

**CITY OF CHELSEA  
DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS SPECIAL MEETING  
7:30 A.M., THURSDAY, MAY 31, 2012**

**DRAFT – MEETING NOTES**

- Present:** Flintoft, Cleary, Finger, Heydlauff, Holman, Lindauer, Merkel, Morrel-Samuels, Pierce, Povlich, Schwarz
- Absent:** Sanville
- Others Present:** City Manager John Hanifan, Cheri Albertson and Ann Feeney, City Council; Lisa Allmendinger, AA.com.; Jim Valenti, Mark Wilcox and Alex Pollock of JC Beal Construction; Abe Kadushin of Kadushin Assoc.; Scott McElrath of Dangerous Architects; Roger Hewitt of Red Hawk Bar & Grill; Cathy Bean, Jan Bernath, Carey Church, John Frank, Tom Girard, Jane Creswell, and many others who did not sign in.

President Flintoft opened the meeting at 7:30 a.m.

1. John Hanifan explained the format of the meeting which will be a 15 minute presentation by each of the development teams with questions by the Board to follow for 30 minutes, with 15 minutes for follow-up.
2. First presentation: #110 Longworth RFP introduced by Abe Kardushin. He listed each of the participants and their affiliations: (see list above) The plan is to remove the Daniels addition and have a plaza with outdoor seating; a sidewalk on the north side of the building; a renovated trolley in the space between two buildings; leased space to Farmers Supply; upstairs pottery studio and apartments, one of which would be occupied by Alex Pollack. Board member asked questions. Portions of the financial plan were questioned such as P.I.L.O.T when the goal is to return the property to the tax rolls. Tax reduction immediately puts this property at an advantage over other downtown properties.

There were questions regarding how a property qualifies for State historic tax credits. Parking impact was also brought up. Holman asked if no reduction in tax abatement was granted, would that be a deal killer. Kardushin is confident that the project would qualify for tax credits. The purchase of a tourist liquor license is essential for the restaurant but Roger Hewitt said he would not develop a restaurant which would compete with Cleary's.

The timeline of 6 months of due diligence is necessary to plan remediation; protect the structure; meet deadlines for financing; process for State tax credits. Having the property already listed on the National Register of Historic Places, will save time. They are very confident that the financing issues such as tax credits, CRG grants will come through. Heydlauff expressed concern that the six months time line brings the project to year's end when it would be difficult to begin working, dragging it into another year while the building continues to deteriorate.

3. The Prochaska-Zachary Plan: Many projects which the firm has completed in Detroit were presented to demonstrate the firm's commitment to historic preservation. Quinn-Evans is the Architectural firm involved. It will be necessary to secure State tax credits to make the project work. All work would meet National Park Standards for Historic renovation\preservation. Flintoft questioned the 9 month time line requested. Prochaska explained that financing, dealing with HUD and other bureaucracies is complicated and time consuming. The request for tax reduction was questioned. If there was a reduction, it could be for a limited period, Prochaska suggested. His other projects used geothermal heating\cooling using 270 foot deep wells, which in this case would entail sinking them under the parking lot. They never considered removing the Daniels showroom in their RFP. The project would require approximately 20 REU support from the DDA. The matter of dealing with the railroad for permission to sink the wells could be problematic
4. President Flintoft reminded the Board of the Special Meeting to be held at 7:30 a.m., Thursday, June 7 in the McKune Room for the Board to make a decision on the redevelopment of the Longworth property.
5. President Flintoft adjourned the meeting at 9:13 a.m.,