TPM is working with M. Schlack on a downtown trolley. There is a high cost, but we are looking at a pilot program.

The KRVT downtown segment has been designed and the contract is being voted on tonight. There is land needed for the railway, but easements have not yet been issued. Director Wissner asked if any TIF or 2 Mil funds are being given to the railway. S. Deisler replied those funds are not going to the railway. Director Wissner asked if TPM is supportive of the plan, and asked how many parking spaces are being removed for the railway. S. Deisler replied that the plan is not finalized but TPM is supportive of the overall concept of the railway.

B. Capital Improvements

S. Deisler shared that the committee is making progress on inventorying all downtown maintenance items (trees, wayfinding, signs, etc...). Repair work is beginning based on the initiative of the survey.

C. Project Review

S. Deisler shared that the committee is receiving many requests for grants.

D. Citizens Council

No report was given.

B. Safety

S. Deisler shared that the committee is working on an educational plan to address quality of life issues in downtown.

IX. DIRECTOR COMMENTS

Director Hinman asked how she can find information regarding the action items before the Board meeting. S. Deisler replied to speak with him.

Director Taylor asked if there is a location on our website to view DDA Board meeting minutes. S. Deisler replied the board packets are posted on the website.

X. PUBLIC COMMENTS

There were no public comments.

XI. ADJOURNMENT

The meeting was adjourned at 4:16pm.

APPROVED: _____

Sarah Mead

Recording Secretary

DOWNTOWN DEVELOPMENT AUTHORITY - TIF
MONTHLY REVENUE AND EXPENDITURE REPORT
AUGUST 31, 2016

	ACTUAL MONTH	YEAR TO DATE	ANNUAL BUDGET
REVENUE			
#1 Useable TIF Collections	0.00	377,342.27	689,501.00
#2 Debt Service TIF Collections	0.00	456,768.75	692,388.00
Festival Place Maintenance Fees	0.00	0.00	32,500.00
#3 City of Kalamazoo - Mall Maintenance	0.00	59,168.00	59,168.00
Liquor License Application Fees	0.00	0.00	0.00
#4 Bond Refinance Savings	0.00	71,377.00	71,377.00
Interest Income	61.22	364.45	400.00
TOTAL REVENUE	61.22	965,020.47	1,545,334.00
EXPENDITURES			
#5 Administration/Svc Agreement	2,916.67	23,333.36	35,000.00
Liquor License	0.00	0.00	0.00
#6 Legal	5,400.00	17,144.77	20,000.00
Audit	0.00	6,300.00	7,200.00
#7 Brand & Engagement	0.00	25,000.00	50,000.00
#8 Building Revitalization	0.00	(50.00)	10,000.00
Mall Assessment	0.00	0.00	15,000.00
#9 Downtown Maintenance	53,299.91	118,137.64	360,000.00
Special Projects	0.00	0.00	10,000.00
SUB-TOTAL	61,616.58	189,865.77	507,200.00
DEBT SERVICE/OTHER OBLIGATIONS			
Arcadia Creek Bonds	0.00	445,350.00	463,950.00
Building Authority Bonds	0.00	11,418.75	228,438.00
TIF Capture Ramp 3	0.00	0.00	36,414.00
#10 TIF Capture-Miller Canfield	0.00	51,688.00	47,326.00
Festival Place	0.00	128,472.46	128,473.00
Metropolitan Center	0.00	0.00	48,900.00
#11 Zoetis Tax Appeal	0.00	48,920.80	43,679.00
#12 Rebated Taxes	0.00	22,335.10	25,000.00
City of Kalamazoo Loan	0.00	76,460.00	76,460.00
SUB-TOTAL	0.00	784,645.11	1,098,640.00
TOTAL EXPENDITURES	61,616.58	974,510.88	1,605,840.00
YTD REVENUES EXCEED EXPENDITURES	(61,555.36)	(9,490.41)	(60,506.00)

- #1 USEABLE TIF REVENUES - 2016 TIF Capture.
- #2 DEBT SERVICE TIF COLLECTIONS- That portion of the TIF Capture used to cover Debt Service.
- #3 CITY OF KALAMAZOO MALL MAINTENANCE - Annual contract with the City of Kalamazoo.
- #4 BOND REFINANCE SAVINGS - Ramp #3 bond refinance savings transferred from TPM.
- #5 ADMINISTRATION/SERVICE AGREEMENT - Monthly and Year to Date.
- #6 LEGAL- Year to Date includes agreements for the Accelerator, Exchange Place, Depot, and Metropolitan Center.
- #7 BRAND & ENGAGEMENT- Brand & Engagement activities for downtown.
- #8 BUILDING REVITALIZATION - Year to Date is an application fee for M. Fabi grant.
- #9 DOWNTOWN MAINTENANCE - Month to Date includes \$33,739 for repairs to the Arcadia Arcade wall repairs, \$1,000 for Creek Maintenance, and \$9,847 for a new Gator. Year to Date includes \$43,584 for the Arcadia Arcade wall repairs, \$1,000 for Creek Maintenance, and \$9,847 for a new Gator.
- #10 TIF CAPTURE MILLER CANFIELD - Year to Date is the actual capture and payment to Catalyst Development.
- #11 ZOETIS TAX APPEAL - Annual payment of principle and interest.
- #12 REBATED TAXES - Year To Date is for Plaza Corp North Rose Properties.

DOWNTOWN DEVELOPMENT AUTHORITY - 2 MILL
MONTHLY REVENUE AND EXPENDITURE REPORT
AUGUST 31, 2016

		ACTUAL		ANNUAL
		MONTH	YEAR TO DATE	BUDGET
REVENUE				
#1	2016 Two Mill Levy	172,854.11	176,917.76	250,338.00
	Prior Year(s) Taxes	0.00	275.62	18,843.00
	Interest Income	0.24	80.68	100.00
#2	Miscellaneous	0.00	1,501.28	1,500.00
TOTAL REVENUE		172,854.35	178,775.34	270,781.00
EXPENDITURES				
#3	D&O Insurance	0.00	3,300.00	3,500.00
	Legal Services	0.00	285.00	5,000.00
	Legal Notices	0.00	0.00	600.00
	Audit	0.00	4,950.00	6,000.00
#4	Rebated Taxes	0.00	566.54	20,000.00
#5	DKI Service Agreement	18,416.67	147,333.36	221,000.00
	Website	0.00	0.00	5,000.00
	Miscellaneous	0.00	94.72	500.00
TOTAL EXPENDITURES		18,416.67	156,529.62	261,600.00
YTD REVENUES EXCEED EXPENDITURES		154,437.68	22,245.72	9,181.00

#1 2016 2 MILL LEVY - Generally receive the majority of these funds in August from the City of Kalamazoo.

#2 MISCELLANEOUS - Year to Date \$1,367.12 for the Skyrise Pilot and \$134.16 for the Rickman Pilot.

#3 D&O INSURANCE - Year to Date is the annual Directors & Officers policy premium.

#4 REBATED TAXES - Year to Date is for 334 West Kalamazoo Avenue/Plaza Corp.

#5 DKI SERVICE AGREEMENT - Monthly and Year to Date.

**TRANSPORTATION, PARKING, & MOBILITY
MONTHLY REVENUE AND EXPENDITURE
JULY 31, 2016**

	ACTUAL		BUDGET	
	MONTH	YEAR TO DATE	YEAR TO DATE	ANNUAL
#1 Street Meters	37,863.44	208,565.49	199,390.00	381,724.00
#2 Unattended	38,345.03	264,831.90	240,426.00	421,211.00
#3 Attended Lots	132,027.75	1,029,052.71	1,076,534.00	1,867,780.00
#4 Enforcement	23,205.00	159,552.68	171,645.00	365,816.00
Metro Transit Fee	194.00	1,346.75	1,358.00	2,330.00
Arcadia Condo Land Contract	276.67	1,936.69	1,936.69	3,320.00
TIF - Debt Service Assistance	0.00	11,418.75	11,418.75	228,438.00
TIF Ramp 3 Subsidy	0.00	0.00	0.00	36,414.00
TIF - Maintenance	0.00	0.00	0.00	40,000.00
Miscellaneous	0.00	0.00	0.00	0.00
Contingency (.75%)	0.00	0.00	0.00	(6,795.00)
Revenue Bond	0.00	0.00	0.00	600,000.00
Interest Income	7.10	42.59	32.08	55.00
TOTAL REVENUE	231,918.99	1,676,747.56	1,702,740.52	3,940,293.00
EXPENDITURES				
Legal Fees	0.00	550.00	550.00	10,000.00
Audit & Accounting Fees	3,250.00	11,250.00	11,250.00	12,875.00
DKI Staff Services	5,833.34	40,833.38	40,833.33	70,000.00
Liability Insurance	0.00	4,052.20	4,052.00	6,630.00
#5 Salaries & Wages	64,613.63	458,675.86	483,716.33	829,228.00
#6 Payroll Taxes	11,437.03	80,259.60	86,486.17	148,262.00
#6 Worker's Compensation	2,916.81	20,469.14	24,145.92	41,393.00
#7 Hospitalization & Benefits	9,521.61	72,547.43	63,927.50	109,590.00
Employee Relations	69.62	240.93	875.00	1,500.00
#8 Personnel Selection	218.16	2,053.68	1,458.33	2,500.00
#9 Equipment Purchase/Lease	886.04	14,852.34	10,733.33	18,400.00
Liability Claims	97.09	751.47	1,750.00	3,000.00
Auto & truck Expense	579.02	4,337.78	7,189.58	12,325.00
#10 Repairs & Maintenance	12,744.99	38,359.99	45,486.00	77,976.00
Utilities	10,799.06	102,157.20	102,157.00	164,000.00
Telephone	1,354.75	9,330.29	9,782.50	16,770.00
Website	49.90	461.10	1,195.83	2,050.00
Signage	145.40	161.30	161.00	6,250.00
Materials & Office Supplies	2,574.04	10,350.53	11,764.08	20,167.00
Customer Service Program	211.26	439.03	700.00	1,200.00
Postage	694.54	4,550.35	4,870.83	8,350.00
Forms & Printing	2,328.11	16,041.72	16,800.00	28,800.00
Outside Contract Services	30,066.97	206,082.59	206,083.00	308,571.00
Office Lease	2,256.75	15,664.50	15,487.50	26,550.00
Ramp 3 Maintenance Reserve	0.00	0.00	0.00	37,500.00
Management Fee	15,223.70	106,565.90	108,439.33	185,896.00
Contingency (.75%)	0.00	0.00	0.00	3,263.00
OPERATING EXPENDITURES	177,871.82	1,221,038.31	1,259,894.58	2,153,046.00
DEBT SERVICE EXPENDITURES				
1998 Refunder	0.00	11,418.75	11,418.75	228,438.00
2005/2006 Ramp 3 Bond	0.00	97,062.25	97,062.25	634,166.00
TOTAL DEBT SERVICE EXPENDITURES	0.00	108,481.00	108,481.00	862,604.00
CONTRIBUTION TO TIF	0.00	71,377.00	71,377.00	71,377.00

**TRANSPORTATION, PARKING, & MOBILITY
MONTHLY REVENUE AND EXPENDITURE
JULY 31, 2016**

	ACTUAL		BUDGET		
	MONTH	YEAR TO DATE	YEAR TO DATE	ANNUAL	
CAPITAL IMPROVEMENTS	0.00	0.00	0.00	464,221.00	
LOT EXPENDITURES	0.00	0.00	0.00	50,000.00	
FIVE YEAR TPM PLAN CONSULTANT	0.00	3,224.61	3,225.00	15,000.00	
TECHNOLOGY	0.00	0.00	0.00	25,000.00	
MARKETING	0.00	0.00	0.00	10,000.00	
ACCESS CTRL DESIGN,ENG, & BIDDING	0.00	0.00	0.00	84,085.00	
TRANSPORTATION & MOBILITY	0.00	0.00	0.00	15,000.00	
CONTINGENCY	0.00	0.00	0.00	44,873.00	
TOTAL EXPENDITURES	177,871.82	1,404,120.92	1,442,977.58	3,795,206.00	
YTD REVENUES EXCEED EXPENDITURES	54,047.17	272,626.64	259,762.94	145,087.00	Accrual Basis
		377,362.45	377,362.45	377,362.45	PY Cash Balance
		649,989.09	637,125.39	522,449.45	Cash Basis

SYSTEM CASH RESERVE	\$132,674.32
RAMP 3 MAINTENANCE RESERVE	\$307,287.49

TRANSPORTATION, PARKING, & MOBILITY NOTES: JULY 2016

The following will explain significant variances in the monthly financial reports as of the end of July:

REVENUES:

- 1. Street Meters:** Over budget \$9,175 due in part to the mostly mild winter. We also had a 34% increase in Zone 1 due to the Pokemon gaming in Bronson Park which was released July 6, 2016. August trends appear to be the same.
- 2. Unattended Facilities:** Over budget \$24,406. Several of the unattended facilities are showing improved revenues over last year. The biggest variance is in Lot #1 which is up 4% and Lot #30 up 100% due to the County employees.
- 3. Attended Facilities:** Under budget \$47,481. The new student enrollment at the KVCC Healthy Living Campus at the beginning of the year was less than expected. KVCC has indicated the enrollment should increase in the fall.
- 4. Enforcement:** Under budget \$12,092 due mainly to the reduced number of handicap tickets being issued. This is a direct result of curb painting in front of the Union and Morrison Jewelers. In just those (2) spaces, we issued (245) less tickets January through July of 2016 compared to 2015 bringing in \$12,250 less in revenue based on \$50 per ticket. There will also be a further reduction due to the closing of Farmers Alley estimated at \$2,500.

EXPENSES:

- 5. Salaries & Wages:** Under budget \$25,040 due to a reduction in part time employees for festivals and evenings, new employees hired in a lower rates, and an employee on medical leave.
- 6. Payroll Taxes and Workers Compensation:** Under budget due to both are based on a calculation of salaries and wages.
- 7. Hospitalization & Benefits:** More employees opting for coverage.
- 8. Personnel Selection:** Employment Ads placed in Mlive. Ads are placed as needed.
- 9. Equipment Purchase/Lease:** Expenses do not occur evenly throughout the year.
- 10. Repairs & Maintenance:** Budgeted repairs not made yet.

CITY OF KALAMAZOO
Downtown Development Authority
Annual Summary Report
Fiscal Year Ending December 2015

A. Revenue:		
Property taxes captured Summer 2015		842,058
Property taxes captured Winter 2015		542,032
Property taxes - from 2 mill levy		257,821
Interest Income		321
Rental Income		
Total		1,642,232
B. Bond Reserve		0
C. Expenditures		
Community Development (eligible obligation #1)		
(eligible obligation #2)		
(eligible advance #1)		
Lease		
2015 DDA Bonds		
Principal	TOTAL P & I	400,000
Interest		56,700
Bond Fees		750
2015 Bldg Auth Bonds		
Principal	TOTAL P & I	185,000
Interest		32,550
Bond Fees		1,750
Debt Service 3		
Principal		0
Interest		0
Bond Fees		0
Total		676,750
D. Outstanding bonded Indebtedness		
Principal		
Interest		
Total		0
E. Initial Assessed Value		
Ad valorem homestead		0
Ad valorem non-homestead		132,578,300
IFT New (pre 1994)		5,115,800
IFT New (post 1993)		0
CFT New		0
IFT Replacement		15,900
CFT Restored		0

Total 137,710,000

F. Captured Value

Ad valorem homestead	3,051,292
Ad valorem non-homestead	33,534,899
IFT New (pre 1994)	-5,115,800
IFT New (post 1993)	4,245,700
CFT New	
IFT Replacement	-15,900
CFT Restored	

Total 35,700,191

G. Tax Increment Revenues Received

Community College - AdValorem	47,143
Community College - IFT	0
County - AdValorem	112,883
County - IFT	0
County Transportation - AV	9,432
County Transportation - IFT	0
Downtown Dev. Auth. - AdValorem	46,308
Downtown Dev. Auth. - IFT	0
KRESA - AdValorem	59,009
KRESA - IFT	0
Kalamazoo Library - AdValorem	71,249
Kalamazoo Library - IFT	0
Metro Transit - AdValorem	0
Metro Transit - IFT	0
City Operating - AdValorem	454,411
City Operating - IFT	0
School Operating - AdValorem	409,416
School Operating - IFT	0
State Education Tax - AdValorem	160,741
State Education Tax - IFT	0
Solid Waste - AdValorem	13,498
Solid Waste - IFT	0

Total 1,384,090

H. Number of Jobs Created

118