



City of Ypsilanti

City Council – DDA Board of Directors

Monday, August 3, 2015 – 6:00 p.m.

SPARK East

215 W. Michigan Ave.

Meeting Minutes

The **Mission** of the Ypsilanti Downtown Development Authority (YDDA) is to undertake district-wide improvements that have the greatest impact in strengthening the downtown areas and attracting new business. The primary goal of the YDDA is to implement positive economic, physical, aesthetic, and community changes in each of our four districts.

I. Call to Order

The meeting was called to order at 6:04 p.m.

II. Roll Call

City Council

Anne Brown	Present	Brian Robb	Absent
Nicole Brown	Present	Daniel Vogt	Present
Pete Murdock	Present	Amanda Edmonds	Present
Lois Richardson	Present		

YDDA Board

Kenneth Dobson	Absent	Kevin Hill	Present
Amanda Edmonds	Present	Jelani McGadney	Present
Jessica French	Present	Rois Savvides	Present
Adam Gainsley	Present	Richard Smith	Absent
Cisco Garcia	Present	Mark Teachout	Absent
Ben Harrington	Absent		

III. Approval of Agenda

Council Member Vogt moved, supported by Council Member Nicole Brown to add the Depot Town TIF renewal under Section V of the agenda.

On a voice vote, the motion carried and the agenda was approved as amended.

IV. Audience Participation

1. Dave Heikkinen, business owner 133 W. Michigan Ave, stated he is concerned the DDA is biased against the Downtown District. He said the downtown is underrepresented on the board. He stated membership of the board should be

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comprised by a majority of property owners with a direct interest in the DDA districts. He stated many of the business owners that wish to be on the board have not been given the opportunity. He added the DDA spends too much on staff, and the Downtown District does not receive a proportional amount of staff time.

2. Joe Lacvoli, SPARK East Manager, stated there was a great deal of foot traffic in Ypsilanti today, and introduced Ravon Williams who will be on CBS.
3. Ravon Williams, proprietor of Automation Jack, stated his company assists in teaching senior citizens how to properly use a computer. He stated his company was recently featured on Buzzfeed. One project he is working on is to automate healthcare by using a smartwatch to transfer information to a nurse station and doctor.

Mayor Pro-Tem Richardson asked if Mr. Williams is referring to senior living facilities. Mr. Williams responded in the affirmative.

V. YDDA Vision, Values, & Outcomes Presentation

YDDA Board Members and staff provided a brief overview of YDDA functions and its strategic plan. **(See Website)**

Board Chair Hill asked if the infrastructure on Water Street will be provided by developers. City Manager Ralph Lange responded the goal is to attract development, manage the debt, and provide the infrastructure. He said almost half of the infrastructure will be provided by Herman Kittle and the Eastside Recreation Center. Council Member Murdock stated it is inaccurate to say the infrastructure will be supplied by Herman Kittle and the Eastside Recreation Center. He stated those developments are paying upfront cost of the infrastructure, but will be reimbursed through brownfields tax credits.

Council Member Vogt stated there is some uncertainty of what Council voted on regarding the TIF renewal, and because of that the process should begin fresh. He said two important principles are involved the City must regain some of the captured revenue and the DDA needs to fund projects. He added the City has serious financial issues and needs to begin limiting subsidies.

Council Member Murdock stated tax increment financing is an economic tool used to bond a specific project. He said a TIF does not produce more tax revenue it only diverts it from the City. They are designed with a sunset clause. He stated Michigan Association of Counties has developed several strategies to soften the effect of a TIF which should be examined.

Board Chair Kevin Hill stated there is a concern that with loss of revenue the DDA will not be able to perform several services. DDA Director Tim Colbeck stated the Depot Town TIF currently pays the City \$4,144 for contractual services, \$1,022 for rent, \$10,682 for the deferment of a downtown police officer, and \$8,400 to service pedestrian trashcans in the DDA districts for a total of \$24,248. Board Chair Hill stated if the process is to begin fresh that contribution kept in mind, it is his hope the discussion does not become an all or nothing situation. Council Member Murdock replied that is a misrepresentation, and the DDA will still need to pay for those items. Board Member Rois Savvides added the DDA contributed funds to the completion of the Freighthouse and for the alley along Cross St.,

both are City owned properties. Council Member Murdock responded the current Depot Town TIF plan committed to performing upgrades to the Freighthouse and funding a farmer's market. Mr. Hill stated there are several projects in the Depot Town TIF renewal that will benefit both the City and Depot Town. Mr. Colbeck added the plan that was submitted, listed the potential of \$13 million worth of projects which is not possible, however, the plan is designed that way to allow flexibility for project selection.

Council Member Vogt stated his goal is to maintain the DDA budget as is, and the City would share in its future growth. He added there is a serious problem resulting from an understaffed police department, which has had an effect on the community, and eventually will affect property values. Mayor Edmonds stated DDA projects are essential to the development of not only Water Street but the community that surrounds the districts. She stated development is essential to safety and attracting residents.

Board Chair Kevin Hill stated the TIF plan was approved during first reading, and asked for clarification of the second reading. Mayor Edmonds responded the item was tabled on second reading. Council Member Murdock stated the plan to split TIF revenue was approved during second reading. Council Member Anne Brown added that was her understanding. Mayor Edmonds replied the plan was not adopted, which is the opinion of the City Attorney. Council Member Vogt added this disagreement is why the process needs to begin fresh.

Board Chair Kevin Hill asked for clarification of Council Member Vogt's suggestion in order for the DDA to develop and submit a revised plan. Mayor Edmonds stated it is the opinion of the City Clerk and the City Attorney that a plan was not adopted by Council, and if that needs to be further clarified it should. Mr. Hill responded in the affirmative.

Board Member Jessica French stated monies represented in the Depot Town TIF plan would have a larger impact within that district then they would help alleviate the City's budget stresses. She stated removing revenue could have a negative effect on economic development in Depot Town and the City as a whole.

City Manager Lange stated he is responsible for public safety and the Police Department is the largest budget in the City. He stated funds the City would regain from the TIF would have little effect on the Police Department budget.

Council Member Anne Brown stated she is interested in the possibility of a reset of this process. She stated it is her opinion the Depot Town TIF has been beneficial and will help leverage other funds. She stated she agrees with Council Member Vogt the City is in a financial crisis, but any funds regained from the TIF capture will have little effect on the City's budget.

Board Member Rois Savvides asked how Council Member Vogt's plan would be designed. Council Member Vogt responded he was very vague, but suggested present funds would be kept intact and the City would share in future growth. Mayor Edmonds stated Depot Town is the only district trending upward, and is carrying the downtown district. She stated maintaining Depot Town's strength is good for the totality of the DDA. YDDA Director Colbeck added if Depot Town's revenues are decreased the other districts will need to pay a greater share of DDA responsibilities.

Board Member Rois Savvides asked if the DDA maintains this current trend will it survive the next couple of years. YDDA Director Colbeck answered Depot Town has the ability to be a successful district in the years to come. Board Member Adam Gainsley added the DDA has taken steps to decrease its spending so that it will be fiscally solvent into the future.

Mayor Pro-Tem Richardson agreed with Council Member Anne Brown, and asked if services now provided would be able to be maintained if the capture is returned to the City. She stated it is important to examine the benefit, and suggested shortening the life of the TIF to 15, or 10 years. Board Member Adam Gainsley responded if the life span is shortened it would affect the ability to bond.

Board Chair Kevin Hill stated it is his understanding Council Member Vogt suggestion would only effect future increases. Council Member Vogt responded in the first year the DDA projects \$70,000 in revenues, and a \$10,000 bond payment leaving \$60,000, and any increase in revenue would be shared between the City and the DDA. DDA Director Colbeck explained some communities implement a cap on DDA's revenue, but unless the DDA is able to capture some of its growth it will not be able to sustain current services. Council Member Murdock responded the DDA is projected 1% growth, and will not be able to maintain services at that level. Council Member Vogt responded that is an issue faced by the City every year.

Council Member Murdock stated if the plan that is passed incorporates a decrease in the lifespan of the TIF the DDA will lose \$338,000.

Board Member Jelani McGadney asked how the City would use the TIF capture. Council Member Murdock stated it is difficult to earmark a large quantity of money. Mr. McGadney replied in order for him to make a decision on a possible revised TIF plan it would be important to know how those funds would be allocated. Mr. Murdock stated there is no way to know what the DDA would use those funds either. Mayor Edmonds stated the DDA is guided by the TIF plan. Mr. Murdock responded the City is guided by the Master Plan.

Board Member McGadney stated the reason why he returned to Ypsilanti is because of the vibrant downtown which is evidence the TIF plan is working.

Board Member Savvides asked Council and the DDA Board what their opinion is of Council Member Vogt's proposal. Mayor Edmonds responded she would need to examine the numbers more clearly to provide an opinion. Board Member French agreed with Mayor Edmonds. Council Member Murdock responded the numbers are included in the proposed TIF plan. Board Member Gainsley stated he agrees with the concept proposed by Council Member Vogt, but he would like to examine how the numbers breakdown in that proposal.

Council Member Vogt stated the intention of his proposal is to keep the TIF stable, and he would avoid shortening its life span. Board Member Gainsley agreed with Council Member Vogt, and stated reducing both revenue stream and length of the TIF would have a tremendous destabilizing effect on the DDA. Council Member Murdock added there is always the ability to amend a TIF plan especially if a situation arises that requires a bond.

VI. Announcements/Comments

Council Member Anne Brown stated the DIA inside-out project has been installed and the kick-off will be Friday, August 7th. She added the event will be in conjunction with "Bike Ypsi" and "First Fridays".

VII. Audience Participation

1. Ravon Williams, proprietor of Automation Jack, stated from discussion he heard during this meeting it appears Ypsilanti is facing financial struggles, but it has improved greatly over the years. He stated there should be more initiative to entice Eastern students to stay in the area through appropriate business development.
2. Dave Heikkinen, business owner 133 W. Michigan Ave, stated the "Spirit of 45" celebration will be held August 14th in the Library Plaza. He stated work has been completed on 406 Michigan which was a result of assistance from several organizations and residents. He stated it is difficult listening to a meeting totally focused on Depot Town. He stated he realizes the importance of Depot Town, but there is many great things happening in Downtown, and he hopes that the DDA will assist in helping vacant buildings be filled.
3. Rasheed Atwater, 1808 Timber Ridge, stated he would like to open discussion with Eastern Michigan University to allow student workers to perform tasks in the City for college credit.

VIII. Adjournment

Board Member McGadney moved, supported by Board Member French to adjourn the meeting.

On a voice vote, the motion carried, and the meeting adjourned at 8:02 p.m.