

**CITY OF CHELSEA
DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING
7:30 A.M., THURSDAY, NOVEMBER 20, 2008
LOWER LEVEL CONFERENCE ROOM – CITY OFFICE**

Present: Jackson, Feeney, Frisinger, Galvin, Heydlauff, Holman, Morrel-Samuels, Myles, Pierce, Schwarz, Winans, Hanifan

Absent: Flintoft

Others Present: Attorney Patrick Conlin, Brian Wisniewski, DDS, Gary Zenz, CDL

1. President Jackson opened the meeting at 7:35 a.m.
2. Napieralski property – Attorney Patrick Conlin presented Purchase Agreement draft for the South Street Leasing LLC property known as 123 South Street. It calls for a purchase price of \$325,000. Discussion raised concerns on how to deal with public versus designated parking spots in the lot. After review the agreement will come back to DDA Board in the near future. The matter of designated parking spots for dental practice is noted in the Purchase Agreement.
3. **Motion by Pierce, second by Myles to approve the minutes of the October 16, 2008 and November 13, 2008 DDA Board meetings. Motion carried.**
4. City Hall\Chelsea State Bank purchase – City Manager Hanifan presented a Resolution Pledging Tax Increment Revenues for the purchase by the City of the Chelsea State Bank building in which the city office is located. The resolution calls for a pledge of a not to exceed amount of \$500,000 to be used either to pay principal of and interest on the Bonds as they come due or to pay a portion of the purchase price of the property to be acquired including the property for the Project as provided in the Installment Purchase Agreement. This transaction will not require an Amendment to the DDA Plan. **Motion by Myles, second by Winans to approve the Resolution Pledging Tax Increment Revenues toward the purchase of the Chelsea State Bank Building for a City Hall and construction of a Police Station. Motion carried.** The bank will retain a portion of the building as a condominium.
5. Budget – Treasurer Heydlauff - Heydlauff, Jackson and Hanifan met to review DDA finances:

Current Fund Balance November 1, 2008 \$ 695,000

Committed for Longworth purchase -- 400,000

Current balance 295,000

Tentative contribution city hall\police st. \$1,000,000(acquiring property\parking lot)

Cost to develop Longworth property 1,000,000

Cost to purchase Dental practice property 325,000

It was noted that there are several other potential DDA projects requiring financial investment.

Current financial commitments: 2000 Bond issue \$ 145,000 annually, completed 2010.

Annual TIF revenues \$440,000 (*With \$500,000 for City Hall, potential*

less bond payment until 2010 145,000 *\$500,000 to do parking & \$1M for*

Available for financing \$ 295,000 *Longworth's, add up to \$2M Bond)*

(A \$2M bond issue will require \$150,000 annually for 20 years.)

Treasurer Heydlauff expressed his desire to stay on the conservative side of bonding. A bond sale could be completed in 60 to 90 days. A Special DDA Board Meeting will be held Dec. 4, 2008 to determine which option to approve regarding a bond sale.

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6. Timeline for Longworth property – Heydlauff

---Close purchase by December 31, 2008

---Immediately issue RFP to architects for redevelopment options for the property –
Return by December 12, 2008

---Get input from all adjacent property owners including Congregational Church -
January, 2009

---Work toward Vantage Point agreement – January, 2009

---Community workshop – January, 2009; will have illustrated options to present for discussion.

---Meet with City Council – January, 2009

---Finalize plan\decision – April, 2009

---Have engineer's drawings – May, 2009

---Have a project, know costs – June, 2009

7. “Golfing Michigan” ad copy presented by Art Dils. The Board made suggestions. Copy is due by December 15th.
8. Gary Zenz of Chelsea District Library – presented plans for mitigating a drainage issue on the south side of Merkel's. The plan was developed by Lee Fahrner of Midwest Consulting, with input from City Engineer Christine Linfield. He asked the Board for its blessing on the project.

DPW Superintendent Craig Maier will be notified before work begins.

9. Meeting adjourned at 9:15 a.m.