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CITY OF LOWELL  
DOWNTOWN DEVELOPMENT AUTHORITY  
THURSDAY, OCTOBER 12, 2017  
12 NOON  
AT  
LOWELL CITY HALL  
COUNCIL CHAMBERS  
SECOND FLOOR  
301 EAST MAIN STREET

1. CALL TO ORDER; ROLL CALL
2. APPROVAL OF THE AGENDA
3. APPROVAL MINUTES OF PREVIOUS MEETING(S)
  - a) September 7, 2017
4. TREASURER'S REPORT
5. PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA
6. OLD BUSINESS
7. NEW BUSINESS
  - a) Establishing a Brownfield District – Discussion
  - b) Pavement Marking
8. REPORTS AND MEMBER COMMENTS
9. ADJOURNMENT

**OFFICIAL PROCEEDINGS  
OF THE  
DOWNTOWN DEVELOPMENT AUTHORITY  
OF THE  
CITY OF LOWELL  
THURSDAY, SEPTEMBER 7, 2017**

**1. CALL TO ORDER; ROLL CALL**

The Meeting was called to order at 12:14 p.m. by Chair Reagan.

Present: Boardmembers Cliff Yankovich, Rita Reister, Brian Doyle, Mike Larkin, Dean Lonick, April McClure and Chair Reagan.

Absent: Boardmember Sprenger and Mayor DeVore.

Also Present: City Manager Mike Burns, City Clerk Susan Ullery, City Treasurer Suzanne Olin, City Councilmember Greg Canfield and Department of Public Works Director Rich LaBombard.

**2. EXCUSE OF ABSENCES**

IT WAS MOVED BY YANKOVICH and seconded by REISTER to excuse the absence of Boardmember Sprenger and Mayor DeVore.

YES: 7. NO: 0. ABSENT: 2. MOTION CARRIED.

**3. APPROVAL OF THE AGENDA**

IT WAS MOVED BY DOYLE and seconded by YANKOVICH to approve the agenda as written.

YES: 7. NO: 0. ABSENT: 2. MOTION CARRIED.

**4. APPROVAL OF THE MINUTES**

IT WAS MOVED BY REISTER and seconded by MCCLURE to approve the minutes of the August 10, 2017 meeting as written.

YES: 7. NO: 0. ABSENT: 2. MOTION CARRIED.

**5. TREASURER'S REPORT**

**DOWNTOWN DEVELOPMENT AUTHORITY FUND  
FINANCIAL STATEMENT  
September 5, 2017**

Beginning Balance:	\$266,015.12
Revenue:	
TIFA Revenue	\$40,000.00

Total Revenues	\$306,015.12
Expenditures:	
Capital Outlay	\$5,295.00
Salaries/FICA	\$7,812.69
Maintenance Supplies	\$10,111.37
Utilities	\$2,518.89
Misc. and Community Promotions	\$6,006.98
Accrued Wages	\$3,045.57
Administration	\$2,514.52
Accrued Payables	\$1,347.62
Transfer to General Fund	
Total Expenditures:	\$38,652.64
Ending Balance	\$267,362.48

IT WAS MOVED BY LONICK and seconded by DOYLE to accept the Treasurer's Report as written.

YES: 7. NO: 0. ABSENT: 2. MOTION CARRIED.

6. **PUBLIC COMMENTS FOR ITEMS NOT ON THE AGENDA.**

No comments were received.

7. **OLD BUSINESS**

- a. Downtown Plan – Further Discussion of Strategic Meeting – (Plan was attached in the February 9, 2017 agenda packet).

City Manager Mike Burns explained it would be a good idea to engage Williams and Works and the DDA Board once again before approving the Downtown Plan.

8. **NEW BUSINESS**

- a. Lowell Chamber of Commerce – Christmas Budget.

Director of the Lowell Chamber of Commerce Liz Baker spoke in reference to the improvements of the Chamber building in order to hold Santa visits and cookies since the Showboat has been closed. A great amount of effort goes into this event.

IT WAS MOVED BY DOYLE and seconded by MCCLURE to approve up to \$6,450.00 for the Lowell Chamber of Commerce Christmas budget.

YES: 7. NO: 0. ABSENT: 2. MOTION CARRIED.

- b. Fenton visit update.

City Manager Mike Burns gave an update on their visit to Fenton and explained the history of the new Downtown Development and infrastructure that occurred in Fenton. He went on to explain that one of the biggest things Fenton implemented were sculptures in the downtown area. Burns noted these sculptures can be rented.

Greg Canfield spoke regarding the Fenton visit and how amazing the art was as well as the flowering pots throughout the downtown area. Lowell could do this as well if the businesses were willing to sponsor such flowers.

Burns explained the City of Fenton did not want the City to be responsible for irrigation because it was too cumbersome and costly. Therefore, they ran irrigation lines under the sidewalks, which worked out very well. Burns explained that if the streetscape project goes forward in Lowell, he would strongly urge irrigation under the sidewalks as well. Burns explained that if you added it to the construction, it wouldn't be as expensive.

Boardmember Yankovich mentioned having flower pots on the bridges.

Burns stated that Lowell has a stronger retail base than Fenton has, but Fenton is starting to get it now. Burns advised you also need people living in the downtown.

9. **REPORTS AND MEMBER COMMENTS**

There were no member comments.

IT WAS MOVED BY YANKOVICH and seconded by REISTER to adjourn at 12:36 p.m.

YES: 7. NO: 0 ABSENT: 2. MOTION CARRIED.

Date:

APPROVED:

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James E. Reagan, Chair

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Susan Ullery, City Clerk

DOWNTOWN DEVELOPMENT AUTHORITY FUND  
FINANCIAL STATEMENT  
October 10, 2017

Beginning Balance:	\$246,308.11
Revenue:	
TIFA Revenue	\$397,779.49
Total Revenues	\$644,087.60
Expenditures:	
Capital Outlay	\$9,845.00
Salaries/FICA	\$12,946.16
Maintenance Supplies	\$13,298.67
Utilities	\$7,520.84
Misc. and Community Promotions	\$110.61
Accrued Wages	\$3,045.57
Administration	\$3,784.61
Accrued Payables	\$7,347.62
Transfer to General Fund	
<i>Total Expenditures:</i>	\$57,899.08
Ending Balance	\$586,188.52

CHECK DISBURSEMENT REPORT FOR CITY OF LOWELL  
 CHECK DATE FROM 09/07/2017 - 10/10/2017

Check Date	Bank	Check #	Payee	Description	Account	Dept	Amount
Fund: 248 DOWNTOWN DEVELOPMENT AUTHORITY							
09/14/2017	GEN	70111	BERNARDS ACE HARDWARE	OPERATING SUPPLIES	740.000	463	26.94
09/14/2017	GEN	70126	GARY'S MEAT MARKET	COMMUNITY PROMOTION	880.000	740	26.03
09/14/2017	GEN	70141	LOWELL LIGHT & POWER	PUBLIC UTILITIES	920.000	463	1,029.90
09/14/2017	GEN	70154	SELF SERVE LUMBER	OPERATING SUPPLIES	740.000	463	18.00
09/14/2017	GEN	70157	THORNAPPLE RIVER NURSERY, INC.	OPERATING SUPPLIES			** VOIDED **
09/14/2017	GEN	70161	VISA	COMMUNITY PROMOTION	880.000	740	63.40
09/18/2017	GEN	70165	PETTY CASH	COMMUNITY PROMOTION	880.000	740	14.20
09/22/2017	GEN	70169	PETTY CASH	MISCELLANEOUS EXPENSE	955.000	463	25.00
09/28/2017	GEN	70175	BEHRENS LIMITED, LCC	OPERATING SUPPLIES	740.000	463	93.00
09/28/2017	GEN	70187	FLAT RIVER ELECTRIC LLC	CAPITAL OUTLAY	970.000	450	1,750.00
				CAPITAL OUTLAY	970.000	450	1,800.00
				CHECK GEN 70187 TOTAL			<u>3,550.00</u>
09/28/2017	GEN	70202	KERKSTRA PORTABLE, INC.	CONTRACTUAL	802.000	463	190.00
09/28/2017	GEN	70207	LOWELL LIGHT & POWER	REPAIR & MAINTENANCE	930.000	463	344.90
09/28/2017	GEN	70231	X-CEL CHEMICAL SPECIALTIES CO.	REPAIR & MAINTENANCE	930.000	463	468.00
Total for fund 248 DOWNTOWN DEVELOPMENT AUTHORITY							5,849.37



**LOWELL CITY COUNCIL**  
**MEMORANDUM**

**DATE: October 11, 2017**

**TO: Downtown Development Authority Board of Directors**

**FROM: Michael T. Burns, City Manager** MB

**RE: Brownfield Redevelopment Authority**

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The City has been approached by interested developers regarding the possibility of establishing a Brownfield Redevelopment Authority (BRDA). The establishment of this district would be to allow reimbursement for abatement costs to contaminated, functionally obsolete, blighted or historic properties through tax increment financing (similar to the Downtown Development Authority). The advantage to this is in addition to local tax capture, under state statute; school operating taxes can also be added to this capture. In addition, the Michigan Economic Development Corporation through the Michigan Strategic Fund can also approve the 6% State Education Tax from approved developments to be captured for Brownfield remediation.

I have attached information regarding the state Brownfield Program. I have approached the City Council regarding this and they are interested in forming the Authority. In my former community, we had a BRDA established approximately 15 years ago and we designated the entire community as the district for the authority. The reason for this is to avoid site specific authorities. During my tenure, we approved one Brownfield Work Plan and it has been the only one in existence for the authority. So I am familiar with this process. The City Council would like to create the authority and allow for the entire City to be considered as a Brownfield.

The state statute currently allows a Downtown Development Authority to serve as the Brownfield Redevelopment Authority. Since the Authority is project based, it might be better to utilize a board currently in place rather than creating an additional board for this purpose; especially since the number of projects may be limited. The City Council has directed me to ask the Downtown Development Authority if they would be interested in serving as the board for this function. Creation of this Authority is a beneficial development tool for future development in the Downtown as well as our City.

## COMMUNITY DEVELOPMENT BROWNFIELD PROGRAM OVERVIEW

The Brownfield Program uses tax increment financing (TIF) to reimburse brownfield related costs incurred while redeveloping contaminated, functionally obsolete, blighted or historic properties. It is also responsible for managing the Single Business Tax and Michigan Business Tax Brownfield Credit legacy programs (SBT/MBT Brownfield Credits).

The Michigan Strategic Fund (MSF) with assistance from the Michigan Economic Development Corporation (MEDC), administers the reimbursement of costs using state school taxes (School Operating and State Education Tax) for non-environmental eligible activities that support redevelopment, revitalization and reuse of eligible property. The MEDC also manages amendments to SBT/MBT Brownfield Credit projects approved by MSF. The Michigan Department of Environmental Quality (MDEQ) administers the reimbursement of environmental response costs using state school taxes for environmental activities, and local units of government sometimes use only local taxes to reimburse for eligible activities (i.e., “local-only” plans). The state statutory authority for the Brownfield Redevelopment Financing Act program is Act 381 of 1996, as amended (Act 381).

Two categories of eligible activities under TIF are available across the state; demolition and lead and asbestos abatement. Two additional eligible activities are available in any qualified local government unit<sup>1</sup> (QLGU) or on property owned by a land bank; site preparation and infrastructure improvements. Land banks may also be reimbursed for costs related to conveying and managing property that is in their possession. The non-environmental program generally targets industrial site reuse, and urban development with mixed-use components.

The Brownfield Redevelopment Authority (BRA) is the local jurisdiction entity that manages the development of brownfield plans. After approval of a brownfield plan by the local governing body, the BRA may request capture of state school taxes via a work plan submitted to the MEDC and/or MDEQ. There are 295 BRAs in Michigan, and approximately 467 brownfield plans that are active or have been completed across the state (as reported to the MEDC in September 2015). These

authorities vary in terms of their participation with MSF and/or MDEQ to request state school taxes for TIF reimbursement.

MEDC staff recommends policy documents, school tax capture work plans, school tax capture amendments and amendments to SBT/MBT brownfield credits to the MSF for consideration. The MEDC manages all work plans and SBT/MBT brownfield credits approved by the board, including assuring reporting obligations and compliance.

Eligible program uses under TIF include:

- Demolition
- Lead and asbestos abatement
- Site preparation
- Infrastructure improvements
- Assistance to land banks and local government units

Eligible program uses under legacy SBT/MBT Brownfield Credits include:

- Demolition
- Lead and asbestos abatement
- Building renovation
- New construction
- Purchased or leased equipment

### TAX INCREMENT FINANCING PROCESS

The work plan submission and approval is a multiple step process. Work plans are received on an ongoing basis and eligible activities must be in accordance with the Act 381 guidance issued by MEDC. Once a project is identified, the BRA or local government representative works with MEDC staff to perform the following steps:

#### I. Initial evaluation

- a. Project scoping and submittal of a draft work plan and other supporting documentation provided to MEDC community assistance team or business development manager to determine initial support.
- b. MEDC leadership consideration of initial support and if supported, letter of interest provided.

<sup>1</sup>As defined in PA 146 of 2000, MCL 125.2781 to 125.2797



## II. Work plan submission, review and MSF consideration

- a. BRA or local government representative submits a work plan or amended work plan, brownfield plan, approving resolutions, transmittal letter, and executed reimbursement agreement to MEDC after project is approved by local governing body.
- b. Due diligence performed to verify that BRA is compliant with Act 381 reporting requirements. MEDC staff reviews proposed eligible activities for compliance with MSF guidance, and makes a recommendation to the MSF board or delegated representative.
- c. MSF board or delegated representative determines support for the project.
- d. Local government unit administers TIF capture and is subject to reporting requirements.

## III. Reporting requirements (TIF work plans only)

- a. BRA submits information annually to MEDC via online portal for each project currently collecting tax increment revenue
- b. MEDC and MDEQ compiles information and provides report to legislature.

## SBT/MBT BROWNFIELD CREDITS

### I. Amendments

- a. Amendment application is submitted and amendment request is vetted by brownfield program staff and brownfield program leadership.
- b. If amendment is supported, remaining amendment request forms and any other materials required for review is submitted to brownfield program staff.
- c. MSF board or delegated representative determines support for the project.

### II. Project completion

- a. Qualified taxpayer sends certificate of completion request to MEDC brownfield staff.
- b. Certificate of completion request is reviewed and sent to MEDC compliance for review.
- c. If certificate of completion request fulfills statutory requirements, certificate of completion is issued. Qualified taxpayer may then submit the certificate of completion to Department of Treasury for refund, or tax abatement

## CONTACT INFORMATION

For more information, contact the MEDC customer contact center at 517.373.9808.



**LOWELL CITY ADMINISTRATION**  
**INTER OFFICE MEMORANDUM**

**DATE: October 11, 2017**

**TO: Michael T. Burns, City Manager**

**FROM: Rich LaBombard**  
**Director of Public Works**

**RE: Pavement Markings**

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The Department of Public Works will be doing pavement markings on part of Bowes Road and on Foreman Street. We will be applying main line markings and school crossings. The total project is \$4,903.90.

We are requesting \$4,000 from the DDA to assist with this project. The remainder will be paid for from the City's Major Street Fund.

**I am recommending that the Downtown Development Authority approve an expenditure at a cost not to exceed \$4,000 for the application of pavement markings on Bowes Road and Foreman Street.**