

**CITY OF CHELSEA
DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS MEETING
7:30 A.M., THURSDAY, April 21, 2016**

Present: Executive Director & City Staff Liaison Hanifan, Fairfield, Finger, Heydlauff, Merkel, Patrais, Sanville, Schwarz, Weiser

Absent: Lindauer

Others Present: City Council Members Albertson & Pacheco; Lisa Allmendinger ChelseaUpdate.com, Jan Bernath, Joe Ziolkowski, Bill O'Reilly CAHS, Hank Muir, David Steinhauer, & Bob Pierce Chamber of Commerce

1. Executive Director John Hanifan opened the meeting at 7:30 a.m. noting a quorum was present.
2. Public hearings on matters under consideration – none
3. Approval of the consent agenda – none
4. Public Comment - none
5. **Motion by Finger second by Schwarz to approve the regular agenda. All Ayes.**
6. **Motion by Sanville second by Fairfield to approve the minutes of the March 17, 2016 Board of Directors meeting. All Ayes.**
7. Submission of bills – no bills submitted
8. Communications to the Board – Ziolkowski LOI, Cavanaugh Investments REU Application.
9. Reports from Board Committees – none
10. **Reports from Officers and City Manager**
 - City Manager Hanifan continues to work with Joe Ziolkowski of Ronlon LLC on the additional environmental assessment work (Phase 1 is almost done, Phase 2 sampling occurred 1 week ago). This development project is expected to be a \$1.25M project, with private and public funds (reference Letter of Intent April 21, 2016). After discussion of the DDA requested incentive, Joe Ziolkowski indicated he is very comfortable with the budget numbers and has no plan to request any tax abatements from the City.
Motion by Sanville, second by Patrias to approve the Letter of Intent from Ronlon LLC dated April 21, 2016 for renovation work of the Mack Building in order to seek incentives through the MEDC; this includes up to \$200,000 over 5-years of funds or incentives from the Chelsea DDA. All Ayes.
 - City Manager Hanifan provided an update that the \$100K projected loss in the 2016-2017 DDA Budget due to the Personal Property Tax changes will now be made up by the new Local Community Stabilization Share Program of approximately \$110K. Funds will not come in until October 2016, and Hanifan's recommendation was to hold off allocating these funds until they are in hand. With this stabilization plan the 2016-2017 DDA budget is estimated to have appositive cash flow of \$67,538.00.
Motion by Heydlauff, second by Fairfield to approve the Draft 2016-2017 Budget for the Chelsea City Council workshops in May 2016. All Ayes.

It was noted that there remains a small amount of money in the last Bond for a few of the projects on the project list.

- A DDA Work Session was set to discuss the Palmer Lot Project 2 weeks from today (May 5th at 7:30 a.m.). Review program elements, look at what other cities have done, and review work previously done (Hanifan to have previous plan for this public work session).

11. New Business

- Hanifan presented an overview of the REU Application from Cavanaugh Investments asking for approval of \$30,215.25 to expand the Zou Zou's commercial space and add a liquor license; he recommends funding over 10-years. An REU is a 'Residential Equivalent Unit' assigned to a structure based on estimated water/sewer usage put in place 12 years ago. The fee covers the equity buy-in to the Chelsea water infrastructure, calculated on use (or change in use) and square footage. The Chelsea REU fee structure has not changed since 2002, and this is the 2nd application under the DDA REU Assistance Program. Smokehouse 52 was the 1st application, which is a successful project; DDA paid its fees all up front in 2012.

Motion by Sanville, 2nd by Schwarz to approved the REU Application/Agreement for Cavanaugh Investments LLC for the ZouZou's expansion, \$30,215.35 in total, which is to be paid over 10-years as recommended by City Staff. All ayes; except Finger who abstained.

12. Unfinished Business

- Projects under consideration: Railroad barrier project, finishing 2 stamped cross walks (\$18K/crosswalk +/-), repair/repaint existing crosswalks, wayfinding signage updated (new color scheme), coordinate signage for parks and other areas of town to be consistent. Historic building lighting in the past mentioned the court house; depot and parking new parking lot behind the Church (plan for and add to budget cycles).

13. Announcements

- Bob Pierce, Chamber of Commerce – reported on the upcoming Chamber activities: 5/28 Business Breakfast at Plaid Melon, Tourism Action Grant, WW1 Library Project, Sounds & Sights Festival, Purple Rose 25th anniversary event, Big 400 Open House 5/11/16. He also stated his disappointment in the 2016-17 Budget which appears to take the Chelseamich funding to \$0; Heydlauff indicated there is \$12,500 in budget (to be reviewed at a later date).

Adjournment – Motion by Merkel, 2nd by Finger to adjourn the meeting at 8:00 am. All Ayes.

Minutes respectfully submitted,

Kathy Dunn Finger, Secretary

Approved at the May 19, 2016 DDA Board of Director's Meeting