

**Fenton
Downtown
Development
Authority**

City of Fenton – Downtown Development Authority
Board Meeting of Tuesday October 20, 2015
6:00 p.m. – Council Chambers – City Hall

Call to Order

Roll Call

- 1) Director's Report
- 2) Financial Report
- 3) Consent Agenda
 - a) Accounts Payable – Authorize payment of bills in the amount of \$31,097.28
 - b) Minutes of DDA Meeting of Tuesday September 15, 2015

CITIZEN COMMENTS: If you wish to address any agenda item, please identify yourself and you will be called on when that item is reached. Comments on items not on the agenda may be made at the Call to the Audience.

- 4) 106 Shiawassee
- 5) Call to the Audience

Next Meeting: November 17, 2015

CITY OF FENTON
DOWNTOWN DEVELOPMENT AUTHORITY
BALANCE SHEET
15-Oct-15

ASSETS:	
CASH IN BANK	\$1,667,481
MISC ACCTS RECEIVABLE	\$0
LOAN RECEIVABLE - CORLIN	\$200,000
DUE FROM OTHER FUNDS	<u>\$0</u>
TOTAL ASSETS	<u><u>\$1,867,481</u></u>
LIABILITIES:	
ACCOUNTS PAYABLE	\$254
UNAMORTIZED PREMIUM ON BONDS	\$16,737
DUE TO OTHER FUNDS	<u>\$55,218</u>
TOTAL LIABILITIES	\$72,209
FUND EQUITY:	
FUND BALANCE	<u>\$1,795,272</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$1,867,481</u></u>

CITY OF FENTON
DOWNTOWN DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
15-Oct-15

	AMENDED BUDGET	YTD ACTUAL	PERCENT OF BUDGET	VARIANCE FRM BUDGET
REVENUES:				
TAX REVENUES	\$1,749,916	\$1,199,631	68.55%	(\$550,285)
REVENUE SHARING	(\$350,000)	(\$350,000)	100.00%	\$0
REIMBURSEMENT FOR PPT LOSS	\$0	\$0		
PREVIOUS YRS CHARGE-BACKS	\$0	\$0		
INTEREST INCOME	\$5,000	\$74	1.48%	(\$4,926)
TOTAL REVENUE	\$1,404,916	\$849,705	60.48%	(\$555,211)
DEBT PAYMENTS:				
PRINCIPAL	\$611,000	\$0	0.00%	\$611,000
INTEREST & FEES	\$209,882	\$92,484	44.06%	\$117,398
TOTAL PAYMENTS	\$820,882	\$92,484	11.27%	\$728,398
OPERATING EXPENSES:				
SALARIES	\$79,416	\$25,035	31.52%	\$54,381
EMP FRINGES	\$46,500	\$6,187	13.31%	\$40,313
CONFERENCES & DUES	\$5,000	\$733	14.66%	\$4,267
PROF SERVICES	\$15,000	\$131	0.87%	\$14,869
MARKETING	\$30,000	\$0	0.00%	\$30,000
EVENT MARKETING	\$66,000	\$28,109	42.59%	\$37,891
APPRAISALS	\$20,000	\$0	0.00%	\$20,000
LEGAL FEES	\$20,000	\$1,588	7.94%	\$18,412
INSURANCE	\$14,250	\$14,250	100.00%	\$0
RENTAL PROPERTY	\$5,000	\$0	0.00%	\$5,000
STREET LIGHTS	\$8,000	\$0	0.00%	\$8,000
LANDSCAPING MAINTENANCE	\$18,000	\$5,059	28.11%	\$12,941
LAWN CARE	\$9,000	\$2,275	25.28%	\$6,725
RIVER ST. UTILITIES	\$5,000	\$0	0.00%	\$5,000
WEBSITE	\$3,000	\$823	27.43%	\$2,177
SCULPTURE RENTAL	\$12,000	\$0	0.00%	\$12,000
MISCELLANEOUS	\$7,500	\$1,103	14.71%	\$6,397
TOTAL OPERATING	\$363,666	\$85,293	23.45%	\$278,373
PROJECTS:				
DOWNTOWN PARKING LOT	\$500,000	\$29,757	5.95%	\$470,243
FAÇADE IMPROVEMENTS	\$50,000	\$10,000	20.00%	\$40,000
COMMUNITY CENTER RESTORATION	\$40,000	\$9,579	23.95%	\$30,421
STRIPING	\$3,000	\$0	0.00%	\$3,000
STREETSCAPE	\$10,000	\$0	0.00%	\$10,000
STREETSCAPE MAINTENANCE	\$30,000	\$0	0.00%	\$30,000
TOTAL PROJECTS	\$633,000	\$49,336	7.79%	\$583,664
TOTAL EXPENDITURES	\$1,817,548	\$227,113	12.50%	\$1,590,435
REVENUES OVER EXPENDITURES	(\$412,632)	\$622,592		
TRANSFER TO DDA DEBT				
NET CHANGE	(\$412,632)	\$622,592		
BEGINNING FUND BALANCE	\$1,172,680	\$1,172,680		
ENDING FUND BALANCE	\$760,048	\$1,795,272		

CITY OF FENTON
DDA BOND CONSTRUCTION FUND
BALANCE SHEET
15-Oct-15

ASSETS:

CASH IN BANK	\$1,584,976
DUE FROM COMMUNITY CENTER	\$121,717
DUE FROM OTHER FUNDS	\$24,205
TOTAL ASSETS	<u>\$1,730,898</u>

LIABILITIES:

ACCOUNTS PAYABLE	\$0
DUE TO OTHER FUNDS	\$0
TOTAL LIABILITIES	\$0

FUND EQUITY:

FUND BALANCE	<u>\$1,730,898</u>
TOTAL LIABILITES AND EQUITY	<u>\$1,730,898</u>

CITY OF FENTON
 DDA CONSTRUCTION FUND
 STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 15-Oct-15

	AMENDED BUDGET	YTD ACTUAL	PERCENT OF BUDGET	VARIANCE FRM BUDGET
REVENUES:				
BOND PROCEEDS	\$0	\$0		\$0
GRANTS	\$0	\$0		\$0
DONATIONS	\$0	\$0		\$0
INTEREST & DIVIDENDS	\$0	\$53		(\$53)
TOTAL REVENUE	\$0	\$53		
EXPENDITURES				
COMMUNITY CENTER RESTORATION	\$0	\$0		\$0
BOND COSTS	\$0	\$0		\$0
STREETSCAPE	\$1,219,594	\$355,711	29.17%	\$863,883
TOTAL EXPENDITURES	\$1,219,594	\$355,711		\$863,883
TRANSFERS				
TRANSFER IN DDA FUND	\$160,830	\$0	0.00%	(\$129,170)
REVENUE OVER EXPENDITURES	(\$1,219,594)	(\$355,658)		
BEGINNING FUND BALANCE	\$2,086,556	\$2,086,556		
ENDING FUND BALANCE	(\$1,219,594)	\$1,730,898		

UNJOURNALIZED

OPEN

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Fund 401 DDA CONSTRUCTION FUND					
Dept 851 DOWNTOWN DEVELOPMENT					
401-851-818.000	CONTRACTED SERVICES	OHM ENGINEERING ADVISORS	09/03/15	173534	750.00
401-851-818.400	MARKETING	NEW MOON VISIONS	09/28/15	134152	875.00
401-851-818.400	MARKETING	NEW MOON VISIONS	09/28/15	134151	875.00
401-851-818.410	EVENT MARKETING	TOWNSQUARE MEDIA OF FLIN	08/05/15	BA-315083973	108.00
401-851-818.410	EVENT MARKETING	TOWNSQUARE MEDIA OF FLIN	08/05/15	BA-315083974	15.00
401-851-825.300	STREETSCAPE	NEW MOON VISIONS	09/28/15	134154	850.00
401-851-825.300	STREETSCAPE	NEW MOON VISIONS	09/28/15	134153	600.00
401-851-825.300	STREETSCAPE	TRI-COUNTY TIMES	09/27/15	112058	236.60
401-851-825.300	STREETSCAPE	VIEW NEWSPAPER GROUP	09/30/15	211563	462.00
401-851-825.300	STREETSCAPE	ADAMS OUTDOOR ADVERTISIN	10/05/15	0223964	2,200.00
401-851-826.000	LEGAL FEES	FAHEY SHULTZ BURZYCH RHO	09/11/15	28836	332.50
401-851-826.000	LEGAL FEES	FAHEY SHULTZ BURZYCH RHO	10/07/15	29182	122.50
401-851-956.100	MISCELLANEOUS	MICHAEL BURNS	10/08/15	10-8-15	54.62
401-851-956.100	MISCELLANEOUS	COMMUNICATION ACCESS CEN	09/30/15	C12330	118.63
401-851-971.413	LANDSCAPING MAINT	CJ CALLAGHAN & SONS	09/30/15	4876	65.00
401-851-971.413	LANDSCAPING MAINT	CJ CALLAGHAN & SONS	09/30/15	4878	125.00
401-851-971.413	LANDSCAPING MAINT	CJ CALLAGHAN & SONS	09/30/15	4879	939.54
401-851-971.414	LAWN CARE	CJ CALLAGHAN & SONS	09/30/15	4877	720.00
401-851-971.414	LAWN CARE	CJ CALLAGHAN & SONS	09/30/15	4882	320.00
Total For Dept 851 DOWNTOWN DEVELOPMENT					9,769.39
Total For Fund 401 DDA CONSTRUCTION FUND					9,769.39
Fund 403 2014 DDA BOND CONSTRUCTION FUND					
Dept 951 EMPLOYEE INSURANCE					
403-951-975.401	STREETSCAPE	OHM ENGINEERING ADVISORS	09/03/15	173530	31,097.28
Total For Dept 951 EMPLOYEE INSURANCE					31,097.28
Total For Fund 403 2014 DDA BOND CONSTRUCTION F					31,097.28

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Fund 401 DDA CONSTRUCTION FUND					
Dept 851 DOWNTOWN DEVELOPMENT					
401-851-818.410	EVENT MARKETING	FENTON REGIONAL CHAMBER	09/16/15	9-16-15	5,507.92
401-851-818.410	EVENT MARKETING	LAKES AREA ART COUNCIL	09/16/15	9-16-15	3,000.00
401-851-864.000	CONFERENCES & DUES	SHERATON SEATTLE HOTEL	09/08/15	32CB2G7B	1,105.87
401-851-956.100	MISCELLANEOUS	VERIZON WIRELESS	08/23/15	9751224337	49.96
Total For Dept 851 DOWNTOWN DEVELOPMENT					9,663.75
Total For Fund 401 DDA CONSTRUCTION FUND					9,663.75

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Fund 401 DDA CONSTRUCTION FUND					
Dept 851 DOWNTOWN DEVELOPMENT					
401-851-719.000	EMPLOYEE FRINGES	PRIORITY HEALTH	09/15/15	152590002432	421.74
401-851-719.000	EMPLOYEE FRINGES	THE STANDARD INSURANCE C	09/16/15	00 153196 0001	38.73
401-851-719.000	EMPLOYEE FRINGES	THE STANDARD LIFE INSURA	09/15/15	160 153196 00001	41.57
401-851-719.000	EMPLOYEE FRINGES	THE STANDARD LIFE INSURA	09/15/15	160 153196 00002	6.86
Total For Dept 851 DOWNTOWN DEVELOPMENT					508.90
Total For Fund 401 DDA CONSTRUCTION FUND					508.90

JOURNALIZED

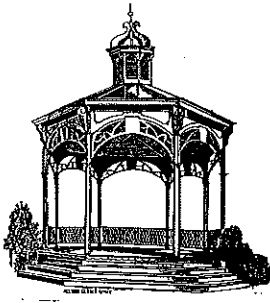
PAID

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Fund 401 DDA CONSTRUCTION FUND					
Dept 851 DOWNTOWN DEVELOPMENT					
401-851-975.816	DOWNTOWN PARKING LOTS	JACK FICK EXCAVATING, IN	10/07/15	7	24,702.60
Total For Dept 851 DOWNTOWN DEVELOPMENT					24,702.60
Total For Fund 401 DDA CONSTRUCTION FUND					24,702.60
Fund 403 2014 DDA BOND CONSTRUCTION FUND					
Dept 951 EMPLOYEE INSURANCE					
403-951-975.401	STREETSCAPE	MDOT	08/13/15	AP 379718	119,299.96
403-951-975.401	STREETSCAPE	MDOT	09/10/15	AP 380940	140,266.08
403-951-975.401	STREETSCAPE	MDOT	08/13/15	AP 379719	29,551.19
403-951-975.401	STREETSCAPE	MDOT	09/10/15	AP 380939	25,375.32
Total For Dept 951 EMPLOYEE INSURANCE					314,492.55
Total For Fund 403 2014 DDA BOND CONSTRUCTION F					314,492.55

JOURNALIZED

PAID

GL Number	Invoice Line Desc	Vendor	Invoice Date	Invoice	Amount
Fund 401 DDA CONSTRUCTION FUND					
Dept 851 DOWNTOWN DEVELOPMENT					
401-851-956.100	MISCELLANEOUS	VERIZON WIRELESS	09/23/15	9752868792	49.96
401-851-975.721	RIVER STREET UTILITIES	FENTON WATER DEPT.	10/01/15	140015005	832.40
Total For Dept 851 DOWNTOWN DEVELOPMENT					882.36
Total For Fund 401 DDA CONSTRUCTION FUND					882.36



**Fenton
Downtown
Development
Authority**

**FENTON DOWNTOWN DEVELOPMENT AUTHORITY
PROCEEDINGS**

Tuesday, September 15, 2015

The meeting was called to order by Craig Schmidt at 6:00 p.m.

ROLL CALL:

PRESENT: Bertschy, Canever, Green, Henderson, James, Kasper, Osborn, Saule Schmidt, Strayer, Sweetman

ABSENT: Bayer, Hamel

OTHERS: Michael Burns DDA Director/Assistant City Manager
Lynn Markland, City Manager

EXECUTIVE DIRECTOR'S REPORT:

STREETSCAPE – Everything is moving along. Heading up Leroy from Caroline. The street furniture should be here this week.

CORNERSTONE – Have been in communication with Corlin Builders about the sidewalk surrounding the building. We are continuing to work through this issue.

SNOW REMOVAL – Preparing a RFP for snow and ice removal in the downtown district for this winter.

ELIZABETH ST – The walkway on the property next to A Joyful Noise won't occur until Spring. The Bayer's are fine with that. Vanessa of OHM is starting the design.

FENTON FIRE HALL – There is a section of landscaping next to the handicap ramp that needs to be replaced. Since it is such a small job we are just going to have a local landscaper handle it.

ELAINE'S RETIREMENT – An announcement was made to the board that Elaine will be retiring in November.

JAMES asked the status of Caroline St.

MARKLAND advised that a considerable portion of the bond was spent on the Streetscape Project. The Caroline St Project is planned for the Spring of 2016 along with the Bridge Project.

FINANCIAL REPORT:

Shane presented the report. She advised that the auditors came in last week and everything should be final soon.

CONSENT AGENDA:

- a) Accounts Payable – Authorize payment of bills in the amount of 2,716.60.
- b) Minutes of DDA Meeting of Tuesday July 21, 2015.

MOTION by Kasper, supported by Green to approve the Consent Agenda as presented.

MOTION CARRIED, Roll Call Vote: Bertschy-aye, Canever-aye, Green-aye, Henderson-aye, James-aye, Kasper-aye, Osborn-aye, Saule-aye, Schmidt-aye, Strayer-aye, Sweetman-aye.

CITIZENS COMMENTS:

NONE

ADDITIONAL FAÇADE IMPROVEMENT GRANT REQUEST FOR 300 S LEROY:

At our August 2014 Board Meeting, the board approved a \$7,675 Façade Improvement Program Grant to Susan Olsen from Yesterday's Treasures to do various improvements. They completed the majority of the work last fall and a reimbursement of \$7,222.63 was issued. They held off on completing some of the work until after the Streetscape Project. They have some additional costs to finish their project and are asking for additional reimbursement from the Façade Improvement Program.

MOTION by Saule, supported by Sweetman that the Downtown Development Authority approve reimbursement of \$2,777.37 from the Façade Improvement Program to Yesterday's Treasures at 400 S Leroy.

MOTION CARRIED, ALL AYES.

***NOTE-** There was a misprint in the amount of the reimbursement in the original motion. It has been correct from \$2777.27 to \$2777.37.

MIDWEST SCULPTURE INITIATIVE FOR 2016:

We have received our annual request to participate in the Midwest Sculpture Initiative (MSI) in 2016. The DDA has participated in this for the past three years and it has been a successful program.

The procedures would be similar to years past. However, MSI is making a request for participants to rent seven pieces in 2016 and eight in 2017. They are attempting to do this rather than raising rates for participation. If the DDA participates, our costs will increase by \$1,559 in 2016.

STRAYER mentioned that the Sculpture Program is more important now with the Streetscape Project being completed. He also mentioned that the purple "Whispering Bench" behind the Community Center, which had been placed there during the Streetscape construction, would be better displayed somewhere on S Leroy.

MARKLAND said that he will take a look at it and find a spot for it. Also, that the new benches on S Leroy will be installed this week.

MOTION by Saule, supported by Sweetman that the Downtown Development Authority participate in the 2016 Midwest Sculpture Initiative.

MOTION CARRIED, ALL AYES.

CALL TO THE AUDIENCE:

NONE

ADJOURNMENT:

The meeting adjourned at pm 6:21pm

Respectfully submitted by,

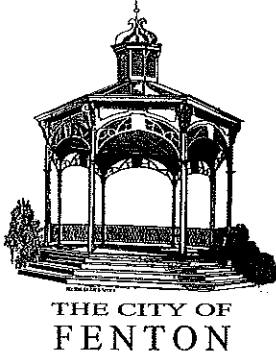
Craig Schmidt

Craig Schmidt, Chairman
Downtown Development Authority

Elaine McGreevy

Elaine McGreevy
Recording Secretary

FENTON DOWNTOWN DEVELOPMENT AUTHORITY
MEMORANDUM



DATE: October 16, 2015
TO: Downtown Development Authority Design Committee
FROM: Michael T. Burns, Executive Director MO
RE: 106 Shiawassee

In 2011, the DDA agreed to allow for Rex Rodgers to utilize 106 Shiawassee for creation of an Interior Design Studio. We entered into a three-year agreement with him and did not charge him rent but made him responsible for the taxes on the property and maintaining the property. We also had the right to cancel this agreement at any time if a development opportunity presented itself for the property.

When his lease expired, we had discussions about renewing it. With the redevelopment of Downtown Fenton, I believed that it was in the best interest of the DDA to negotiate an agreement that charged a near market rate. I received information from both our Chairman and Jerry Mansour as to what a market rate would be in that area of Downtown.

Through that period of time, Mr. Rodgers didn't believe his business was successful enough to continue. And we began to discuss an exit plan for his occupancy. He has agreed to be responsible only for the Winter Taxes that will be issued in December.

If there is occupancy for a commercial purpose in the building after December 31, 2015, the DDA would be taxed for the 2016 tax year. In order for the DDA not to be left with paying next year's taxes, Mr. Rodgers will vacate by that date.

Mr. Rodgers would like to speak to the board this evening about his time at the property. I have ensured that an interpreter is present to assist him.

As for the future of the property, the DDA needs to begin discussion on that. When the DDA purchased the building in 2008, they did so for the plan of future development. While they have allowed the space to be utilized for commercial use, this was not a priority intention for the DDA owning the property.

We have received requests from people interested in renting the property for commercial use. I have informed them that I would pass this information to the board. However, I have also received interest from developers for infill properties within Downtown and this could be a viable option for them.

My recommendation would be that the DDA consider the latter option. The DDA Administration doesn't have the time or experience to manage Downtown Property. If and when there are landlord tenant disputes, it will be a perception issue for the board that they should not be involved in. In

addition, if there is an opportunity to develop the property, there will be delays because the lease provisions we had previously will be harder to place on a rent-paying tenant. In addition, if the person is paying rent, our obligations are much different under that type of agreement which could delay a redevelopment opportunity.

I would recommend demolishing or moving the building this spring and attracting developers toward the site. In addition, we should consider adding additional municipal parking spaces behind the building to help the downtown merchants.

The DDA Board needs to weigh their options for this property. However, I recommend that renting the property in its current state not be an option.