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CITY OF LOWELL
DOWNTOWN DEVELOPMENT AUTHORITY
THURSDAY, JANUARY 9, 2020
12 NOON
AT
LOWELL CITY HALL
COUNCIL CHAMBERS
SECOND FLOOR
301 EAST MAIN STREET

1. CALL TO ORDER; ROLL CALL
2. APPROVAL OF THE AGENDA
3. APPROVAL MINUTES OF PREVIOUS MEETING(S)
 - a) December 12, 2019
4. TREASURER'S REPORT
5. PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA
6. OLD BUSINESS
7. NEW BUSINESS
 - a) Resolution 01-20
8. REPORTS AND MEMBER COMMENTS
9. ADJOURNMENT

**OFFICIAL PROCEEDINGS
OF THE
DOWNTOWN DEVELOPMENT AUTHORITY
OF THE
CITY OF LOWELL
INFORMATIONAL MEETING
THURSDAY, DECEMBER 05 2019**

1. **CALL TO ORDER; ROLL CALL.**

The Meeting was called to order at 12:20 p.m. by Chair Reagan.

Present: Board members Mike DeVore, Brian Doyle, Eric Wakeman, Rick Seese, Rita Reister and Chair Jim Reagan.

Absent: Board members Julie Devoe and Mike Sprenger.

Also Present: City Manager Michael Burns, Clerk Susan Ullery, Police Chief Steve Bukala, DPW Director Dan Czarnecki and City Treasurer Sue Olin.

2. **EXCUSE OF ABSENCES.**

IT WAS MOVED BY DEVORE and seconded by REISTER to excuse the absence of board members Sprenger and Devoe.

YES: 6. NO: 0. ABSENT: 2. MOTION CARRIED.

3. **APPROVAL OF THE AGENDA.**

IT WAS MOVED BY REISTER and seconded by WAKEMAN to approve the agenda as written.

YES: 6. NO: 0. ABSENT: 2. MOTION CARRIED.

4. **APPROVAL OF THE MINUTES.**

IT WAS MOVED BY DEVORE and seconded by DOYLE to approve the minutes of October 10, 2019 as written.

YES: 6. NO: 0. ABSENT: 2. MOTION CARRIED.

5. **TREASURER'S REPORT.**

**DOWNTOWN DEVELOPMENT AUTHORITY FUND
FINANCIAL STATEMENT
December 4, 2019**

Beginning Balance:	\$445,744.04
Revenue:	
TIFA Revenue	\$476,944.32
Interest	2,497.05

March	5	September	10
April	9	October	8 (Informational)
May	7 (Informational)	November	12
June	4	December	10

IT WAS MOVED BY REISTER and seconded by DEVORE to approve the 2020 Meeting dates including the information meeting dates.

YES: 6. NO: 0. ABSENT: 2. MOTION CARRIED.

b. Engineering for Riverside.

City Manager Michael Burns stated in the current fiscal year, funds are budgeted to reconstruct Riverside Drive from near Backwater Café to near Elm Street. This project is in the Downtown District and road improvements in the district are an allowable expense under the Downtown Development Authority statute. We received a proposal for design engineering for the reconstruction of Riverside Dr. This will allow for Williams and Works to survey, three soil borings, design engineering, developing bid specifications and administering the bid process for the project. The cost for these services is \$7,400. We are looking at tying this project in with a proposed project for Suffolk, Elizabeth and Howard Streets with the potential for reducing all overall costs. The project is planned to begin when school ends in the summer of June 2020.

IT WAS MOVED REISTER and seconded by WAKEMAN to approve a proposal for Williams and Works for design engineering for Riverside Drive at a cost not to exceed \$7,400.

YES: 6. NO: 0. ABSENT: 2. MOTION CARRIED.

c. Amity Street.

City Manager Michael Burns stated last fiscal year, the City submitted a Transportation Economic Development Fund grant to reconstruct Amity St. At the time, we asked the State of Michigan for \$250,000 or half the cost to reconstruct Amity. The City along with no other community in West Michigan received any funding from grants. The Kent County Community Development Block Grant (CDBG) application process has just begun and we are looking at submitting a grant for Amity. We intend to apply for half of the construction costs. This will require City to fund the remaining portion for the grant.

Burns continued, Amity St. from Main St. to Elm is in the Downtown Development Authority District. The total cost to reconstruct the seven blocks of Amity is approximately \$500,000. The most the DDA could fund of this project is \$142,857. This will be an important part of our grant application and alieves the Local Street Fund from a portion of this expenditure and allows them to address other streets in the network. If the City received the grant, the window to complete the project is from August 2020 until April 2021. The project will be budgeted for the 2021 Fiscal Year.

IT WAS MOVED BY WAKEMAN and seconded by DEVORE to set aside funds to pave Amity Street from Main St. to Elm Street in conjunction with the reconstruction of Amity St.

YES: 6. NO: 0. ABSENT: 2. MOTION CARRIED.

9. **REPORTS AND MEMBER COMMENTS.**

Boardmember Reister stated there was concern with the lights flickering in the South Monroe parking lot.

City Manager Michael Burns said he would look into it.

10. **MOTION TO GO INTO CLOSED SESSION.**

IT WAS MOVED BY DOYLE and seconded by WAKEMAN to go into closed session at 12:39p.m.

YES: Boardmembers Reister, Doyle, DeVore, Seese, Wakeman, and Chair Reagan.

NO: None. ABSENT: Boardmembers Sprenger and DeVoe. MOTION CARRIED.

IT WAS MOVED BY WAKEMAN and seconded by DEVORE to adjourn at 12:59.

Date:

APPROVED:

James E. Reagan, Chair

Susan Ullery, Lowell City Clerk

DOWNTOWN DEVELOPMENT AUTHORITY FUND
FINANCIAL STATEMENT
January 8, 2020

Beginning Balance:	\$445,744.04
Revenue:	
TIFA Revenue	\$476,944.32
Interest	2,497.05
Total Revenues	\$925,185.41
Expenditures:	
Capital Outlay	\$12,387.59
Salaries	\$15,031.89
Maintenance Supplies	\$10,508.68
Utilities	\$6,728.22
Misc and Community Promotions	\$52,126.02
Accrued Wages	\$2,802.05
Administration	\$23,691.15
Accrued Payables	\$1,279.28
Transfer to Equipment	
Transfer to General Fund	
<i>Total Expenditures:</i>	\$124,554.88
Ending Balance	\$800,630.53

Check Date	Bank	Check #	Payee	Description	Account	Dept	Amount
Fund: 248 DOWNTOWN DEVELOPMENT AUTHORITY							
12/11/2019	GEN	73721	BEHRENS LIMITED, LCC	MUTT MITT	740.000	463	97.95
12/11/2019	GEN	73722	BERNARDS ACE HARDWARE	STATEME OF ACCOUNT	740.000	463	6.59
				STATEME OF ACCOUNT	930.000	463	14.99
				CHECK GEN 73722 TOTAL FOR FUND 248:			<u>21.58</u>
12/11/2019	GEN	73756	LOWELL LIGHT & POWER	ELECTRIC STATEMENTS - NOV 2019	920.000	463	1,035.31
12/13/2019	GEN	73784	PETTY CASH	PETTY CASH 12/13/2019	880.000	740	6.50
12/27/2019	GEN	73826	CLEAR SKY TECHNOLOGIES	RIVERWALK SOUND SYSTEM - DDA	970.000	463	11,146.03
Total for fund 248 DOWNTOWN DEVELOPMENT AUTHORITY							12,307.37

LOWELL DOWNTOWN DEVELOPMENT AUTHORITY

MEMORANDUM



DATE: January 8, 2020

TO: Downtown Development Authority Board of Directors

FROM: Michael T. Burns, City Manager MB

RE: Resolution 01-20

The Lowell City Council has reached a settlement agreement with Unity School Investors LLC pertaining to all matters at 219 and 238 High Street. As part of the global agreement, the City has agreed to purchase 238 High Street.

The cost to purchase the property is \$225,000. Since the property is in the Downtown Development Authority District and has a beneficial impact to the Downtown District, it has been proposed for the Downtown Development Authority to purchase the property.

The property would be in the name of the City, mainly because at some point in the unforeseeable future the Downtown Development Authority would eventually sunset and as a result, the property would revert to the City.

To purchase the property, it is being proposed that the Downtown Development Authority contribute the first \$60,000 in payment with their cash in reserve. The remaining \$165,000 would come from an intergovernmental loan from Lowell Light and Power. The terms of the loan would be for five years with the first payment of \$33,000 plus an annual interest rate of 1.75% being made on July 1, 2020. The loan would be paid in full no later than July 1, 2024. There is the ability to prepay the loan if possible with no penalty.

Attached is Resolution 01-20 for the DDA to consider and take action on. The loan is still subject to approval of the Lowell Light and Power Board of Directors and they will be meeting on the evening of Thursday January 9, 2020 to take action on this.

I am recommending the Lowell Downtown Development Authority approve Resolution 01-20 as presented.

**CITY OF LOWELL
DOWNTOWN DEVELOPMENT AUTHORITY
RESOLUTION 01-20**

**RESOLUTION APPROVING AN INTERDEPARTMENTAL
LOAN FROM THE DEPARTMENT OF LIGHT AND
POWER TO THE CITY OF LOWELL DOWNTOWN
DEVELOPMENT AUTHORITY RELATED TO THE
PURCHASE BY THE CITY OF PROPERTY LOCATED AT
238 HIGH STREET AND MATTERS RELATED THERETO**

Boardmember _____, supported by Boardmember _____,
moved the adoption of the following resolution:

WHEREAS, the City of Lowell (the “City”) filed a condemnation lawsuit against Unity School Investors, LLC (“Unity”), involving an electric utility easement for property owned by Unity at 238 High Street (the “238 High Street Parcel”) and Unity filed claims against the City involving the 238 High Street Parcel and property it owns at 219 High Street (the “Lawsuit”); and

WHEREAS, the City and Unity have agreed, subject to the terms of a Settlement Agreement, to settle all claims that were or could have been asserted in the Lawsuit regarding the 238 High Street Parcel and the 219 High Street parcel; and

WHEREAS, as a part of the Settlement Agreement, the City has agreed to purchase the 238 High Street Parcel from Unity for \$225,000; and

WHEREAS, the 238 High Street Parcel is in the DDA’s Downtown District, and it is anticipated, after its purchase by the City, will be used for the promotion of activities and events in the Downtown District; and

WHEREAS, the DDA has agreed to provide the funds to purchase the 238 High Street Parcel, subject to the terms of this resolution; and

WHEREAS, the Board of Light and Power (the “LL&P”) has agreed to provide a interdepartmental loan in the amount of \$165,000 to pay a portion of the purchase price of the 238 High Street Parcel with the balance of \$60,000 to be paid from DDA funds on hand, subject to the terms hereof.

NOW, THEREFORE, BE IT RESOLVED:

1. That the DDA agrees to provide the \$225,000 purchase price for the City to purchase the 238 High Street Parcel from Unity with \$60,000 being paid from DDA cash on hand and the remaining balance of \$165,000 to be paid from an interdepartmental loan of \$165,000 from LL&P (the “Loan”).

2. That the Loan shall be repaid in five equal principal installments of \$33,000 plus accrued interest at the rate of 1 ¾% per annum with the annual principal installments plus accrued interest payable on July 1, 2020, and each succeeding July 1, to and including July 1, 2024, with the ability of the DDA to prepay the Loan, in whole or in part, at anytime without the payment of premium.

3. That the Executive Director of the DDA is authorized to take all necessary action to document and implement such transaction.

4. That all resolutions or parts of resolutions insofar as they conflict with the provisions hereof be and the same hereby are rescinded to the extent of such conflict.

YEAS: Boardmembers _____

NAYS: Boardmembers _____

ABSTAIN: Boardmembers _____

ABSENT: Boardmembers _____

RESOLUTION DECLARED ADOPTED.

Dated: January 9, 2020

Michael Burns, Executive Director

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Directors of the City of Lowell Downtown Development Authority at a meeting held on January 9, 2020, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: January 9, 2020

Michael Burns, Executive Director