

# Downtown Development Authority

## Special Meeting Minutes

Wednesday, October 12, 2016  
Noon, Council Chambers



City of South Haven

**MISSION STATEMENT:** The Downtown Development Authority (DDA) is to be a leader in helping to fulfill the City of South Haven Municipal Plan; through planning, funding, and development of projects within the DDA District which promote, encourage and contribute to the overall economic growth and development of the community.

### 1. Call to Order by Olson at noon.

### 2. Roll Call

Present: John Braun (12:15 p.m.) Bob Burr, Sue Frederick, Scott Maxwell, Sally Newton, Kevin Whiteford, Andrea Olson

Absent: Chris Campbell, Jim Marcoux

Also present: Brian Dissette, City Manager; Wendy Hochstedler, Finance Director

### 3a. Approval of Agenda

Motion by Newton, second by Whiteford to approve the October 12, 2016 Special DDA Meeting.

All in favor. Motion carried.

### 3b. Approval of Minutes

Motion by Whiteford, second by Newton to approve the August 3, 2016 Regular Meeting Minutes as written.

All in favor. Motion carried.

### 3. Interested Citizens in the Audience Will be Heard on Items Not on the Agenda

None at this time.

### 4. DDA will be asked to consider a proposal by Prein&Newhof in the amount of not-to-exceed \$30,000 for Center Street Improvement Phase 1: Existing Conditions Survey.

Experience has shown that a city has to have stamped drawings on file and ready to go in order to apply for an MEDC DIG grant. The state gives 30 days to produce a plan and one must be in place as it cannot be produced in 30 days. There is no indication when a grant announcement may take place. Dissette noted that the city has not been able to fill the vacancy Steve left in the Engineering Department but Steve oversaw the Phoenix Street project and knows all the downtown merchants. The costs in the proposal are right in line with what they should be. Steve Oosting is best suited to this project. No one knows better than Oosting what went into the Phoenix project underground and how to build in this city. This design work may not lead immediately to construction; the timeline depends on when the State of Michigan opens up the next round of DIG funding. The city cannot apply unless stamped drawings ready to go when that application opens.

Olson asked, "Do we know for a fact that there will be another round of DIG funding?" to which Dissette responded that he cannot be sure, because the MEDC is a group in transition. The city applied for the newly organized ICE program, but Dissette believes the next round of DIG funds will happen. Dissette explained, "There is a federal allocation to the State of Michigan; this year Flint happened and our DIG funds turned into ICE funds. Regardless, if the DIG program opens or doesn't we still need to address Center Street, get the plans together and be ready if the grant happens."

Dissette noted that according to Steve Oosting, the best time to do that field work is in the fall when things are less busy and merchants have a little more time. The grants, Dissette stated, have typically come in the winter. Dissette said Steve Oosting was in every single basement in Phoenix Street.

Hochstedler noted that in the current budget, DDA has \$378,900 in capital and also \$5,000 unassigned. With no assigned projects, Hochstedler does not believe the DDA will be using any reserves for fiscal 2017.

Motion by Whiteford, second by Frederick to approve the proposal from Prein&Newhof in the amount of not-to-exceed \$30,000 for Center Street Improvement Project Phase 1: Existing Conditions Survey.

All in favor. Motion carried.

**5. DDA will be asked to consider adoption of Resolution #2016-01: A Resolution to Approve DDA Financing Contract.**

Dissette gave a brief history of the St. Joseph project, done in 2004 to 2006, a multiblock water/sewer/street/sidewalk project. The city took on millions in debt which the TIF districts helped with. Currently the city is moving through millions of dollars of SAW work utilizing grants from the state to do analysis of flow metering, infiltration, unneeded flow into the Waste Water Treatment Plant. In addition, routine and regular sanitary sewer overflows caused by the pump station being overwhelmed and overflow going into the Black River and Lake Michigan necessitate notification to the State of Michigan and the health department. Dissette explained that the city is finally to the point of implementation and improvements and listed all the streets to see improvements and the pump stations. With North Shore Drive; Dunkley and Black River Street; Kalamazoo Street Phase 4 (affecting Trelleborg and Albemarle) projects all going Dissette forecasts dramatic rate increases. The City is collecting well over 1,000 special assessments. We are asking the DDA to contribute \$50,000 per year towards overall project costs which not only helps fund the work and has

an immediate impact for anyone who has water and sewer in front of their house. According to Dissette, a savings of \$23.00 per year can be realized for a typical household that thousands of individual customers do not have to pay. Dissette wants to lighten the rate adjustment for water/sewer users. The Local Development Finance Authority (LDFA) funded \$100,000 per year over the life of the project. There will be improvements within the DDA district.

Dissette asked the board to consider approval of the Resolution 2016 -01 noting this is good for all rate payers in the city and the townships.

Olson asked what part of the project is in the DDA to which Dissette responded that the main lift station; the Waste Water Treatment Plant; Black River Street and Dunkley Avenue are in the DDA.

Burr explained that there are two lift stations that feed the sewage to the Waste Water Treatment Plant. One main lift station is being built at the Waste Water Treatment Plant which retires those old stations. The sewer line goes down the river on the north side so the sewer is being rerouted so there will be a new sewer line under the river at the Filbrandt property right across from the sewer plant. There will be a new station that removes the sewer line from along the river which will allow more construction because the sewer line easements will be voided.

The shallowest point in the sewer system right now is directly outside Mayor Burr's house; the sewer crossing makes it impossible to dredge there so anything that requires a deep draft for a sailboat cannot utilize the upriver side of the bridge. Dissette reminded that a couple of years ago bumping into the sewer line was a real problem due to low water.

Discussion ensued about where the sewer line will be going which was explained as almost exactly past All Seasons is where the sewer line crosses the river. That is where the entire Northside sewer is flowing; this project will collect everything on the north side and it will be pumped under the river to the new pump station by the Waste Water Treatment Plant.

Dissette said the benefits of this project are multi-fold. The sewer will be placed under the center line of the street, out from under people's homes and the shores of the Black River.

Hochstedler put together some projections, and included the proposed \$50,000 contribution to the project beginning next fiscal year, July 1, 2017, (fiscal '18). According to Hochstedler, with that included, the DDA will still have positive cash flow, even there is \$350,000 budgeted each year for various projects. Hochstedler noted this does not count the debt service.

Dissette said at a 25-year commitment, the DDA will still have positive cash flow and still be able to do \$350,000 a year in capital spending. "The benefit is for all of you, if you are paying into water and sewer now it's going to help you and help me and thousands of our customers. We are trying to control rate increases we would have to put through to fund all of these projects."

Motion by Whiteford, second by Newton, to approve the adoption of Resolution 2016-01, a resolution to approve the DDA Financing Contract for proposed sewer/water improvements on Black River Street and Dunkley Avenue in the DDA District.

All in favor. Motion carried.

**7. DDA will be asked to consider support of the Planning Commission's Recommendations regarding residential downtown parking.**

Davidson explained that there are a lot of components to this. The City Council's priorities this year included looking at year-round housing for the downtown, so this was given to Planning Commission and they had workshops to make a recommendation. Letters have been sent to business owners and others collected signatures for support. The current code states that if you have a building downtown and want to put in upper floor apartments you must have two parking spaces per unit for those apts. The first one is exempt.

As an example, a building owner wants to put two units above their store and there is no private parking, so they cannot meet the city requirement. With the Planning Commission recommendation, they are looking to boost year round living in the downtown, hoping to boost downtown economic development and get some of these buildings renovated and up to code. Right now, through both city code and Michigan code, fire suppression is required in upper apartments, creating further safety requirements in the downtown.

Olson noted that this is a code issue and asked, "Why are they asking us?" Davidson responded that the city is looking for support for economic development and to get some of these downtown buildings renovated.

Braun noted that in theory more money would come back to us.

Olson asked about those who purchased their parking spots in the former "Parking Program". Davidson said that program allowed owners to pay into the program for fictional parking spaces. Those that did so are grandfathered in and would be given permits according to the Planning Commission's recommendation.

Newton said, "Think about snowplowing, you don't want them parking. Davidson said the crews already deal with this. They plow around the cars and the residents shovel around their cars themselves because they know they have to do that. Davidson said, according to the current code, vehicles are not allowed to park in the CBD overnight, however, is not enforced.

Davidson noted this is for existing buildings. If the owner can meet the parking requirement, they can apply for a grant. But if they have no private parking, they can't get apply due to restrictions in the city code. Newton asked if there could be a piece of this that addresses the downtown condos. Davidson said that must come from Planning Commission. Newton said even if every place in downtown had apartments it wouldn't fill all the parking lots.

Braun said this all stems from the city code of ordinances. "When was that put into effect? Why not just get rid of this in the ordinance? Wouldn't that be simplest?"

Newton asked, "What if we just had the ordinance go away?" Burr responded, "Chaos." Braun asked, "And this isn't chaos?" Whiteford suggested, "If we got rid of the ordinance and still have a permit for anyone in the DDA who has a living space (kind of like the city of Chicago) they get to park anywhere. Newton asked what the ordinance we are talking about getting rid of says. Davidson said she does not have the exact words but it prohibits parking

overnight and includes the part about the 1<sup>st</sup> apartment being exempt and 2 parking spaces required for more than one apartment.

Olson noted she is getting consensus that no one is happy with this proposal. Burr said give it a pass, it will go to the City Council anyways. After discussion it was decided to make a motion to support the development of the upper spaces in the downtown district.

Motion by Newton, second by Frederick to support the development of upper residential spaces in the downtown business district for year round occupancy.

All in favor. Motion carried.

#### **8. General Comments**

There were none.

#### **9. Adjourn**

Motion by Newton, second by Frederick to adjourn at 1:15 p.m.

RESPECTFULLY SUBMITTED,

Marsha Ransom  
Recording Secretary