



DOWNTOWN DEVELOPMENT AUTHORITY

Wednesday, December 5, 2018
Mason City Hall, Sycamore Room, 10:00 A.M.
201 West Ash Street, Mason MI

AGENDA

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT**
- 4. CONSENT CALENDAR**
 - A. Motion – Approval of Financial Reports November 30, 2018
 - B. Motion – Receipt of the Downtown Development Authority State Annual Report June 30, 2018
- 5. UNFINISHED BUSINESS**
 - A. Discuss Infrastructure Improvement Update (Stuart)
- 6. NEW BUSINESS**
 - A. Discuss Snow Removal Downtown (Stuart)
 - B. Discuss Wren Project and Updated Request (Stuart)
- 7. LIAISON REPORT (Admin Report)**
- 8. ADJOURN**

12/04/2018

REVENUE AND EXPENDITURE REPORT FOR CITY OF MASON
 PERIOD ENDING 11/30/2018

ACCOUNT DESCRIPTION	2018-19		ACTIVITY FOR MONTH 11/30/18 INCR (DECR)	YTD BALANCE 11/30/2018 NORM (ABNORM)	AVAILABLE		% BDGT USED
	ORIGINAL BUDGET	2018-19 AMENDED BUDGET			BALANCE	NORM (ABNORM)	
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY							
403.000	CURRENT PROPERTY TAX	76,700.00	76,700.00	0.00	71,219.57	5,480.43	92.85
573.000	LOCAL COMMUNITY STABILIZATION SHARE APPR	5,000.00	5,000.00	0.00	8,521.82	(3,521.82)	170.44
664.000	INVESTMENT INCOME - INTEREST	250.00	250.00	0.00	422.13	(172.13)	168.85
675.002	SPECIAL EVENT REVENUE	1,500.00	1,500.00	0.00	0.00	1,500.00	0.00
730.000	POSTAGE	100.00	100.00	0.00	0.00	100.00	0.00
757.000	OPERATING SUPPLIES	500.00	500.00	0.00	0.00	500.00	0.00
807.000	AUDIT FEES	800.00	800.00	0.00	0.00	800.00	0.00
818.000	CONTRACT SERVICES	25.00	25.00	0.00	0.00	25.00	0.00
818.010	DOWNTOWN STREETScape	40,000.00	40,000.00	0.00	2,340.00	37,660.00	5.85
880.000	COMMUNITY PROMOTION	8,000.00	8,000.00	0.00	5,000.00	3,000.00	62.50
955.000	FACADE GRANT PROGRAM	40,000.00	40,000.00	0.00	0.00	40,000.00	0.00
956.000	MISC. EXPENSES	30,000.00	30,000.00	0.00	0.00	30,000.00	0.00
FUND TOTALS							
TOTAL REVENUES		83,450.00	83,450.00	0.00	80,163.52	3,286.48	96.06
TOTAL EXPENDITURES		119,425.00	119,425.00	0.00	7,340.00	112,085.00	6.15
NET OF REVENUES & EXPENDITURES		(35,975.00)	(35,975.00)	0.00	72,823.52	(108,798.52)	202.43

12/04/2018

GL ACTIVITY REPORT FOR CITY OF MASON
 FROM 248-000.00-001.000 TO 248-000.00-989.000
 TRANSACTIONS FROM 09/01/2018 TO 11/30/2018

Date	JNL	Type	Description	Reference #	Debits	Credits	Balance
Fund 248 DOWNTOWN DEVELOPMENT AUTHORITY							
09/01/2018			248-000.00-818.010 DOWNTOWN STREETScape	BEG. BALANCE			0.00
09/10/2018	AP	INV	MASON SYCAMORE CREEK GARDEN CLUB DDA PLANTS AND POTS	2018-08	2,340.00		2,340.00
11/30/2018			248-000.00-818.010	END BALANCE	2,340.00	0.00	2,340.00
09/01/2018			248-000.00-880.000 COMMUNITY PROMOTION	BEG. BALANCE			0.00
09/06/2018	AP	INV	MASON SUN DRIED MUSIC FESTIVAL SUNDRIED 2018 CORPORATE SPONSOR	2018-002	5,000.00		5,000.00
11/30/2018			248-000.00-880.000	END BALANCE	5,000.00	0.00	5,000.00

Fund 248 DOWNTOWN DEVELOPMENT AUTHORITY

GL Number	Description	Balance
*** Assets ***		
248-000.00-001.000	CASH STATEMENT SAVINGS	224,868.62
248-000.00-003.000	CASH CERTIFICATES OF DEPOSIT	19,438.10
248-000.00-020.001	DUE FROM CURRENT TAX-REAL	5,921.65
248-000.00-025.001	DELINQUENT PERS TAX REC	295.55
248-000.00-025.002	DELINQUENT PERS. PROP 2016	209.75
248-000.00-025.003	DELINQUENT PERS. PROP. 2015	1,813.86
248-000.00-025.004	DELINQUENT PERS. PROP. 2014	424.33
248-000.00-025.005	DELINQUENT PERS. PROP. 2013	11.93
248-000.00-041.000	DOUBTFUL ACCOUNTS RECEIVABLE	970.96
Total Assets		253,954.75
*** Liabilities ***		
Total Liabilities		0.00
*** Fund Balance ***		
248-000.00-390.000	FUND BALANCE - UNDESIGNATED	113,842.98
Total Fund Balance		113,842.98
Beginning Fund Balance - 17-18		113,842.98
Net of Revenues VS Expenditures - 17-18		67,288.25
*17-18 End FB/18-19 Beg FB		181,131.23
Net of Revenues VS Expenditures - Current Year		72,823.52
Ending Fund Balance		253,954.75
Total Liabilities And Fund Balance		253,954.75

* Year Not Closed

**CITY OF MASON
DOWNTOWN DEVELOPMENT AUTHORITY
ANNUAL REPORT
JULY 2017 - JUNE 2018**

REVENUES

Property Taxes	\$81,837
Investment Income	\$1,115
Other Income	\$885
TOTAL REVENUE	<u>\$83,836</u>

EXPENDITURES

Administration	\$1,355
Community Promotion & Advertising	\$9,848
Façade Program	\$5,346
Miscellaneous Expenses	\$0
TOTAL EXPENSES	<u>\$16,549</u>

	Current Taxable Value	Initial (base year) Assessed Value	Captured Value
Ad valorem PRE Real	602,053	431,656	170,397
Ad valorem non-PRE Real	6,889,890	4,049,887	2,840,003
Ad valorem industrial personal	0	0	0
Ad valorem commercial personal	425,400	717,040	(291,640)
Ad valorem utility personal	257,590	271,700	(14,110)
Ad valorem other personal	0	151,500	(151,500)
IFT New Facility personal property on industrial class land	0	20,900	(20,900)
CFT New Facility real and personal property	0	25,200	(25,200)

Tax Increment Revenues Received

From Ingham County (County)	\$ 25,487
From City of Mason (City)	\$ 38,583
From CADL (Library)	\$ 0
From CRAA (Airport)	\$ 1,768
From LCC (Community College)	<u>\$ 9,632</u>
Total	\$ 75,469

Number of Jobs Created n/a

For additional information contact the DDA at (517) 719-6700



DATE: December 5, 2018
TO: Downtown Development Authority Board
FROM: Deborah Stuart, City Administrator
RE: **Preliminary Support Updated: 402 South Jefferson Street**

On September 25, 2017, the DDA approved preliminary support as defined below for this project:

- Support of the tenant redevelopment liquor license request, allowing for a liquor license to make the tenant viable, as there are no licenses currently in escrow for the City of Mason.
- Support of a DDA redevelopment liquor license loan for the tenant of \$18,000 with 35% or \$6,300 forgivable after 3 years, if applicant's business is still in operation and has made timely payments.
- Execution of the Tax Sharing Agreement allowing for reimbursement of 50% of the DDA capture on the property for seven years estimated at \$11,493. While details will be finalized in the official agreement, the DDA plans to reimburse for eligible activities starting the year following the year the occupancy permit is issued. No maximum amount. Seven years based on the timing of the balloon for the loan when the project will be refinanced.

This support was contingent on submission of all application materials, eligibility of applicant at time of application, Historic District Commission approval of renovations, and board approval of the terms of all required agreements. Preliminary support is requested by the MEDC as a sign of local commitment to the project.

Since that approval the project scope did not change, but bids were higher than anticipated and putting together the financing package got more difficult. The applicant and the City of Mason, requested an increase in support by the MEDC. The MEDC requested that the applicant and the local unit increase their support as well, as a sign of commitment to the project.

The following is a summary of the project with tracked changes noting any changes since the approval.

Teresa Wren is requesting DDA support for the renovation of 402 South Jefferson Street to allow for a fully-occupied mixed-use building. The development will consider the historic nature of the building and result in a fully-utilized property.

Overall Project Details:

5,052 Square Feet

- Residential – 1,493 square feet (2 units)
- Commercial – 2,916 square feet (1,908 for a secured restaurant tenant and 1,008 of additional basement commercial space)

Total Project Costs: \$886,206

- Cash Equity and Land/Building Contribution: ~~\$160,844~~ \$185,797
- Bank Financing: ~~\$316,000~~ \$360,000 Letter of Intent(LOI) received
- MEDC Request: ~~\$409,362~~ \$443,298

Renderings Attached

	Current	Project
Project Costs		\$989,095 <u>\$886,206</u>
Total Square Feet		5,052
True Cash Value	\$65,600	\$214,000 est.
DDA Capture	\$331	\$3,500 <u>\$2,497</u> est.
DDA Support		<ul style="list-style-type: none"> • Loan for the redevelopment liquor license for restaurant - \$18,000 loan (\$6,300 forgivable) • <u>100% of capture for years 1 and 2 until higher rents start starting the first year of full capture estimated at \$11,493.</u> 50% of the DDA capture on the property <u>for years 3-7 for 7 years starting the first year of full capture estimated at \$11,493.</u>

Requested Action

Evaluation considered a review of the proforma, merits of the project, risk of the development, the targeting goals of the DDA, support request compared to other projects, and the tax sharing delay vs. an upfront façade grant. By allowing for full capture the first two years, this will allow the project to stabilize once the higher rents for the commercial space start.

Recommended action is for the DDA to support the project in the following ways:

- Support of the tenant redevelopment liquor license request, allowing for a liquor license to make the tenant viable, as there are no licenses currently in escrow for the City of Mason.
- Support of a DDA redevelopment liquor license loan for the tenant of \$18,000 with 35% or \$6,300 forgivable after 3 years, if applicant's business is still in operation and has made timely payments.
- Execution of the Tax Sharing Agreement allowing for reimbursement of 100% of the DDA capture on the property for the first two years and 50% for years three through seven years estimated at \$15,500. While details will be finalized in the official agreement, the DDA plans to reimburse for eligible activities starting the year following the year the occupancy permit is issued. No maximum amount. Seven years based on the timing of the balloon for the loan when the project will be refinanced.

This support would be contingent on board approval of the terms of all required agreements. Preliminary support is requested by the MEDC as a sign of local commitment to the project.



Administrator's Report: November 30, 2018

ACTIVE PRIVATE PROJECTS STATUS UPDATES

Project Name	Status
318 W. Kipp - Klavon's 228 W. Kipp - Klavon's	Building permit active for construction of new restaurant.
322 S. Jefferson Commercial Bank – Downtown Mason	Building permit active for interior renovations; restore second entrance doors on Jefferson St.; replace door and add concrete pad at alley entrance. The HDC approved a Certificate of Appropriateness for doors on 9/17/18.
402 S. Jefferson (former Baja Grill)	Planning Commission approved the Final Site Plan at a Special Meeting on Tuesday, September 25. HDC approved Certificate of Appropriateness for façade on 9/17/18. Bids were received on 10/5/18 and project is on track for grant authorization.
201 W. Ash City Hall	The T-Mobile contract to co-locate on the radio tower has been signed and a building permit has been issued. Anticipate installation of equipment to begin this winter.
Pending Subdivisions: Enclave at Rayner Ponds (19 lots, 1 park) and Rayner Ponds – Phase 4 (16 lots)	Subdivisions require three stages of approval before site plan approval and building permits can be issued – Tentative Preliminary Plat/Final Preliminary Plat/Final Plat. Current stage for both: The City has approved a Tentative Preliminary Plat for both projects (Stage 1) and is waiting to receive an application for Final Preliminary Plat (Stage 2). Staff anticipates the applicant will submit a Final Preliminary Plat for Rayner Ponds – Phase 4 in December.
154 W. Maple (former shoe store)	An application has been submitted for Final Site Plan Review and will be on the December 11 agenda of the Planning Commission. Staff is working with the applicant to develop a demolition/construction schedule and maintenance of traffic plan that will minimize impacts to traffic and businesses in the surrounding area.
600 Buhl St. Ingham Animal Shelter	Building permit active for new construction.
118 W Oak Former school administration building	Two applications received - one to re-zone the property to C1 Central Business District, the second for Final Site Plan approval for the use of the property as an entertainment venue with an escape room on the 2 nd floor and arcade on the first floor. Staff is working with applicant to obtain complete information necessary for evaluating the proposal.

OPERATIONS AND COMMUNITY RELATIONS

- Department of Public Works will start early morning shift starting next week get an earlier start to plowing and salting of Mason's streets.

Staffing Updates:

- Open Positions: Staff reviewing applications for the Assistant Finance Director position. Police Sergeant 2nd Interviews completed; staff making final selection. Equipment Operator (DPW) position posted internally until December 3rd. Utility Forman (POTW) position posted internally until December 5th.

LARGE PUBLIC PROJECTS

FY 2018-2019			
Project	Project Name/Description	Status	Completed
STREETS, SIDEWALKS, BRIDGES (S)			
2017-S6	South St - Northbrook to City Limits	Complete	Sep
2017-S7	Avon Street - All	Complete	Sep
2017-S8	Northbrook - South to Carom Circle	Complete	Sep
2017-S9	S. Jefferson - Oak Street to Kipp Road	Project has been let through the MDOT system. Rieth Riley is low bidder.	
2017-S10	Sidewalk Program - Summerwood	Documents prepared for a Jan advertisement and spring construction.	
2018-S1	MDOT- Temple Street Safety Grant	Project is funded for FY19 (Oct. 1- Sept. 30). Package to be submitted to MDOT week of Sept 24.	
2018-S32	Columbia - Cedar to US 127	Complete	Sep
	MDOT – South Street Bridge Repair	Complete	Nov
	MDOT – Cedar/Ash intersection	MDOT does not have a start date yet.	
	MDOT – Steele Street signaled pedestrian crossing	Complete	Aug
UTILITIES: SANITARY SEWER, STORM WATER, AND WATER DISTRIBUTION (U)			
2018-U1	Utilities for Properties on Kipp Road	Complete	Sep
2017-U3.2	Waste Water Treatment Plant Upgrades	Complete	Oct
2017-U3.3	Design of the New DPW Facility	After 2017-U3	
2017-U6	Abandon Wells by Airport	Project on hold; filed FAA permit to do work – up to 45-day response period.	
2017-U9	Northbrook - South to Carom Circle	Complete	Sep
2017-U10	S. Jefferson - Oak St to Kipp Road	See 2017-S9	
2017-U12	300,000 G Storage Tank Top Sealing	Delayed until next FY	N/A
2017-U13	Well No. 7 Rebuild	Well work is complete. The motor is on order.	
2017-U15	Replace Two Fire Hydrants Behind Mason Plaza	Work scheduled for spring construction	
2017-U16	Cathodic Protection for Ground Storage Tank	Planning stage.	
2017-U17	High Service Pump No. 1 Rebuild	In progress	
2017-U18	Replace Chlorine Analyzer	Complete	Aug
2018-U35	BS&A Work Order Application	Award of project anticipated in December to coordinate with other projects involving BS&A software.	
2018-U36	Sewer Push Camera Replacement	Complete	Nov
2018-U37	Log Jam Removal Sycamore Creek	Complete	Nov
PARKS/ CEMETERY/ FORESTRY/ NONMOTORIZED (P)			
2017-P8	Laylin Park Improvements	Staff is evaluating final work priorities for the spring.	
2018-P1	Howell Road - Hayhoe Riverwalk (Dart Trailhead)	Complete	Nov
2018-P2	Howell Road - Hayhoe Riverwalk Trail Extension	Complete	Nov
2018-P3	Planning: 5 yr Parks/Recreation Plan; Bond Park Improvements	In progress	
2018-P5	City Tree Evaluation	Preparing Bids and grant application is submitted	

MOTOR VEHICLE POOL (MVP)			
2017-MVP6	1/2 Ton 2x4 Pickup Truck	Complete	Sep
2017-MVP7	Mower	Complete	Jul
2017-MVP8	Police Cars	On order	
2017-MVP9	Large Items (Leaf Vacuum)	Complete	Nov
2017-MVP10	5-yard Dump/Plow Trucks	Reviewing quotes	
2017-MVP18	Command Vehicle	Complete	Oct
2017-MVP30	Front End Material Loader	Complete	Nov
BUILDING, PROPERTY, EQUIPMENT (B)			
2017-B1	Library- Facility Evaluation	In progress. A community meeting was held on Thurs, Nov 8 to receive input.	
2017-B3.1	Police: Portable Radios	Complete	Oct
2017-B4	City Hall Landscaping and Lighting	Phase 1 completed. Phase 2/3 scheduled for the spring as time and budget allows.	
2017-B6	Fire: Fire Engine 809/Tower 808	Recommendation to City Council	
2018-B4	IT: BS&A Timesheet Program	Not started, connection issues with offsite facilities	
2018-B4	IT: BS&A Cemetery and HR Upgrade	Complete	Nov
2018-B6	IT: AV Room Technology Patch	Evaluation is complete; staff are reviewing	
2018-B7	Planning: Cedar/127 Corridor (Transportation and Land Use)	Drafting scope/RFP	
2018-B24	City Hall Rental Space Furniture Replacement	Not started, evaluation planned during winter	