

DOWNTOWN DEVELOPMENT AUTHORITY/MAIN STREET

CITY OF OTSEGO

June 15, 2020

Otsego City Hall

A regular meeting of the Otsego Downtown Development Authority/Main Street Board (DDA/MS) was held Monday, June 15, 2020.

Chairman Bennett called the meeting to order at 7:34 a.m. with the following board members present: Cyndi Trobeck, Sue Cramer, Ben Pobocik, Toby Esterline, Stacey Withee, Kim Rayburn, Scot Reitenour and Chairman Bennett. Absent was Member Bruce Meles. Also present were Main Street Executive Director Joel Saukas, Treasurer Matt Storbeck, DPW Supt. Mike Bosch and Economic Development Director Dave Rayman.

APPROVAL OF REGULAR MINUTES

Member Rayburn moved to approve the May 11, 2020, minutes, seconded by Member Trobeck. CARRIED.

TREASURER'S REPORT

Member Withee moved to accept the May Treasurer's report, seconded by Member Reitenour. CARRIED.

COMMITTEE CHAIR UPDATES

Member Withee remarked the Economic Vitality Committee met twice since the last regular board meeting. Most significant to report to the board was that the DDA/MS did not receive the MEDC grant.

Chairman Bennett said the Design Committee had been busy reviewing the bids and finding answers to questions arising during the bid review. The committee has also been busy working on signage necessary for the pavilion.

CONSIDERATIONS

1. Pavilion Contractor Bids. Chairman Bennett reviewed the categories of work for the pavilion, some of which has already been completed or is currently in process, as well as the bids received by the Design Committee

• Engineering - Wightman (completed)	\$19,950
• Excavation - Cripps Fontaine (in progress)	\$0
• Concrete provided by Redi-Mix	\$18,000
• Flat Work – donated (organized by Mike Bosch)	\$0
• Roof Truss – Carter Lumber	\$59,860
• Steel erection – Delta	\$83,059
• Electrical – Esper Electric	\$20,985
• Plumbing – City of Otsego	\$5,000
• Roofing – Scott Keyzer	\$6,500
• Framing – Tom Solomon	\$28,500
• Siding – Tom Solomon	\$7,900
• Soffit, Fascia and Ceiling – Tom Solomon	\$9,600
• <u>Masonry – Cole Construction</u>	<u>\$8,100</u>
Total Project	\$267,454

Chairman Bennett remarked there is further discussion necessary regarding the electrical bid. Esper Electric is higher than the other bid received by Ron McFanin, but is also the firm typically used by the City. Esper Electric is a larger firm while Mr. McFanin is a small firm. DPW Supt. Mike Bosch said he would reach out to both firms to confirm that the underground was included in both bids and what the savings might be if the Allegan County Sheriff's Debt Crew were to hand dig the trench for the electrical feed instead of needing a directional bore to the pavilion location. The board desires to be transparent, fiscally responsible and assured the work will be done in a timely manner. Therefore, members requested that more information be obtained for the board's consideration at the next regular meeting.

Supt. Bosch stated the DDA/MS might also be able to save some money on shingles by setting up an account with a wholesaler. Treasurer Storbeck will work with Supt. Bosch to establish an account.

Member Pobocik moved to recommend above bids, with the exception of the electrical work, to the Otsego City Commission for approval, seconded by Member Rayburn. CARRIED

2. Otsego Museum Lease Agreement. The board then discussed the DDA/MS office space lease agreement with the Otsego Historical Society. Chairman Bennett explained the current lease automatically renews and requires a 90 day notice to break the lease. This will require the DDA/MS to send notice to the historical society in June if it intends to avoid having the lease automatically renew in September. Chairman Bennett remarked that due to prior discussions regarding the future of the DDA/MS revenues, his recommendation is to not have the contract automatically renew, but to inquire if the historical society would consider a month to month lease of office space. Discussion regarding the lease and the relationship with the historical society continued.

Member Rayburn moved to send notice of intent to cancel the current lease which renews in September, and to ask if a month to month lease could be established, seconded by Member Rietenour. CARRIED.

## DISCUSSION ITEMS

1. Sale of Museum Building. Chairman Bennett stated that due to the concern in DDA/MS funding, the topic of selling the Waterworks Building, currently used for the community museum is back in discussion. A market analysis a year ago, calculated the building could potentially be sold for \$250,000 to \$300,000. He went on to say that since the DDA/MS re-evaluating the office space lease agreement, all options should be on the table. Additionally, he stated that if the DDA/MS continues to keep an office in the building, the group should continue to pay its share of utilities. He then requested the board members thoughts:
  - a. Member Cramer – this is prime riverfront property.
  - b. Chairman Bennett – the new pavilion will be an added draw to the area and make the building more valuable.
  - c. Member Reitenour – why not move the DDA/MS offices out in the next couple months? Discussion ensued that it would take a couple months or more to make a move.
  - d. Member Pobocik – the board hasn't heard much opposition. What does our realtor member think?
  - e. Member Trobeck – recommended the board list it with a realtor that specializes in commercial properties, but that a sale would likely take some time to occur.
  - f. Director Saukas – inquired that if the property was sold, would the board desire to help the historical society financially to relocate? Discussion ensued and the general consensus was there would be no assistance considered at this time.
  - g. Member Trobeck inquired as to how the historical society entered into an agreement with the DDA/MS to lease the building for a museum. Treasurer Storbeck thought the relationship started during the term of City Commission Ryan Wieber, but was corrected that it was before that time – likely when Ryan was the president of the historical society and the DDA was working to begin renovations to the building and relocate the DPW.
  - h. Member Rayburn – there are other available empty spaces in the downtown for the museum.
  - i. Member Cramer – the board needs to inquire as the thoughts and needs of the historical society.
  - j. Chairman Bennett and Joel will discuss this with the historical society and let them know the board may list the building, and when it should sell, the group will have 60 to 90 days to relocate.
2. Executive Committee Fundraising Plans. Exec. Dir. Saukas reviewed the recent plans of the executive committee to raise additional funds over the next year. The program consisted of the following elements:
  - a. Annual sponsorships – targeting corporate/business support where the business would be listed as a general sponsor and then an event sponsor, as well. Projected to provide \$15,000 in additional revenues.
  - b. Individual donations – seeks to receive individual donations through the use of online applications or another monthly giving program. Projected to provide \$10,000 in additional revenues.
  - c. Annual giving drive – to take place in the spring where board members and volunteers call potential donors over a one month period.
  - d. Grant options – where the committee will continue to secure grant revenues of \$5,000 to \$10,000.
  - e. One new profitable event – to identify and hold a \$5,000 net revenue event.

Director Saukas went on to say that Michigan Main Street is looking for this group to be committed to fundraising. Discussion ensued and the general consensus was that board members need to be committed to fundraising, and, if that is not possible, they should discuss it with Director Saukas and/or Chairman Bennett. Chairman Bennett stated that Director Saukas has already started taking steps to reduce the DDA/MS expenses with his personal benefits. Member Trobeck stated that she and Member Withee, also a city commissioner, are committed to having the DDA keep all of the funding they are currently receiving, but that she will be up for re-election in November.

#### ECONOMIC DEVELOPERS REPORT

Chairman Bennett summarized key points of Economic Development Director Dave Rayman's report:

- FEMA had broken ground on Washington Street and has major excavation underway.
- USG has started its new warehouse.
- The City has met with a developer considering the purchase of former Allegan Street School.

#### MEMBER COMMENTS

Chairman Bennett remarked on the great response from the public to adopt a city flower bed. All flower beds have been adopted!

Member Pobocik asked for further discussion of options in regards to the museum and Director Saukas' office needs at the next regular meeting.

Member Trobeck asked if the board is now returning to its regulars schedule with a consensus of "yes."

Member Cramer mentioned there is a demonstration planned for Friday in Plainwell. There was short discussion of the recent demonstrations/riots in the area and the notices put out for our community in regards to possible disturbances here. The Michigan State Police investigated the possibility/rumor of a recent event, but found no credible threat to the community.

#### ADJOURNMENT

Member Pobocik moved to adjourn at 8:37 a.m., seconded by Member Withee. CARRIED

Matthew Storbeck

DDA/MS Treasurer

