

TO: Downtown Development Authority Board of Directors
FROM: Steven R. Deisler, Executive Director
DATE: July 13, 2016
RE: July Meeting

The next regular meeting of the Kalamazoo Downtown Development Authority is scheduled to take place on Monday, July 18, 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, July 18, 2016

TIME: 3:00 p.m.

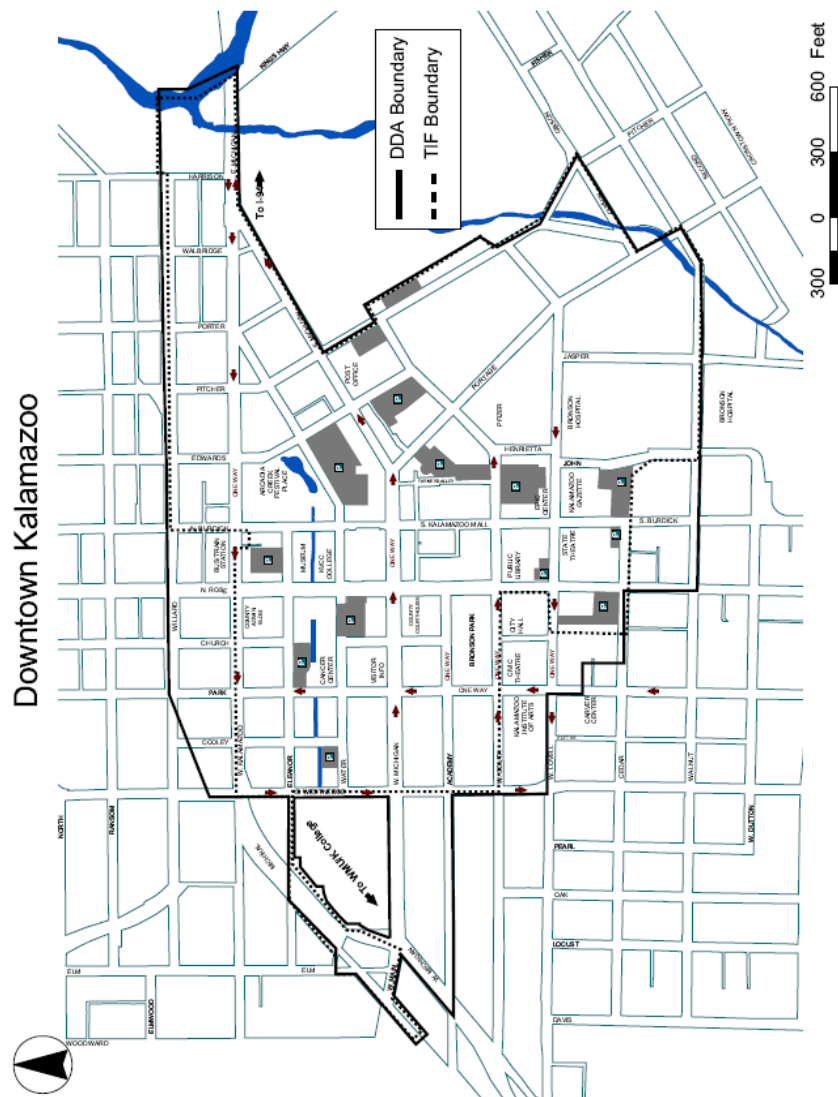
PLACE: Community Room, City Hall

- I. CALL TO ORDER
- II. ADOPTION OF AGENDA
- III. MINUTES – June 20, 2016
- IV. FINANCIAL REPORT
- V. DISCUSSION ITEMS
 - A. 2016/2017 DDA Goals and Priorities
 - 1. Process/Participants
 - 2. Outcomes
 - 3. Timeline
- VI. COMMITTEE REPORTS (Time Permitting)
 - A. Transportation, Parking, & Mobility
 - B. Capital Improvements
 - C. Project Review
 - D. Citizens Council
 - E. Safety
- VII. DIRECTOR COMMENTS
- VIII. PUBLIC COMMENTS
- IX. ADJOURNMENT

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
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.



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.

New Board and Committee Packet Policy

DKI, DDA and DTI are implementing a new Board and Committee Packet Policy with the goal of becoming more environmentally friendly and saving company resources. DKI staff will no longer be printing copies of the packets for each Board and Committee meeting, as a majority of the packets are unused or are left in the conference room after the meeting.

The packets are sent out a week in advance in order for you to read the minutes prior to each meeting and to print a hard copy for you to view at each meeting. Meeting packets may also be viewed electronically if desired.

We will print three extra copies of the agenda and finances for the next few meetings as we adjust to this new policy. Minutes will not be included.

The packets can be viewed on the projector if requested.

Thank you for your help going green.

**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS**

REGULAR MEETING MINUTES

June 20, 2016

DIRECTORS PRESENT: Jim Escamilla, Derek Wissner, Carl Brown, Susan Lindemann, Bob Miller, Patti Owens, Bjorn Green, Stephanie Hinman, Greg Taylor

DIRECTORS ABSENT: Grant Fletcher, Bobby Hopewell

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

OTHER: Rebekah Kik, Michael O'Connor, Greg Ayers, Sean Fletcher, Kristy VanderMolen, Jim Ferner

I. CALL TO ORDER

Director Escamilla called the meeting to order at 3:01.

II. ADOPTION OF AGENDA

**DIRECTOR BROWN MOVED TO ADOPT THE AGENDA AS PRESENTED.
SUPPORTED BY DIRECTOR MILLER. MOTION CARRIED.**

III. SWEAR IN NEW BOARD MEMBERS

Swore in new board member Patti Owens.

IV. ACTION ITEMS

A. 2015 DDA Audit

K. VanderMolen reviewed the 2015 DDA Audit and opened for questions.

Director Wissner asked if the other D's financials are taken into consideration when auditing DDA. K. VanderMolen replied that all three of the D's are audited, but they are audited separately. Related party transactions have to be disclosed in each of those audits.

Director Brown asked if DKAC becoming a part of DKI will have an impact on DDA's audit. D. Houseman shared that DKI does transfer some user fees over to TIF to help cover maintenance

costs of the Festival Site. K. Vandermolen shared that DKI was a nonprofit before the merger of DKI and DKAC. The merger caused DKI to change from a 501(c)6 to a 501(c)3. Director Hinman asked what the relation of charities and TIF is. D. Houseman replied that DKAC used to run all the D's events and managed the Festival Site events which has now transferred over to DKI. The revenues now run through DKI as they are supporting maintenance of the Festival Site and that is charged through the TIF program. S. Deisler stated that DKI runs B&E and BRRC. DDA runs TPM, Safety, CIP, and DDACC. The Boards and committees work together but all funds are kept in the appropriate entities.

DIRECTOR OWENS MOVED TO APPROVE THE 2015 DDA AUDIT AS PRESENTED. SUPPORTED BY DIRECTOR TAYLOR. MOTION CARRIED.

V. SPECIAL PRESENTATIONS

A. Bronson Park 21st Century Campaign

S. Fletcher shared the master plan for Bronson Park that includes a new policy for implementing new memorial pieces. Improvements include a shade structure for afternoon events, re-foresting the park, the ability to empty the reflecting pool and raise the floor for additional seating, add a splash pad and ice rink, enhanced sound and more lighting, adding public Wi-Fi, and restoration of the fountain of the pioneer complex. The children sculpture, Mike the Peacock, markers and monuments, and a new holiday tree will all be relocated. Electronic kiosks will be placed in the park to provide information about the park and events, and to provide public education. The budget for the plan is \$2.8 million and \$650,000 has been raised so far.

Director Owens stated the concern of having no public facilities. S. Fletcher replied the group did discuss that issue but the decision was made not to build public restrooms. The closest public restrooms are in City Hall and the Library. Director Miller asked what the relationship between the City and County is in relation to Bronson Park, and how the County will be involved in the campaign. S. Fletcher replied the County will not be relatively involved. The most recent 50-year lease on the park just expired, and attorneys are working on a new agreement. Director Miller shared that the County owns the park and leases it to the City. S. Fletcher shared that Parks and Rec would like to own Bronson Park and they have operated and maintained it for many years. The County has no desire to take the park over. Director Lindemann asked if there is not a current standing agreement S. Fletcher replied there was a one-year extension of the lease. The master plan is posted on kzoopark.org. Parks and Rec is currently working on a master plan addendum for the look and placement of the ice rink.

Director Hinman asked who will fill out the education for the kiosks. S. Fletcher replied the education sub-committee will. Director Lindemann asked if the plan includes bicycle parking. S. Fletcher replied bikes cannot be ridden through Bronson Park, so the plan does not currently include bike racks.

Director Wissner asked if there is a plan to either purchase Bronson Park or to renew a long-term lease before the changes move forward. S. Fletcher replied that the City would like to purchase the park.

B. Complete Streets

J. Ferner shared that Complete Streets is working with MDOT to look at making all downtown Kalamazoo streets safe for all users. An alternate route around downtown for trucks is being looked into, but is not on MDOT's plan. All groups in the City need to convene together to form one cohesive vision to bring to the State for funding.

Director Miller asked what the status is of the mobility committee that met at KVCC. That group was moving toward "once voice". J. Ferner replied that committee was focused on the KVCC campus. Director Miller said it was originally the parking committee that formed into a mobility committee that had a discussion broader than just KVCC. S. Deisler shared that the committee flowed into TPM and have taken on those strategies to implement them downtown. Director Wissner suggested a strategic planning meeting to brainstorm ideas and priorities to move away from operating from a defensive position.

J. Ferner shared that Kalamazoo County is reviewing Complete Street policy tomorrow night, and if the policy passes then it will be voted on July 5th.

R. Kik offered Imagine Kalamazoo's help with the strategic vision process.

VI. MINUTES –May 16, 2016

DIRECTOR HINMAN MOVED TO APPROVE THE ANNUAL MINUTES OF 5/16/16 AS PRESENTED. SUPPORTED BY DIRECTOR LINDEMANN. MOTION CARRIED.

VII. FINANCIAL REPORTS – TIF and 2 MILL MAY 2016, AND TPM APRIL 2016

D. Houseman reviewed the TIF and 2 MILL reports of May 2016, and the April 2016 TPM statement, and opened for questions.

Director Green asked for clarification of what the revenue being over budget means. D. Houseman replied that it is positive to be over budget in revenue and negative in expenditures.

DIRECTOR GREEN MOVED TO APPROVE THE MAY TIF AND 2 MILL, AND THE APRIL TPM FINANCIAL STATEMENTS AS PRESENTED. SUPPORTED BY DIRECTOR LEWIS. MOTION CARRIED.

VIII. DISCUSSION ITEMS

C. ACW Update

No update was given.

D. TPM Update

No update was given.

IX. COMMITTEE REPORTS

A. Transportation, Parking & Mobility

No report was given.

B. Capital Improvements

P. Halpin shared that the committee has been working on maintenance expenditures. Director Escamilla asked if there are cameras at the Festival site. S. Deisler replied we are researching cameras. P. Halpin shared that we are working on an environmental permit to dredge the pond. The Arcadia Creek Wall Restoration Project is scheduled to start next month. DTI owns the creek that runs between the two residential buildings. CIP is discussing adding trees, waste receptacles and additional bike racks to downtown. They are reviewing streetscape projects, such as Farmers Alley, the Peregrine 100 project and Bates Alley.

C. Project Review

No report was given.

D. Citizens Council

No report was given.

B. Safety

P. Halpin shared that the committee met with Gospel Mission at Ministry with Community. The next committee meeting will be a joint meeting with BRRRC and DKRRA.

IX. DIRECTOR COMMENTS

Director Green suggested the DDA Board creates its' top five priorities from the mission statement.

Director Taylor congratulated the staff in relation to the audit. Director Brown congratulated the staff for an audit with no adjustments.

Director Escamilla commented on the hard work of DKI staff members.

X. PUBLIC COMMENTS

S. Huggett shared that B&E has been working with DKRRA for the summer campaign for Downtown Kalamazoo- “Eat, Shop, Play” and “Summer Hop Weekend”.

Director Brown asked if we do marketing for Audiotree. S. Deisler replied that DKI is waiting to receive marketing materials from Audiotree to help promote the festival.

XI. ADJOURNMENT

The meeting was adjourned at 4:45pm.

APPROVED:_____

Sarah Mead

Recording Secretary

DOWNTOWN DEVELOPMENT AUTHORITY - 2 MILL
MONTHLY REVENUE AND EXPENDITURE REPORT
JUNE 30, 2016

		ACTUAL		ANNUAL
		MONTH	YEAR TO DATE	BUDGET
REVENUE				
#1	2016 Two Mill Levy	637.61	4,063.65	250,338.00
	Prior Year(s) Taxes	13.05	275.62	18,843.00
	Interest Income	0.31	80.16	100.00
#2	Miscellaneous	0.00	1,501.28	1,500.00
TOTAL REVENUE		650.97	5,920.71	270,781.00
EXPENDITURES				
	D&O Insurance	0.00	0.00	3,500.00
#3	Legal Services	0.00	285.00	5,000.00
	Legal Notices	0.00	0.00	600.00
	Audit	0.00	3,520.00	6,000.00
	Rebated Taxes	0.00	0.00	20,000.00
#4	DKI Service Agreement	18,416.67	110,500.02	221,000.00
	Website	0.00	0.00	5,000.00
	Miscellaneous	0.00	94.72	500.00
TOTAL EXPENDITURES		18,416.67	114,399.74	261,600.00
YTD EXPENSES EXCEED REVENUES		(17,765.70)	(108,479.03)	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 LEGAL SERVICES - Year to Date is for the 2015 Audit letter.

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

DOWNTOWN DEVELOPMENT AUTHORITY - TIF
MONTHLY REVENUE AND EXPENDITURE REPORT
JUNE 30, 2016

	ACTUAL MONTH	YEAR TO DATE	ANNUAL BUDGET
REVENUE			
#1 Useable TIF Collections	0.00	365,833.00	689,501.00
#2 Debt Service TIF Collections	456,768.75	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	91.94	227.38	400.00
TOTAL REVENUE	456,860.69	953,374.13	1,545,334.00
EXPENDITURES			
#5 Administration/Svc Agreement	2,916.67	17,500.02	35,000.00
Liquor License	0.00	0.00	0.00
#6 Legal	6,700.00	11,744.77	20,000.00
Audit	0.00	4,480.00	7,200.00
Brand & Engagement	0.00	0.00	50,000.00
#7 Building Revitalization	0.00	(50.00)	10,000.00
Mall Assessment	0.00	0.00	15,000.00
Downtown Maintenance	18,985.64	41,971.37	360,000.00
Special Projects	0.00	0.00	10,000.00
SUB-TOTAL	28,602.31	75,646.16	507,200.00
DEBT SERVICE/OTHER OBLIGATIONS			
Arcadia Creek Bonds	445,350.00	445,350.00	463,950.00
Building Authority Bonds	11,418.75	11,418.75	228,438.00
TIF Capture Ramp 3	0.00	0.00	36,414.00
#8 TIF Capture-Miller Canfield	51,688.00	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
#9 Zoetis Tax Appeal	0.00	48,920.80	43,679.00
#10 Rebated Taxes	0.00	22,335.10	25,000.00
City of Kalamazoo Loan	0.00	0.00	76,460.00
SUB-TOTAL	508,456.75	708,185.11	1,098,640.00
TOTAL EXPENDITURES	537,059.06	783,831.27	1,605,840.00
YTD REVENUES EXCEED EXPENDITURES	(80,198.37)	169,542.86	(60,506.00)

- #1 USEABLE TIF REVENUES - Accrue 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- Actual Month \$5,300 Exchange Place and \$1,400 Accelerator Project.
Year to Date includes working on agreements for the Metropolitan Center, Depot, and Exchange Place.
- #7 BUILDING REVITALIZATION - Year to date is an application fee for M. Fabi grant.
- #8 TIF CAPTURE MILLER CANFIELD - Actual capture for this project paid to Catalyst Development.
- #9 ZOETIS TAX APPEAL - Annual payment of principle and interest.
- #10 REBATED TAXES - Plaza Corp North Rose Properties.

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

	ACTUAL		BUDGET	
	MONTH	YEAR TO DATE	YEAR TO DATE	ANNUAL
#1 Street Meters	32,163.74	139,807.95	129,696.00	346,192.00
#2 Unattended	38,424.87	189,685.15	166,071.00	421,211.00
#3 Attended Lots	138,229.83	747,507.12	771,152.00	1,845,598.00
#4 Enforcement	40,282.68	117,157.68	121,988.00	332,930.00
Metro Transit Fee	194.00	958.75	970.00	2,330.00
Arcadia Condo Land Contract	276.67	1,383.35	1,383.35	3,320.00
TIF - Debt Service Assistance	0.00	0.00	0.00	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
Interest Income	6.90	29.02	22.92	55.00
TOTAL REVENUE	249,578.69	1,196,529.02	1,191,283.27	3,256,488.00
EXPENDITURES				
Legal Fees	0.00	550.00	550.00	10,000.00
Audit & Accounting Fees	6,000.00	8,000.00	8,000.00	12,875.00
DKI Staff Services	5,833.34	29,166.70	29,166.67	70,000.00
Liability Insurance	0.00	4,052.20	4,052.00	6,630.00
Salaries & Wages	64,262.67	326,317.30	353,846.25	849,231.00
Payroll Taxes	11,490.04	56,709.78	63,267.92	151,843.00
Worker's Compensation	2,930.44	14,462.99	17,663.75	42,393.00
#5 Hospitalization & Benefits	10,361.20	52,478.87	47,250.00	113,400.00
Employee Relations	0.00	171.31	625.00	1,500.00
Personnel Selection	310.60	844.78	1,041.67	2,500.00
#6 Equipment Purchase/Lease	11,192.00	13,695.30	7,666.67	18,400.00
Liability Claims	97.09	557.29	1,250.00	3,000.00
Auto & truck Expense	1,099.77	3,324.60	5,135.42	12,325.00
#7 Repairs & Maintenance	7,071.97	19,825.49	29,987.50	71,970.00
Utilities	12,554.82	80,623.38	80,625.00	164,000.00
Telephone	791.71	5,718.48	6,987.50	16,770.00
Website	0.00	311.40	854.17	2,050.00
Signage	0.00	15.90	16.00	4,000.00
Materials & Office Supplies	1,810.14	6,168.76	8,402.92	20,167.00
Customer Service Program	0.00	227.77	500.00	1,200.00
Postage	632.56	3,166.21	3,479.17	8,350.00
#8 Forms & Printing	1,597.64	12,917.48	12,000.00	28,800.00
Outside Contract Services	13,221.13	137,144.31	137,145.00	304,927.00
Office Lease	2,256.75	11,151.00	11,062.50	26,550.00
Ramp 3 Maintenance Reserve	0.00	0.00	0.00	37,500.00
Management Fee	15,223.70	76,118.50	77,456.67	185,896.00
OPERATING EXPENDITURES	168,737.57	863,719.80	908,031.75	2,166,277.00
DEBT SERVICE EXPENDITURES				
1998 Refunder	0.00	0.00	0.00	228,438.00
2005/2006 Ramp 3 Bond	0.00	0.00	0.00	634,166.00
TOTAL DEBT SERVICE EXPENDITURES	0.00	0.00	0.00	862,604.00
CONTRIBUTION TO TIF	0.00	71,377.00	71,377.00	71,377.00
CAPITAL IMPROVEMENTS	0.00	0.00	0.00	100,000.00
FIVE YEAR TPM PLAN	3,095.98	3,224.61	3,225.00	15,000.00
ACCESS CONTROL DESIGN, ENG,&BIDDING	0.00	0.00	0.00	85,000.00
TOTAL EXPENDITURES	171,833.55	938,321.41	982,633.75	3,300,258.00
YTD REVENUES EXCEED EXPENDITURES	77,745.14	258,207.61	208,649.52	(43,770.00)
		377,362.45	377,362.45	377,362.45
		635,570.06	586,011.97	333,592.45
				Accrual Basis
				PY Cash Balance
				Cash Basis

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

TRANSPORTATION, PARKING, & MOBILITY NOTES: MAY 2016

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

REVENUES:

- 1. Street Meters:** Over budget \$10,112 due mostly to a mild winter.
- 2. Unattended Facilities:** Over budget \$23,614. All of the unattended facilities with the exception of Lot #2 are showing improved revenues year to date. The biggest variance is in Lot #1 which is up 6% and Lot #30 up 91% due to the County employees. Lot #30 will begin to decrease due to the County cutting their occupancy in half to (40) parkers.
- 3. Attended Facilities:** Under budget \$23,645 is due partly to transient validation stickers/stamps. This fluctuates based on when businesses purchase their stickers or pay for their stamps. Also 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 \$4,830 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. There will also be a further reduction due to the closing of Farmers Alley.

EXPENSES:

- 5. Hospitalization & Benefits:** More employees opting for coverage.
- 6. Equipment Purchase/Lease:** Expenses do not occur evenly throughout the year.
- 7. Repairs & Maintenance:** Budgeted repairs not made yet.
- 8. Forms & Printing:** Purchases are not made evenly throughout the year. Product purchased was included in the budget.