

TO: Downtown Development Authority Board of Directors
FROM: Steven R. Deisler, Executive Director
DATE: January 18, 2016
RE: December Meeting

The next regular meeting of the Kalamazoo Downtown Development Authority is scheduled to take place on Tuesday, January 26, 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: Tuesday, January 26, 2016

TIME: 3:00 p.m.

PLACE: Community Room, City Hall

- I. CALL TO ORDER
- II. ADOPTION OF AGENDA
- III. MINUTES – December 21, 2015
- IV. FINANCIAL REPORT – TIF & 2 MILL - December 31, 2015; TPM - November 30, 2015
- V. ACTION ITEMS
 - A. Resolution 16-01 to Adopt the 2016 DDA Budget (attachments)
 - B. WMU Parking Lot 30 – Contract Extension (attachment)
 - C. Appoint DDA Nominating Committee
 - D. Five-Year TPM Plan – Approval of Plan Revisions (forthcoming)
- VI. DISCUSSION ITEMS
 - A. ACW Update
- 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

DOWNTOWN DEVELOPMENT AUTHORITY
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**DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS
REGULAR MEETING MINUTES
December 21, 2015**

DIRECTORS PRESENT: John Schmitt, Bob Miller, Derek Wissner, Carl Brown, Grant Fletcher, Ann Rohrbaugh, Jim Escamilla

DIRECTORS ABSENT: Lisa Carriveau, Bjorn Green, Bobby Hopewell, Greg Taylor

STAFF PRESENT: Steve Deisler, Deb Houseman, Eva Ennis

OTHER: George Magas, Michael O'Connor, Jerome Kisscorni, Sonja VanderVeen, Leslie Hoffman, Chris Shook

I. CALL TO ORDER

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

II. ADOPTION OF AGENDA

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

III. MINUTES – November 16, 2015

Director Brown commented that his name should be added to the list of members present.
DIRECTOR BROWN MOVED TO APPROVE THE MINUTES OF 11/16/15 AS PRESENTED. SUPPORTED BY DIRECTOR FLETCHER. MOTION CARRIED.

IV. FINANCIAL REPORTS – November 2015 TIF & 2 MILL; October 2015 Parking

D. Houseman reviewed the TIF and 2 MILL financial statements for November 2015 and parking financial statements for October 2015.

DIRECTOR WISSNER MOVED TO APPROVE THE FINANCIAL REPORTS OF 10/31/15 & 11/30/15. SUPPORTED BY DIRECTOR ROHRBAUGH.

Director Brown asked why \$5,000 was budgeted for the TPM Five Year Plan and \$9,500 was spent. D. Houseman replied that the board will need to revise this item at the end of the year. The overage is due to the public input meetings.

MOTION CARRIED.

V. ACTION ITEMS

A. 2016 Interim Operating Resolution – 15-07

DIRECTOR MILLER MOVED TO ADOPT THE INTERIM APPROPRIATION RESOLUTION. SUPPORTED BY DIRECTOR FLETCHER.

ROLL CALL VOTE: 7-0.

MOTION CARRIED.

B. ACW Funding request

S. Deisler shared that the Arcadia Commons West Task Force and the selected developer have started meeting to work out the predevelopment phase for the project. The development partner is going to help with community input sessions. The developer has put together a proposal to help with community visioning for the whole surrounding area and how it connects to the neighborhoods and other downtown areas. S. Deisler noted that he handed out the detailed proposal a few months ago at the DDA meeting, but it has been updated and scaled back. S. Deisler explained that the task force is requesting funds from each of the participating entities to help pay for this visioning process and the rest of the predevelopment phase. The City, LISC, and DTI have agreed to contribute \$5,000 each. S. Deisler also indicated that the task force may come back to each entity to ask for funds to do a financial analysis for the site. Director Schmitt asked how soon a current tenant located on the ACW property may have to vacate their space. S. Deisler indicated that he does not anticipate the project breaking ground until at least 2017.

DIRECTOR SCHMITT MOVED TO SUPPORT THE PREDEVELOPMENT PHASE FOR \$5,000. SUPPORTED BY DIRECTOR ROHRBAUGH.

MOTION CARRIED.

VI. DISCUSSION

A. TPM Plan Update

S. Deisler shared that the TPM committee reviewed the DDA's comments and have had open meetings and received many useful comments. Staff will bring back a revised plan at the next meeting with amendments. The TPM Committee will also come back with comments to each of the DDA's questions.

Director Miller asked if the presentation will include an executive summary based on DKRRA's input. S. Deisler replied that the DKRRA comments were reviewed and will be part of the summary. Director Wissner requested that the 10 points from DKRRA be shared with the board. Director Schmitt commented that it has been encouraging that meetings have been held in public and recommended that it continues.

VII. COMMITTEE REPORTS

S. Deisler shared that DDA Citizen's Council and the Safety Committee both continue to be concerned about panhandling, loitering, and other safety issues. The committees hope that the City continues to appoint a CPO for downtown. The committees would like to collaborate and have discussions with service groups like Gospel Mission and Ministry with Community. The Safety Committee has also been meeting with City Attorney's office to discuss options for changing ordinances to improve safety downtown.

VI. DIRECTOR COMMENTS

Director Fletcher shared that he is excited to see the positive impacts that the new building and internal structural changes are making at Ministry with Community.

S. Deisler shared that the City has created work groups for the Master Plan update and downtown is being folded into the plan with other neighborhoods. The work groups are reaching out to the community to identify the top three challenges.

X. PUBLIC COMMENTS

G. Magas commented that the fire truck zoning downtown needs to be reconsidered.

XI. ADJOURNMENT

The meeting was adjourned at 3:29 pm.

APPROVED: _____

Eva Ennis

Recording Secretary

DOWNTOWN DEVELOPMENT AUTHORITY - 2 MILL
MONTHLY REVENUE AND EXPENDITURE REPORT
PRELIMINARY DECEMBER 31, 2015

		ACTUAL		
		MONTH	YEAR TO DATE	BUDGET
REVENUE				
	2015 Two Mill Levy	0.00	267,803.44	259,703.00
	Prior Year(s) Taxes	0.00	28,742.36	28,193.00
	Interest Income	0.37	704.84	500.00
	Miscellaneous	0.00	1,463.48	1,463.00
	TOTAL REVENUE	0.37	298,714.12	289,859.00
EXPENDITURES				
	D&O Insurance	0.00	3,441.50	3,442.00
	Legal Services	0.00	350.00	5,000.00
#1	Legal Notices	61.35	61.35	600.00
	Audit	0.00	4,950.00	6,000.00
	Rebated Taxes	0.00	13,149.98	20,000.00
#2	DKI Service Agreement	18,413.99	221,000.00	221,000.00
	Miscellaneous	0.00	481.42	500.00
	TOTAL EXPENDITURES	18,475.34	243,434.25	256,542.00
	REVENUE/OVER(UNDER) EXPENSES	(18,474.97)	55,279.87	33,317.00

- #1** LEGAL NOTICES - 2016 Budget Public Hearing Notice.
#2 DKI SERVICE AGREEMENT - December Service Agreement.

DOWNTOWN DEVELOPMENT AUTHORITY - TIF
MONTHLY REVENUE AND EXPENDITURE REPORT
PRELIMINARY DECEMBER 31, 2015

		ACTUAL		
		MONTH	YEAR TO DATE	BUDGET
REVENUE				
#1	Useable TIF Collections	0.00	340,835.54	760,135.00
	Debt Service TIF Collections	0.00	674,250.00	675,150.00
	Advance 2015 Useable TIF Collections	0.00	(150,000.00)	(150,000.00)
	Festival Place Maintenance Fees	0.00	30,000.01	30,000.00
	City of Kalamazoo - Mall Maintenance	0.00	56,810.00	56,810.00
	Liquor License Application Fees	0.00	700.00	0.00
#2	Bond Refinance Savings	27,000.00	27,000.00	27,000.00
	Interest Income	12.51	320.98	325.00
	TOTAL REVENUE	27,012.51	979,916.53	1,399,420.00
EXPENDITURES				
#3	Liquor License	72.16	230.03	0.00
	Legal	0.00	11,236.39	15,000.00
	Audit	0.00	6,300.00	7,200.00
	Building Revitalization	0.00	(50.00)	10,000.00
	Mall Assessment	0.00	13,712.24	15,000.00
#4	Maintenance	32,774.88	130,275.51	160,000.00
	TIF Capture-Miller Canfield	0.00	52,259.00	52,259.00
	SUB-TOTAL	32,847.04	213,963.17	259,459.00
DEBT SERVICE/OTHER OBLIGATIONS				
	Arcadia Creek Bonds	0.00	456,700.00	457,300.00
	Building Authority Bonds	0.00	217,550.00	217,850.00
#5	TIF Capture Ramp 3	45,027.00	45,027.00	45,027.00
	Festival Place	0.00	128,472.46	128,473.00
	Zoetis Tax Appeal	0.00	44,379.34	44,380.00
#6	Rebated Taxes	3,340.24	82,800.63	200,000.00
	City of Kalamazoo Loan	0.00	76,460.00	76,460.00
	SUB-TOTAL	48,367.24	1,051,389.43	1,169,490.00
	METROPOLITAN CENTER	0.00	0.00	48,900.00
	TOTAL EXPENDITURES	81,214.28	1,265,352.60	1,477,849.00
	REVENUE/OVER(UNDER)EXPENDITURES	(54,201.77)	(285,436.07)	(78,429.00)

#1 Useable TIF Collections - It is anticipated this will be adjusted upward based on the City's projected TIF capture.

#2 Ramp #3 refinance savings.

#3 Liquor License - Public Hearing notice

#4 Maintenance- Includes annual payment to CCP for mall maintenance.

#5 TIF Capture Ramp 3 - Annual TIF capture payment to TPM.

#6 Rebated Taxes - Mall Plaza Brown Property.

**TRANSPORTATION, PARKING, & MOBILITY
MONTHLY REVENUE AND EXPENDITURE
November 30, 2015**

	ACTUAL		BUDGET		
	MONTH	YEAR TO DATE	YEAR TO DATE	ANNUAL	
Street Meters	28,523.27	319,497.64	314,091.00	341,302.00	
#1 Unattended	37,574.03	397,536.79	373,257.00	421,211.00	
#2 Attended Lots	152,506.27	1,554,905.06	1,511,810.00	1,681,438.00	
#3 Enforcement	23,055.00	280,928.47	311,608.00	332,930.00	
Metro Transit Fee	201.90	2,150.53	2,136.00	2,330.00	
Arcadia Condo Land Contract	276.67	3,043.37	3,044.00	3,320.00	
TIF - Debt Service Assistance	201,275.00	217,550.00	217,550.00	217,850.00	
TIF Ramp 3 Subsidy	0.00	0.00	0.00	45,027.00	
TIF - Maintenance	0.00	0.00	0.00	40,000.00	
Ramp 3 Debt Service Reserve	0.00	86,217.00	86,217.00	86,217.00	
Miscellaneous	0.00	0.00	0.00	0.00	
Interest Income	7.39	54.95	50.42	55.00	
TOTAL REVENUE	443,419.53	2,861,883.81	2,819,763.42	3,171,680.00	
EXPENDITURES					
Legal Fees	0.00	5,250.00	5,250.00	10,000.00	
Audit & Accounting Fees	0.00	11,250.00	11,250.00	12,875.00	
DKI Staff Services	5,416.67	59,583.37	59,583.33	65,000.00	
Liability Insurance	0.00	4,581.44	4,582.00	6,630.00	
Salaries & Wages	64,153.02	723,065.46	729,588.75	795,915.00	
Payroll Taxes	11,327.48	127,040.92	130,450.83	142,310.00	
Worker's Compensation	2,888.87	32,568.87	36,421.00	39,732.00	
Hospitalization & Benefits	8,683.72	97,720.11	99,000.00	108,000.00	
Employee Relations	82.98	833.97	1,375.00	1,500.00	
Personnel Selection	0.00	1,141.43	2,291.67	2,500.00	
Equipment Purchase/Lease	0.00	11,960.48	15,138.75	16,515.00	
Liability Claims	115.00	1,086.80	1,072.50	1,170.00	
Auto & truck Expense	703.39	7,202.17	11,297.92	12,325.00	
#4 Repairs & Maintenance	3,610.93	41,653.77	65,972.50	71,970.00	
Utilities	9,504.69	138,997.91	138,998.00	164,000.00	
Telephone	1,014.54	15,883.76	18,376.42	20,047.00	
Website	0.00	760.30	1,879.17	2,050.00	
Signage	275.16	7,304.92	9,808.33	10,700.00	
Materials & Office Supplies	499.96	12,588.32	18,486.42	20,167.00	
Customer Service Program	147.25	962.20	1,100.00	1,200.00	
Postage	628.63	7,673.31	7,654.17	8,350.00	
Forms & Printing	1,071.02	20,962.41	26,400.00	28,800.00	
Outside Contract Services	18,827.87	246,351.20	246,351.00	290,628.00	
Office Lease	2,212.50	24,337.50	24,338.00	26,550.00	
Ramp 3 Maintenance Reserve	0.00	0.00	0.00	37,500.00	
Management Fee	15,113.47	166,248.17	166,248.50	181,362.00	
OPERATING EXPENDITURES	146,277.15	1,767,008.79	1,832,914.25	2,077,796.00	
DEBT SERVICE EXPENDITURES					
1998 Refunder	201,275.00	217,550.00	217,550.00	217,850.00	
2005/2006 Ramp 3 Bond	475,322.43	674,063.81	674,063.81	674,814.00	
TOTAL DEBT SERVICE EXPENDITURES	676,597.43	891,613.81	891,613.81	892,664.00	
CONTRIBUTION TO TIF	0.00	0.00	0.00	27,000.00	
CAPITAL IMPROVEMENTS	0.00	0.00	0.00	8,000.00	
#5 FIVE YEAR TPM PLAN	568.51	20,122.13	10,000.00	10,000.00	
TOTAL EXPENDITURES	823,443.09	2,678,744.73	2,734,528.06	3,015,460.00	
REVENUE/OVER(UNDER) EXPENDITURES	(380,023.56)	183,139.08	85,235.36	156,220.00	Accrual Basis
		147,882.19	147,882.19	147,882.00	PY Cash Balance
		331,021.27	233,117.55	304,102.00	Cash Basis

SYSTEM CASH RESERVE	\$132,674.32
RAMP 3 MAINTENANCE RESERVE	\$269,787.49

TRANSPORTATION, PARKING, & MOBILITY NOTES: NOVEMBER 2015

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

REVENUES:

1. **Unattended:** Over budget \$24,280. The extreme amount of snow in January and February may have caused patrons from parking in the streets and utilize these lots. Recent addition of 120 parkers in Lot #30 from the County Building as well as additional parkers in Lot #1.
2. **Attended Facilities:** Over budget \$43,095. This is mostly attributed to monthly parker revenues. Revenues are increased by \$5,200 per month in Ramp #3 from the WMU Medical School which were not included in the original budget. Bronson also added (24) parkers in Ramp #2.
3. **Enforcement:** Under budget approximately \$30,680. Even though ticket issuance is up 25% compared to 2014, the following factors contribute to being under budget:
 - The extreme snow conditions we had in January and February.
 - A 21% decrease in the first and second quarter checks from 8th District Court.
 - The average paid ticket is 5% lower than 2014, which indicates that patrons are paying their tickets sooner at the lower fine rate.

EXPENSES:

4. **Repairs & Maintenance:** Under budget due to projects that have not been completed yet.
5. **Five Year TPM Plan:** Budget will be amended to actual prior to year end.
6. **Other Line Items** – Various other line items are either under or over budget which is due mainly to timing of the expenses. It is not expected these will end up over budget.

**DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF KALAMAZOO
RESOLUTION NO. 16-01**

A Resolution to Adopt the 2016 DDA Budgets

WHEREAS, the Downtown Development Authority Act permits the Kalamazoo Downtown Development Authority (DDA) to adopt a budget for its operating revenues and expenses; and

WHEREAS, Article VII, Section 31 of the Constitution of the State of Michigan requires the holding of a public hearing on any budget of a local unit of government empowered to prepare budgets of estimated expenditures and revenues; and

WHEREAS, the DDA has proposed 2016 TIF and Two Mill budgets and has held a public hearing on said proposed budgets pursuant to notice and publication required by law; and

WHEREAS, the City Commission of the City of Kalamazoo has given approval to the proposed budgets as required by the Downtown Development Authority Act.

NOW, THEREFORE, BE IT RESOLVED that the budgets attached to this resolution are adopted and approved as the 2016 budgets of the Downtown Development Authority of the City of Kalamazoo.

The above resolution was offered by Director _____ and supported by
Director _____

AYES, Directors:

NAYS, Directors:

ABSTENTIONS, Directors:

CERTIFICATE

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Directors of the Downtown Development Authority of the City of Kalamazoo at a public meeting held on January 26, 2016 and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and the minutes of said meeting were kept and will be or have been made available as required by said Act.

Derek Wissner, Secretary

PARKING LOT LEASE AGREEMENT

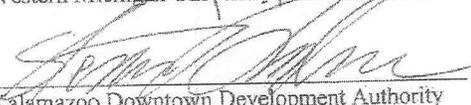
This Parking Lot Lease Agreement is made this 1st day of May, 2015, between the Board of Trustees of Western Michigan University, a Michigan constitutional body corporate ("Landlord") and the Kalamazoo Downtown Development Authority, A Michigan Public Corporation ("Tenant"). This Parking Lot Lease Agreement will expire on the 31st day of October, 2015.

In consideration of the respective covenants and conditions herein contained, the parties hereby agree as follows:

1. LEASED PREMISES. This agreement governs the lease by Tenant from Landlord of the parking lot #30 located on the property situated in the City of Kalamazoo, County of Kalamazoo and State of Michigan, as more particularly described in Exhibit "A" attached hereto and incorporated herein by reference (leased premises).
2. TERM. The term of this Agreement shall be for six (6) months and shall commence on May 1, 2015, and expire on October 31, 2015. Any holding over after the expiration of the term hereof, with or without the consent of Landlord, shall be construed to be a tenancy for month-to-month at the rents herein specified (prorated on a monthly basis) and shall otherwise be on the terms and conditions herein specified so far as applicable.
3. RENT. Tenant shall pay rent for the leased premises on a monthly basis in the amount equal to 100% of net revenue generated from parking on Leased premises until 100% of the site improvement expenses have been reimbursed to the Landlord. Thereafter the Tenant shall pay rent for the leased premises on a monthly basis in the amount equal to 50% of net revenue generated from parking on Leased premises. Such rent payment shall be made on or before the 15th of each month during the term of this Agreement. Late fees will be assessed for payments made after the 15th of each month. In the event Landlord shall fail to timely receive any Rent payment within five (5) days after the due date a Fifty (\$50.00) Dollar late payment administrative fee shall accrue and be payable in addition to the unpaid Rent independent of any other remedy available under this Lease or as matter of law. This fee is not a penalty but a fee calculated to endeavor to reimburse Landlord for staff time and expense generally incurred and needed to address delinquent payment issues. Exhibit B attached displays the details of expenses, and gross and net revenues.
4. USE AND OPERATION OF PREMISES. The use and operation of the leased premises shall be on the following terms and conditions.
 - A. Tenant may use and occupy the leased premises only for public parking of motor vehicles or as approved by Landlord. Tenant shall have exclusive control over operation policy.

- B. Landlord shall construct and pay for all improvements to the parking lots including but not limited to marking of individual parking spaces, marking of fire lanes, asphalt patching, installation of signs, and other improvements which may be necessary to permit safe parking.
 - C. Tenant shall be responsible for the permitting of parkers on the leased premises and shall enforce the leased premises to insure only permitted vehicles occupy the leased premises.
 - D. Landlord shall pay all taxes and assessments on the property.
5. PARKING RATES. Tenant and Landlord shall agree to an established parking rate structure. Tenant agrees to individually negotiate all existing customer accounts which may not be commensurate with Tenant's operating policy.
 6. INSURANCE. Tenant shall obtain and maintain public liability insurance designating Landlord as an additional insured and provide proof of insurance to Tenant coincident with commencement of lease term. Landlord shall provide proof of general liability insurance policy in the amount of \$1,000,000.
 7. LIABILITY. Each party shall indemnify and hold harmless the other party against any and all liability and loss whatsoever arising from any claims, suits, or damage caused by the negligence, gross negligence, or intentional acts of the indemnifying party. Landlord is not responsible for workers' compensation insurance and is not liable for workers' compensation claims. Tenant will not be liable for incidents or claims as a result of posts and chains recently installed by Landlord.
 8. COMPLETE AGREEMENT. Landlord and Tenant each hereby acknowledge that this Agreement encompasses the entire agreement of the parties and that there are no other agreements or understandings between them with respect to the leased premises.

In WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

 _____ Western Michigan University Board of Trustees	5/20/15 _____ Date
 _____ Kalamazoo Downtown Development Authority	5/20/15 _____ Date

ADDENDUM TO LOT #30 PARKING LOT LEASE

This Addendum is to extend the term of the Parking Lot Lease Agreement for Lot #30 dated May 1, 2015, for an additional (12) months, commencing November 1, 2015 and expiring on October 31, 2016.

Western Michigan University Board of Trustees

Date

Kalamazoo Downtown Development Authority

Date