



CITY OF MADISON HEIGHTS

CITY HALL - EXECUTIVE CONFERENCE ROOM, 300 W. 13 MILE RD.

REGULAR DOWNTOWN DEVELOPMENT AUTHORITY MEETING AGENDA

AUGUST 22, 2023 AT 8:00 AM

CALL TO ORDER

ROLL CALL

ADDITIONS/DELETIONS

APPROVAL OF MINUTES

- [1.](#) July 18th DDA Meeting Minutes

MEETING OPEN TO THE PUBLIC

REPORTS

- [2.](#) Finance Report
- [3.](#) Update on Ongoing Projects
- [4.](#) Update on Brownfield TIF Projects & Refresher

UNFINISHED BUSINESS

NEW BUSINESS

- [5.](#) MHHP Chamber Service Agreement
- [6.](#) 2023-2024 DDA Regular Meeting Schedule

COMMITTEE REPORTS

TRAINING & EVENT OPPORTUNITIES

ADJOURNMENT

NOTICE: Persons with disabilities needing accommodations for effective participation through electronic means in this meeting should contact the City Clerk at (248) 583-0826 or by email: clerks@madison-heights.org at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.

Downtown Development Authority Meeting
Madison Heights, Michigan
July 18, 2023

A Downtown Development Authority Meeting was held on Tuesday, July 18, 2023 at 8:00 AM at City Hall - Executive Conference Room, 300 W. 13 Mile Rd.

Chairperson Van Buren called the meeting to order at 8:10 a.m.

PRESENT

Member Gordon Davignon
Mayor Roslyn Grafstein
Vice-Chair Yousif Jarbo
Member Joseph Keys
Member Joe Marando
Member Melissa Marsh
Member Lenea Renshaw
Member Michael Sheppard
Chair Michael Van Buren

ABSENT

Member Rickey Busler
Member Ruth Charlebois

OTHERS PRESENT

Community and Economic Development Director Giles Tucker
City Clerk Cheryl Rottmann

DDA-23-. Excuse Members.

Motion made by Member Marsh, Seconded by Member Sheppard, to excuse Members Busler and Charlebois from today's meeting.

Voting Yea: Member Davignon, Mayor Grafstein, Vice-Chair Jarbo, Member Keys,
Member Marando, Member Marsh, Member Renshaw, Member Sheppard,
Chair Van Buren

Motion carried.

DDA-23-. MHDDA June 13, 2023 Regular Minutes and MHDDA June 13, 2023 Information Minutes.

Motion made by Member Marsh, Seconded by Member Sheppard, to approve the Regular MHDDA Meeting minutes of June 13, 2023, and the MHDDA Informational Meeting minutes of June 13, 2023, as printed.

Voting Yea: Member Davignon, Mayor Grafstein, Vice-Chair Jarbo, Member Keys, Member Marando, Member Marsh, Member Renshaw, Member Sheppard, Chair Van Buren

Motion carried.

MEETING OPEN TO THE PUBLIC:

There were no members of the public wishing to speak.

DDA-23-. 11 Mile Streetscape Plan and Budget Amendment.

CED Director Tucker updated the Board on the revised plan. Staff met with Nowak and Fraus and it was agreed to reduced the number of public meetings, trim down the traffic study to a traffic analysis, provide a Master Plan level streetscape design for the 11 Mile corridor. These changes resulted in a proposed cost of \$99,250 which reflects nearly a \$50,000 cost reduction from the original proposal.

Director Tucker addressed question from the Board, noting that the plan is changeable based on input that will be received from the stakeholders and he anticipated extra cost only if there were excessive changes. He noted that this will have a potential impact on business in the area and is a huge undertaking that will affect growth and is a positive step for the future. He anticipated a timeline through December or January for completion of the project. To approve the item, the DDA would also have to approve a budget amendment of \$50,000.

Motion made by Member Marando, Seconded by Member Sheppard, to approve a budget amendment of \$50,000 to account no. 248-863-817-0000 and approve the revised Downtown Madison Heights Streetscaping and Conceptual Engineering Plan: 11 Mile Road, for a cost not to exceed \$100,000 and recommend approval by City Council.

Voting Yea: Member Davignon, Mayor Grafstein, Vice-Chair Jarbo, Member Keys, Member Marando, Member Marsh, Member Renshaw, Member Sheppard, Chair Van Buren

Motion carried.

NEW BUSINESS:

City Manager Marsh updated the Board on the status of the gateway signs. The committee has narrowed the choices down to three and she noted that the design allows for the background of the sign to be interchangeable. He shared the design proposals with the Board.

Chair Van Buren stated that there is discussion on when the Fire Station Open House and ribbon cutting will take place and the possibility of holding both events at the same time.

DDA-23-.Adjournment.

Motion made by Mayor Grafstein, Seconded by Member Renshaw, to adjourn the meeting at 8:50 a.m.

Voting Yea: Member Davignon, Mayor Grafstein, Vice-Chair Jarbo, Member Keys,
Member Marando, Member Marsh, Member Renshaw, Member Sheppard,
Chair Van Buren

Motion carried.

Downtown Development Authority of City of Madison Heights**Memorandum**

Date: August 4, 2023
To: Downtown Development Authority Board Members
From: Giles Tucker, Community Development Director
Subject: Finance Report & Cash Summary

The FY23-24 began July 1st and thus far we have not had any substantial expenses in our current fiscal year thus far. While not yet reflected in the Finance Report, with the approval of our budget amendment for the 11 Mile Corridor Plan, we will see an increase of an additional \$50,000 for Contractual Services 248-863-818-0000.

Item 2.

PERIOD ENDING 08/31/2023

GL NUMBER	DESCRIPTION	2023-24 AMENDED BUDGET	YTD BALANCE		ACTIVITY FOR		AVAILABLE		% BDGT USED
			NORMAL	(ABNORMAL)	MONTH 08/31/2023 INCREASE (DECREASE)	NORMAL	(ABNORMAL)	BALANCE	
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY									
Revenues									
Dept 000 - NA									
248-000-673-5008	FIXED ASSET CLEARING ACCOUNT	0.00	0.00		0.00		0.00		0.00
Total Dept 000 - NA		0.00	0.00		0.00		0.00		0.00
Dept 011 - PROPERTY TAXES									
248-011-402-4030	TAXES REAL OPERATING	168,166.00	70,740.77		28,265.52		97,425.23		42.07
248-011-410-4160	TAXES PERSONAL OPERATING	6,382.00	7,345.93		5,818.89		(963.93)		115.10
248-011-411-0000	DELINQUENT/MTT TAX REFUNDS - GENERAL	0.00	0.00		0.00		0.00		0.00
248-011-437-0000	TAXES IFT ACT 198	0.00	0.00		0.00		0.00		0.00
248-011-573-4159	PPT REIMBURSEMENT - STATE	0.00	0.00		0.00		0.00		0.00
Total Dept 011 - PROPERTY TAXES		174,548.00	78,086.70		34,084.41		96,461.30		44.74
Dept 023 - STATE SHARED REVENUES									
248-023-573-0000	LOCAL COMMUNITY STABILIZATION SHARING	39,077.00	0.00		0.00		39,077.00		0.00
Total Dept 023 - STATE SHARED REVENUES		39,077.00	0.00		0.00		39,077.00		0.00
Dept 025 - COUNTY SHARED REVENUES									
248-025-588-1000	COUNTY GRANT	0.00	0.00		0.00		0.00		0.00
Total Dept 025 - COUNTY SHARED REVENUES		0.00	0.00		0.00		0.00		0.00
Dept 044 - MISCELLANEOUS REVENUE									
248-044-665-5000	INTEREST EARNED	250.00	0.00		0.00		250.00		0.00
248-044-674-0000	DONATIONS/PRIVATE CONTRIBUTIONS	0.00	0.00		0.00		0.00		0.00
248-044-680-6701	MISCELLANEOUS REVENUE	0.00	0.00		0.00		0.00		0.00
Total Dept 044 - MISCELLANEOUS REVENUE		250.00	0.00		0.00		250.00		0.00
Dept 048 - TRANSFERS IN									
248-048-699-0000	TRANSFERS IN (FROM GEN FUND)	0.00	0.00		0.00		0.00		0.00
248-048-699-0244	TRANSFERS IN EDG	0.00	0.00		0.00		0.00		0.00
248-048-699-6000	TRANSFERS IN (FROM SAD)	0.00	0.00		0.00		0.00		0.00
Total Dept 048 - TRANSFERS IN		0.00	0.00		0.00		0.00		0.00
Dept 053 - PRIOR YEARS FUND BALANCE									
248-053-692-6970	USE OF FUND BALANCE	(17,270.00)	0.00		0.00		(17,270.00)		0.00
Total Dept 053 - PRIOR YEARS FUND BALANCE		(17,270.00)	0.00		0.00		(17,270.00)		0.00
TOTAL REVENUES		196,605.00	78,086.70		34,084.41		118,518.30		39.72
Expenditures									
Dept 863 - DOWNTOWN DEVELOPMENT AUTHORITY									
248-863-729-0000	FORMS AND PRINTING	500.00	0.00		0.00		500.00		0.00

Item 2.

PERIOD ENDING 08/31/2023

GL NUMBER	DESCRIPTION	2023-24	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
		AMENDED BUDGET	08/31/2023	MONTH 08/31/2023	BALANCE	
			NORMAL (ABNORMAL)	INCREASE (DECREASE)	NORMAL (ABNORMAL)	
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY						
Expenditures						
248-863-730-0000	POSTAGE	0.00	0.00	0.00	0.00	0.00
248-863-766-0000	TOOLS AND SUPPLIES	0.00	0.00	0.00	0.00	0.00
248-863-807-0000	AUDIT FEES	2,383.00	148.05	0.00	2,234.95	6.21
248-863-817-0000	EVENTS	500.00	0.00	0.00	500.00	0.00
248-863-818-0000	CONTRACTUAL SERVICES	74,395.00	0.00	0.00	74,395.00	0.00
248-863-818-0001	DDA MARKET ANALYSIS	0.00	0.00	0.00	0.00	0.00
248-863-818-5000	BLIGHT REMOVAL - SIGN GRANT PROGRAM	5,000.00	0.00	0.00	5,000.00	0.00
248-863-818-5001	BLIGHT REMOVAL - FACADE IMPROVEMENT	10,000.00	0.00	0.00	10,000.00	0.00
248-863-818-5002	BLIGHT PROPERTY	0.00	0.00	0.00	0.00	0.00
248-863-818-5003	BLIGHT REMOVAL - PROPERTY ACQUI	0.00	0.00	0.00	0.00	0.00
248-863-818-5004	PERM ID PROGRAM	0.00	0.00	0.00	0.00	0.00
248-863-826-0000	LEGAL FEES	0.00	0.00	0.00	0.00	0.00
248-863-826-2000	HOURLY RATE-LEGAL	0.00	0.00	0.00	0.00	0.00
248-863-832-1000	MAINTENANCE-BERM AREA	17,500.00	0.00	0.00	17,500.00	0.00
248-863-832-1001	MAINTENANCE - ROW TRASH	3,500.00	0.00	0.00	3,500.00	0.00
248-863-921-0000	ELECTRIC	1,000.00	42.06	0.00	957.94	4.21
248-863-944-0000	MOTOR POOL CHARGES	0.00	0.00	0.00	0.00	0.00
248-863-944-1000	DEPT OF PUBLIC SERVICES CHARGES	0.00	0.00	0.00	0.00	0.00
248-863-955-8640	CONFERENCES AND WORKSHOPS	1,500.00	0.00	0.00	1,500.00	0.00
248-863-958-0000	MEMBERSHIPS AND DUES	1,045.00	0.00	0.00	1,045.00	0.00
248-863-960-9570	SUBSCRIPTIONS AND MAGAZINES	0.00	0.00	0.00	0.00	0.00
248-863-981-0000	COMPUTER EQUIPMENT	0.00	0.00	0.00	0.00	0.00
248-863-987-0000	IMPROVEMENTS	20,605.00	0.00	0.00	20,605.00	0.00
248-863-987-0001	ALLEY IMPROVEMENTS	0.00	0.00	0.00	0.00	0.00
248-863-987-0002	PROPERTY ACQUIS/DEMO	35,000.00	0.00	0.00	35,000.00	0.00
248-863-987-0003	PATINA PLACE - BRA STREETSCAPE IMPRVMT	0.00	0.00	0.00	0.00	0.00
248-863-987-0004	MADISON TOWN CTR - BRA ST IMPROV	0.00	0.00	0.00	0.00	0.00
248-863-987-0006	11 MILE/JOHN R ROAD IMPROVEMENTS	0.00	0.00	0.00	0.00	0.00
248-863-987-0011	IMPROVEMENTS - BICYCLE RACK PROGRAM	0.00	0.00	0.00	0.00	0.00
248-863-987-0012	DDA BUSINESS GRANT	0.00	0.00	0.00	0.00	0.00
Total Dept 863 - DOWNTOWN DEVELOPMENT AUTHORITY		172,928.00	190.11	0.00	172,737.89	0.11
Dept 965 - TRANSFERS OUT						
248-965-995-2272	TRANSFER TO LOCAL ST	0.00	0.00	0.00	0.00	0.00
248-965-995-4000	TRANSFER TO SAD REVOLVING	0.00	0.00	0.00	0.00	0.00
248-965-995-6000	TRANSFER TO GENERAL FUND	23,677.00	0.00	0.00	23,677.00	0.00
248-965-995-9991	TRANSFER TO MAJOR STREETS	0.00	0.00	0.00	0.00	0.00
248-965-998-9990	PAYING AGENT FEES	0.00	0.00	0.00	0.00	0.00
Total Dept 965 - TRANSFERS OUT		23,677.00	0.00	0.00	23,677.00	0.00
TOTAL EXPENDITURES		196,605.00	190.11	0.00	196,414.89	0.10
Fund 248 - DOWNTOWN DEVELOPMENT AUTHORITY:						
TOTAL REVENUES		196,605.00	78,086.70	34,084.41	118,518.30	39.72
TOTAL EXPENDITURES		196,605.00	190.11	0.00	196,414.89	0.10
NET OF REVENUES & EXPENDITURES		0.00	77,896.59	34,084.41	(77,896.59)	100.00

08/04/2023 10:37 AM
User: Gtucker
DB: Madison Heights Dc

CASH SUMMARY BY FUND FOR CITY OF MADISON HEIGHTS
FROM 07/01/2023 TO 08/04/2023
FUND: 248
CASH AND INVESTMENT ACCOUNTS

Item 2.

Fund	Description	Beginning Balance 07/01/2023	Total Debits	Total Credits	Ending Balance 08/04/2023
248	DOWNTOWN DEVELOPMENT AUTHORITY	423,973.11	44,410.51	5,068.41	463,315.21

Downtown Development Authority of City of Madison Heights**Memorandum**

Date: August 17, 2023
To: Downtown Development Authority Board Members
From: Giles Tucker, Community Development Director
Subject: Update on Ongoing Project

1. City Gateway Project, Banners & Welcome Sign

This summer with the help of the DPS we have completed the repair of the Progress & John R Gateway, refurbished our trash bins, and installed our DDA Banners. The city has selected the conceptual design included within this meeting packet. The signage will be built in a way to accept interchangeable panels of artwork to be selected later. The Progress & John R sign area will remain the same size and use the existing electrical panel/lighting but will be updated to match the branding & art displayed throughout the city.

2. 11 Mile Corridor Streetscape Plan

Staff met with NFE, MKSK and SEMCOG to discuss further details on the scope and the timeline for the 11 Mile Streetscape project and August 17th. A tentative schedule and the goals of the project have been included in this packet. Staff and the project consultants will conduct a site visit at the beginning of September and the first of two stakeholder meetings planned to occur at the beginning of October at Woodpile BBQ.

3. PA 57 Reporting Update

While no action is needed on this from the board, I wanted to provide a brief update on our reporting to keep our DDA & TIF in good standing with the State of Michigan. After our Informational Meeting in November, we will have met our requirement to provide at least two of these meetings and to provide notice to all our relevant taxing authorities. I will be going through the DDA page, and DDA website to ensure its properly updated this month. The final task will be submitting our annual TIF Plan reporting by December 31st.

4. BRA Reporting Update

Included in the meeting agenda is a presentation on the basics of Brownfield TIF and an update on our active brownfield project sites as well as upcoming future requests. It is important that the board maintains a familiarity with how Brownfield TIF works and periodically checks in with the progress of our active projects. Our BRA is also required by the State of Michigan to submit financial reporting including our fund balance and metrics on our active products annually by August 31st. Following this meeting, I will be working with our Finance Dept. to meet this requirement.

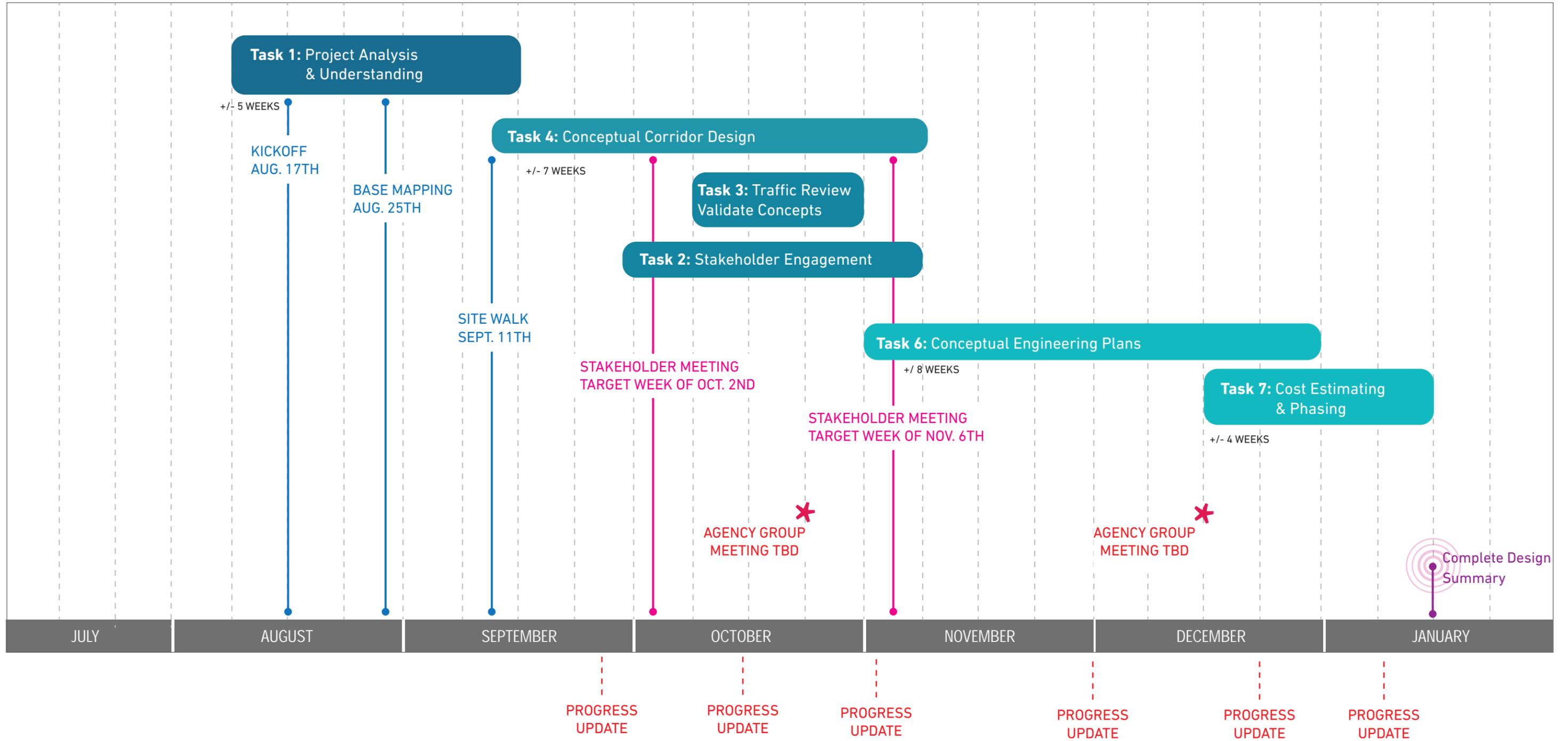






MADISON HEIGHTS STREETScape AND ENGINEERING

Revised Schedule - August 17th, 2023





GOALS AND OBJECTIVES

1. Create a better environment for all patrons within the corridor
 - Pedestrians
 - Cyclists
 - Transit Users
 - Automobiles
2. Maximize the Right Of Way Design to allow for a more flexible and creative use of public space
3. Enhance parking, all modes of traffic flow and safety
4. Create a space conducive of doing business for retailers, restaurants, service providers and employment offices
5. Safety for all users
6. Implementation Strategy
(phasing, costs estimates and supporting content)

Brownfield TIF Project Update & Refresher



JULY 11TH , 2023

**EXECUTIVE CONFERENCE ROOM
MADISON HEIGHTS CITY HALL
300 W 13 MILE RD.**

8:00AM- 9:00AM

Table of Contents

- Brownfield Basics & Project Process
- The Brownfield Plan
- The Development & Reimbursement Agreements
- Update of On Active Projects
- Anticipated Brownfield Projects & Activities

Citizens Academy-Community & Economic Development (CED)

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BROWNFIELD BASICS & BROWNFIELD TIF PROJECT PROCESS

Brownfield Basics: What is a Brownfield?

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“A brownfield is a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant” (USEPA).



Outdoor Adventure Center, Detroit Riverfront

Contaminated

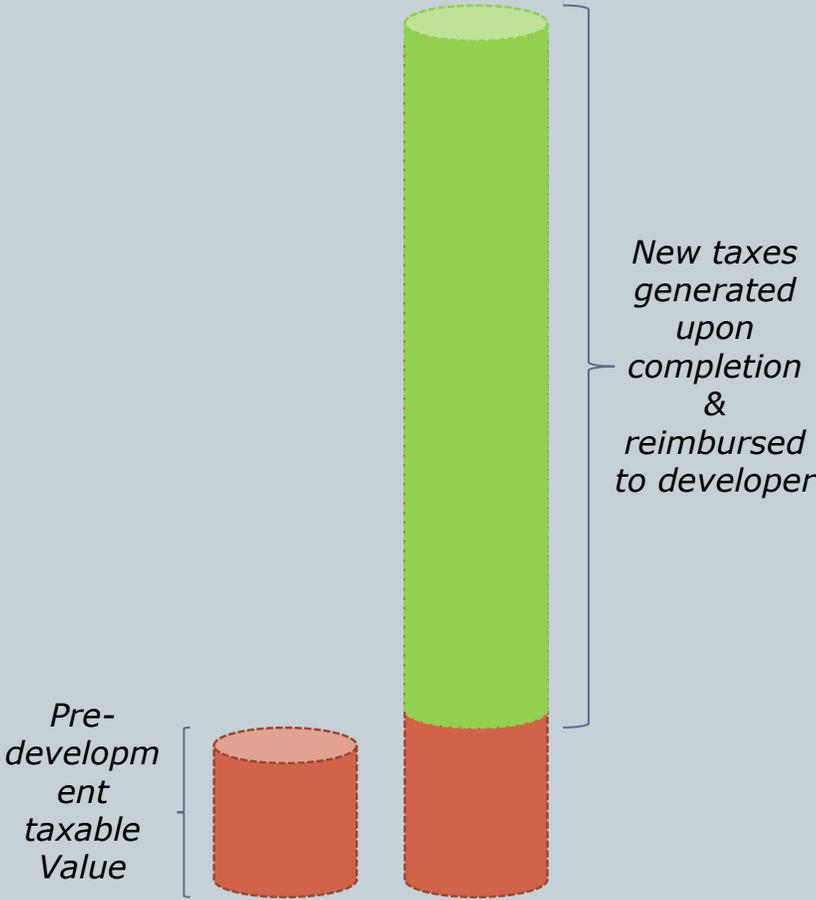
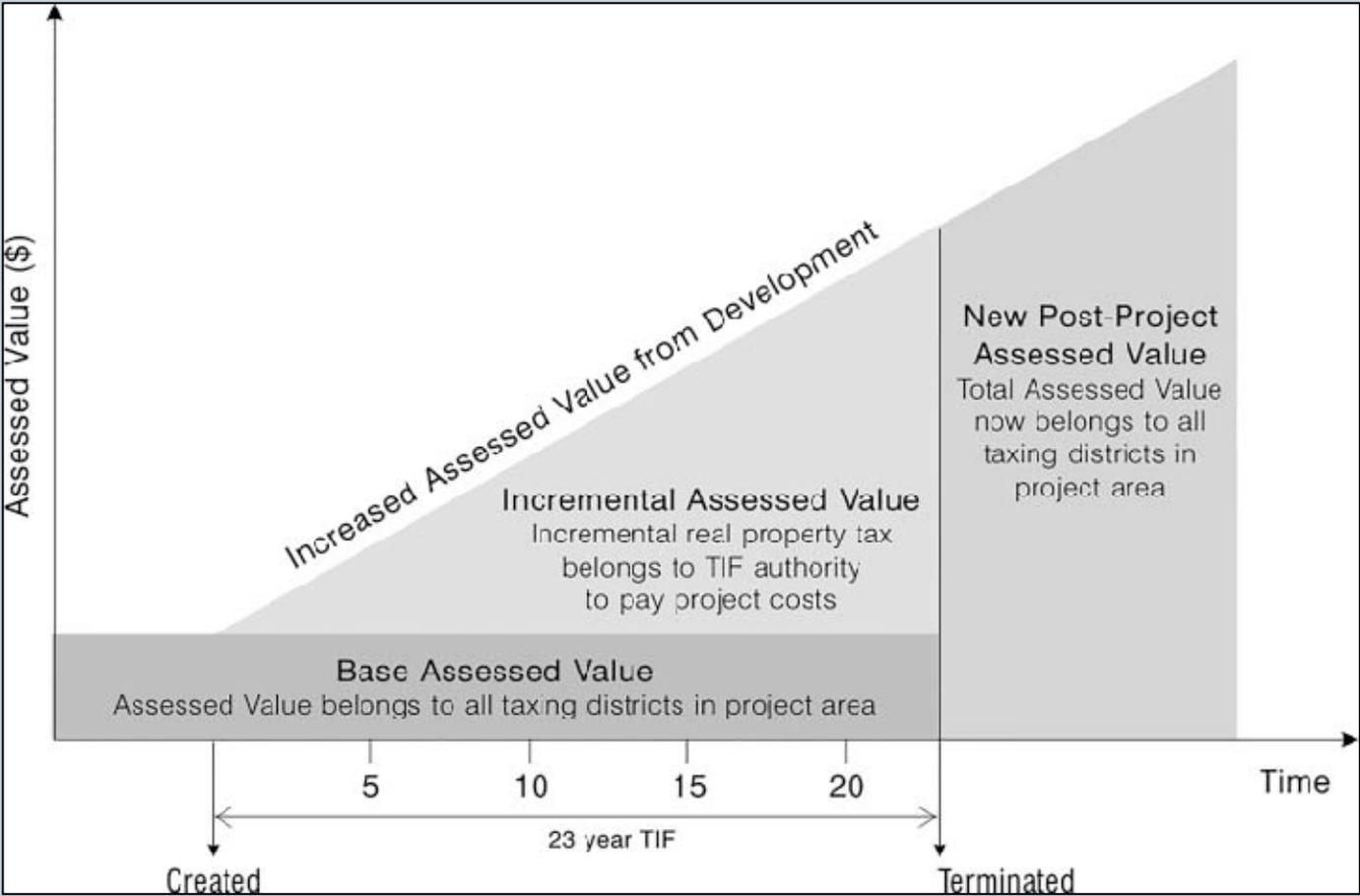
Facility, Site or Property; Defined by Part 201, as a site or property under Part 213.

Clean

For “CORE Communities” other properties may qualify for brownfield incentives including those that are:

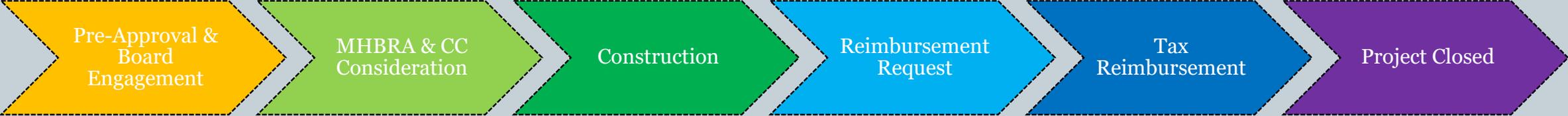
- Functionally Obsolete
- Blighted
- Historic Resource
- Adjacent & Contiguous

Brownfield Basics: What is a Brownfield TIF Project?



Brownfield TIF Project Process

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1. Pre-Development Meeting w/staff giving an overview of the project.
2. Submitted application reviewed by staff.
3. Resolve any compliance issues if necessary
4. Staff develops materials for study session (optional) with MHBRA/CC.
5. Revisions of application materials as necessary.

Brownfield TIF Project Process

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- Economic Development Team develops Brownfield Plan, Development Agreement and Reimbursement ready for consideration.
- MHBRA meeting held to provide a recommendation to City Council.
- A Public Hearing is scheduled & held at the City Council meeting for the Brownfield Plan.
- At a following City Council Meeting the Brownfield Plan is considered for approval.
- If approved, a Development & Reimbursement Agreement must also be approved by City Council.

Brownfield TIF Project Process

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- Developer proceeds with necessary permitting and begins construction activities.
- Staff monitors progress and ensures that all site amenities etc. from approved site plan and development agreement.

Brownfield TIF Project Process

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- Developer is demonstrating that they have completed “eligible activities” and paid contractors that completed these tasks.
- The reimbursement request cannot exceed the maximum reimbursement set at the approval of the Brownfield Plan.

Brownfield TIF Project Process

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- After tax capture has begun, and reimbursement requests have been approved, staff will prepare tax reimbursement to the developer.
- The developer is reimbursed after Summer Tax has been paid and again after Oakland County Tax Settlement.
- Reimbursement will continue until the maximum reimbursement amount in the plan is reached, a set end term if stated in the plan, or 30 years (PA 381), whichever happens first.
- If contained in the reimbursement plan, reimbursement funds are diverted into MHBRA fund for future remediation activities the last 5 years of plan.

Brownfield TIF Project Process

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- A letter and final reimbursement payments are made to the developer.
- CED staff alerts Finance Director and Oakland County Assessors, and Treasurer’s Offices that the property is to return to “non- tax capture”

Citizens Academy-Community & Economic Development (CED)

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THE BROWNFIELD PLAN

The Brownfield Plan: What's in it?

- Project Name
- Project Location
- Eligibility Type
- Basis for Eligibility
- Eligible Activities
- Developer Reimbursable Costs (Max)
- Years to Complete Reimbursement
- Estimated Capital Investment
- Project Overview
- Appendices
 - Legal Description
 - Property Location Boundary
 - Preliminary Site Plans Renderings
 - Documentation of Eligibility
- Tables
 - Estimated Costs of Eligible Activities
 - Tax Increment Revenue Capture Estimates
 - Tax Increment Reimbursement Estimates

The Brownfield Plan: Expectations & Realities

Subject to Change

- Preliminary Site Plans & Renderings (see Dev. Agreement).
- Tax Increment Revenue Capture Estimates.
- Tax Increments Reimbursement Estimates.
- Duration of the Brownfield Plan*.
- Actual amounts of eligible activity costs*.
- Estimated FTE jobs created.
- Proposed tenants

Not Subject to Change

- Property/project location.
- Basis of eligibility under Act 381.
- Maximum amount of reimbursement.
- All activities reimbursed will be “eligible activities” as defined in Act 381.
- Duration cannot exceed 30 years from start of tax capture, no more than 35 years in total (Act 381).

Citizens Academy-Community & Economic Development (CED)

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DEVELOPMENT AGREEMENT & REIMBURSEMENT AGREEMENT

Development Agreement: What's in it?

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The Development Agreement is intended to ensure that the project is completed in a timely manner, in accordance with city ordinances and any other conditions imposed within the Development Agreement.

It includes provisions such as:

- Definitions
- Development Criteria
- Default by Developer

Reimbursement Agreement: What's in it?

The Reimbursement Agreement is intended to clearly state what funds will be used to reimburse the developer, what activities are eligible for reimbursement, and what are the obligations of the BRA for reviewing requests and responding to the developer.

Some important provisions include:

- Sources and Uses of Tax Increment Revenue
- Determination of Eligible Activities Qualified for Reimbursement
- BRA Reimbursement Payments to Owner
- BRA Admin Fees

Citizens Academy-Community & Economic Development (CED)

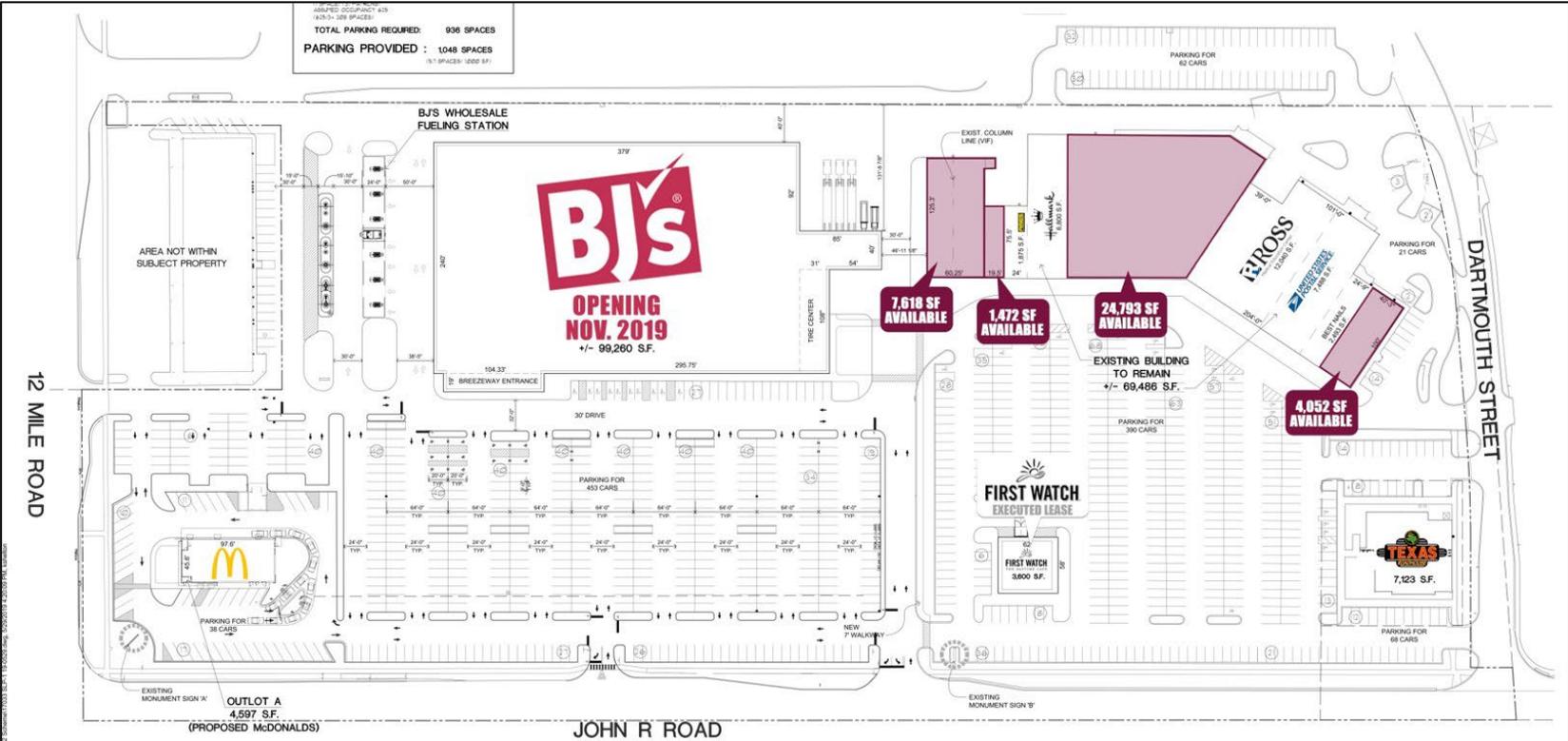
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UPDATE ON ACTIVE PROJECTS

Madison Center Owner LLC: Project Summary

In the Winter of 2018, the developer acquired the recently vacant 147,259 SF former K-Mart with the intent to demolish the existing building to make way for a new 99,260 SF BJ's Wholesale Club. After learning that the development would require new underground detention, the developer sought a Brownfield TIF application to mitigate these costs.

The developer has completed the BJ's store and fueling station, a McDonald's, and renovated the adjacent commercial "strip". While the developer had a commitment from First Watch restaurant initially, after Covid-19 the tenant pulled out and currently there is not a tenant committed to this second outlot.



Approx. Capital Investment: \$36 Million

Max Approved Reimbursement: \$2.388 Million

Madison Center Owner LLC- Project Timeline



Madison Center Owner LLC: Reimbursement



Plan Year			
Calendar Year			2022
Parcel ID	New Taxable Value (2020)	Base Taxable Value	Incremental Difference (New TV - Base TV)
44-25-11-476-018	\$ 3,715,560.00	\$ 2,873,180.00	\$ 842,380
44-25-11-476-019	\$ 936,660.00	\$ 118,810.00	\$ 817,850
44-25-11-476-021	\$ 118,610.00	\$ 111,136.00	\$ 7,474
44-25-11-476-022	\$ 2,617,630.00	\$ 2,452,434.00	\$ 165,196
44-25-11-476-023	\$ 233,740.00	\$ 74,420.00	\$ 159,320
Totals	\$ 7,622,200.00	\$ 5,629,980.00	\$ 1,992,220.00

Fiscal Year	Capture Amount	10% of Capture	Admin Fee	City Portion of Capture	Developer Portion	Reimbursement	Remaining Reimbursement
2021	\$ 15,528.27	\$ 1,552.83	\$ 2,500.00	\$ 4,052.83	\$ 11,475.44	\$ 11,475.44	\$ 2,377,073.56
2022	\$ 18,159.19	\$ 1,815.92	\$ 2,500.00	\$ 4,315.92	\$ 13,843.27	\$ 25,318.71	\$ 2,363,230.29
2023	\$ 57,705.90	\$ 5,770.59	\$ 2,500.00	\$ 8,270.59	\$ 49,435.31	\$ 74,754.02	\$ 2,313,794.98

The Reserve at Red Run: Project Summary

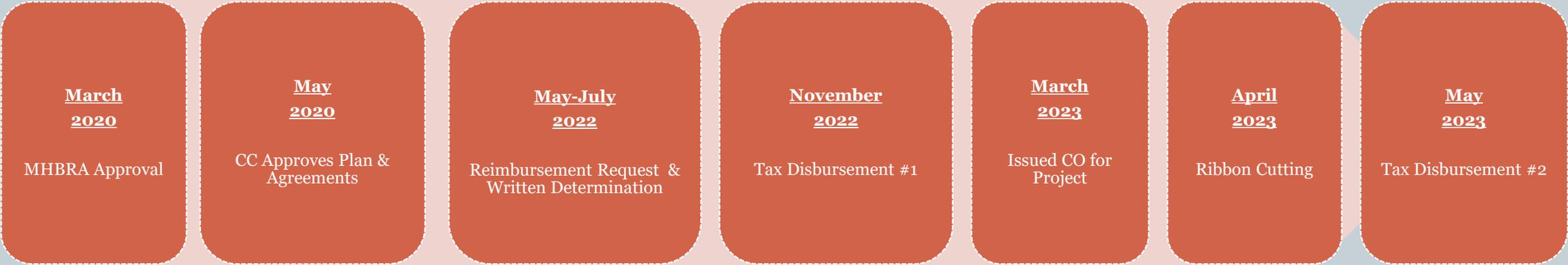
This development along Dequindre Rd required the acquisition and combination of three residential properties. After initially considering using a Payment in Lieu of Taxes program (PILOT), the developer elected to apply for a local brownfield TIF plan. The result is a new 144,000 SF independent senior living facility



Approx. Capital Investment: \$12 Million

Max Approved Reimbursement: \$1.733 Million

The Reserve at Red Run- Project Timeline



The Reserve at Red Run: Reimbursement



TIR Available for Reimbursement			1
Calendar Year			2022
Parcel ID	New Taxable Value (2021)	Base Taxable Value	Incremental Difference (New TV - Base TV)
44-25-12-280-030	\$ -	\$ -	\$ -
44-25-12-280-031	\$ -	\$ -	\$ -
44-25-12-280-035	\$ 2,909,580.00	\$ 164,460.00	\$ 2,745,120
Totals	\$ 2,909,580.00	\$ 164,460.00	\$ 2,745,120.00

Fiscal Year	Capture Amount	Admin Fee	City Portion of Capture	Developer Portion	Cummulative Reimbursement	Remaining Reimbursement
2022	\$ 5,714.19	\$ 2,500.00	\$ 2,500.00	\$ 3,214.19	\$ 3,214.19	\$ 1,729,193.49
2023	\$ 84,445.65	\$ 2,500.00	\$ 5,000.00	\$ 79,445.65	\$ 82,659.84	\$ 1,649,747.84

Citizens Academy-Community & Economic Development (CED)

25

ANTICIPATED BROWNFIELD PROJECTS/ACTIVITIES

The Reserve at Red Run: Reimbursement Request #2



- The approved Brownfield Plan for this project approved a total of \$1,733,789 in tax increment revenue to be reimbursed to the developer.
- On July 19th, 2022 the MHBRA reviewed and approved the reimbursement of tax increment revenue in the amount of \$1,306,859.98.
- Staff anticipates a second request on the behalf of the developer for the remaining \$426,929.02 eligible for reimbursement this calendar year.



Former Active Adult Center: Project Summary

In May 2022, the City of Madison Heights and MMD Acquisitions LLC entered into a purchase agreement for the sale of the Active Adult Center at 29448 John R Rd.

City Council held a workshop meeting on April 13th 2023, where the developer provided a concept design that included a fast casual restaurant use and a car wash.

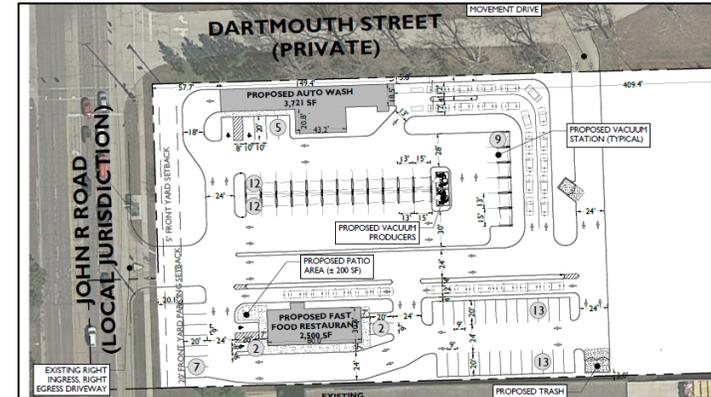
The car wash use requires a special use approval from City Council. This is set to be considered at the July 10, 2023, City Council Meeting.

Receiving approval of a Brownfield Plan for the site is a condition of purchase agreement because the site is known as a former landfill. Staff has yet to receive details of the costs of necessary remediation and the amount of reimbursement the developer is requesting.

Current Active Adult Center



Concept Proposed



Pre-Approval & Board Engagement (1-4 months)

Madison Heights Brownfield Redevelopment Authority



QUESTIONS? THANK YOU!

Contact Information:

Giles Tucker
CED Director
Community & Economic Development Dept.
Direct: (248) 837-2650
Email: gilestucker@madison-heights.org

Downtown Development Authority of City of Madison Heights**Memorandum**

Date: August 17, 2023

To: Downtown Development Authority Board Members

From: Giles Tucker, Community Development Director

Subject: MHHP Agreement Renewal 2023-24

Beginning in October 2022 and finalized in January 2023, the Madison Heights-Hazel Park Chamber of Commerce (MHHP) and the DDA entered into a service agreement where the chamber would provide marketing and promoting activities for the DDA in exchange for a total \$10,000 to be paid in quarterly installments of \$2,500. This agreement included that the chamber would report performance measures and financial information to the DDA annually and provide updates to the DDA board monthly and quarterly on their activities impacting the DDA area and its businesses.

Over the past year, the chamber has met the spirit of its reporting requirements on a quarterly basis, and has made significant progress in increasing membership, establishing best practices, improving events, and demonstrating the value of chamber membership. Both the City of Madison Heights and Hazel Park have committed to renewing their own agreements with the Chamber through 2024. Today, the Chamber is seeking to renew the service agreement with the DDA.

I have included a revised agreement and a report covering the activities performed by the chamber for the DDA over the past three quarters in this packet. This revised agreement removes the monthly reporting section and adds specific performance measures to be included in the annual report presented to the DDA annually. In my view, monthly reporting is excessive given the weekly collaboration and updates that the chamber and I have. By eliminating the monthly reporting but including these measures the chamber will be reporting on performance measures that can be compared year to year, and not over reporting activities we already know have occurred.

Staff Recommendations

Staff believes that small businesses, including those in the DDA are best served when we have an active Chamber of Commerce. A local chamber can potentially provide opportunities for businesses to network, get involved in community activities, and a place to go for business support resources and training where a local government may not be able to. The MHHP chamber has made significant progress in building its membership and has proven helpful in building connections with potential new business in the downtown area. For these reasons staff recommends that this service agreement should continue for another year for a total of \$10,000 paid quarterly.

MHHP Chamber/MHDDA Activity FY22-23 Q1-Q3

Notable DDA Activities

- ❖ **DDA Promotions/Marketing Activities:**
 - ❖ “Love our Local Business” promotion. Passed out roses to 25+ DDA businesses.
 - ❖ 2nd Annual Green Crawl” promotion. Confirmed business participation, made poster, and visited participating businesses.
 - ❖ “Golden Egg Hunt” promotion planning efforts for May 2023. Gathering participating businesses coordinating with DPS to highlight parks. Event delayed to Spring 2024 due to scheduling conflict with other community activities/events.
 - ❖ Attended MHDDA Promotions Committee Meetings
 - ❖ Attended MH DDA Board Meetings
 - ❖ Ribbon Cutting and other promotional sharing at Frosty Ice Cream Scoop-26137 John R
 - ❖ Provided several bags of swags and other promotional items from local businesses towards Wounded Warriors Fundraiser with Jack Huffman event at the Fire Station #2-July 12th event.
 - ❖ Create flyer and share on social media of Kabob Royale’s temporary closing due to family emergency.
 - ❖ Photo Op with Jet’s Pizza-11 Mile to share We are Hiring Campaign
 - ❖ Photo Op with Miss NeNe’s Child Care to highlight new DDA Banners installed

Notable Retention, Attraction, Relocation & Expansion Visits & Activities

- ❖ Predevelopment Meetings
 - 27117 John R (Sav-a-Lot) Site Visit with listing broker, city staff and prospective purchaser.
 - 27641 John R (Farnum Plaza, Former Thang Long Restaurant) Site Visits with prospective tenants, brokers and property owner.
 - 27308 John R (BA’s Barber Shop) Site Visits at multiple locations in DDA/MH City for BA’s Barbershop owner.
 - 935 W. 11 Mile, Boodles Restaurant and the adjacent units. Site visits with 3 prospective purchasers, property owner, city staff and DDA Board Member Jarbo. Served as liaison to the property owner on all follow-up questions from prospective purchasers.
- ❖ Retention Visits
 - Connected DEGC contact with Diamond Jim’s Owner
 - Relocation services for Big Al’s Barbershop within DDA area. Introduced two Madison Heights spaces for lease.
 - Relocation services for Iron Body Fitness Studio. Arranged showings in DDA area.
 - Connected few prospective food service partners with Cadillac Straits Brewery for their revamped restaurant offerings.
 - Walked DDA District with DDA Promotions Chair Mike Sheppard & Giles Tucker to share DDA activities, collect/update business contacts. Plans to continue walk to other parts of district in the fall 2023. (West 11 Mile, from John R to Service Drive, Gardenia to 11 Mile)

❖ Chamber Member Referral

- College Hunks Hauling Junk- Introduction to Fire Marshall Biliti and PD Chief Haines
- Connected Health Market with Baldwin House
- Connected CAPS Remodeling with opportunity to install ADA ramp for MH resident.
- Assisted staff in connecting with Empire Plumbing to help a resident in need.
- Connected John R Glass with Shelving Inc for quote for glass installation.
- Member to member referral with Young Bowling and Mia’s Bar & Grille on Sunset Networking/Referral Group.

New Chamber Membership Growth

The Chamber grew by 106 members from January-July/August including the following DDA businesses:

- | | |
|---------------------|----------------------------------|
| 1. 27651 John R Rd | Cadillac Straits Brewing Company |
| 2. 26096 John R | Minutemen Staffing |
| 3. 832 W. 11 Mile | College Hunks Hauling Junk |
| 4. 26346 John R | Artech Printing |
| 5. 222 W. 11 Mile | Biggby Coffee |
| 6. 333 W. 11 Mile | Miss NeNe’s Day Care |
| 7. 26137 John R Rd | Frosty Scoop Ice Cream |
| 8. 26733 John R Rd | John R Glass |
| 9. 26122 John R Rd | Amori’s Market |
| 10. 27633 John R Rd | Northern TV & Audio |
| 11. 630 E. 11 Mile | Woodpile BBQ |

MEMBERSHIP GROWTH REPORT

Baseline Total Membership based on Master Membership List

October 2022 Paid Membership: 3+80=83
November 2022 Paid Membership:5+83=88
December 2022 Paid Membership: 9+88=97
Quickbooks Adjustment Total for YR 2022: 111 (Proposed Budget Number)
January 2023 Paid Membership: 32+111=143
February 2023 Paid membership: 143+6=149
March 2023 Paid to date Membership: 149+21=170
April 2023 Paid to date membership: 170+15=185
May 2023 paid to date membership: 185+9=194
June 2023 paid to date membership:194+8=202
July 2023 paid to date membership:202+5=207
August 2023 paid to date membership: 207+10=217
(as of August 2, 2023)

Difference: 106
Total Current Paid Membership: 217
*Based on list as of 8-2-23

(*New/Renewal Chamber Membership (June 2023 to August 2023))

Includes member that have not signed up as members 2+ years.

- | | |
|---|------------------------|
| 1. City of Madison Heights Q2* | 300 W. 13 Mile, MH |
| 2. MH DDA Q2* | 300 W. 13 Mile, MH |
| 3. Aflac-Maria Varsch (New) | 451 W. Kalama, MH |
| 4. MRA*Industrial Level (New) | 950 E. Whitcomb, MH |
| 5. LB Office Supplies (New) | 899 Mandoline, MH |
| 6. Healing Haven (Renewal) | 30821 Barrington, MH |
| 7. C&G Newspapers (Renewal) | In-Kind |
| 8. Simiron Inc* Industrial Level, (New) | 32700 Industrial, MH |
| 9. Red Robin Restaurant (New) | 31805 John R, MH |
| 10. CoCo Clare Salon (New) | 28145 John R, MH |
| 11. Team Rehab (New) | 1467 E. 12 Mile, MH |
| 12. Flagstar Bank (New) | 31049 Dequindre, MH |
| 13. DFCU (Renewal) | 600 E. 14 Mile, MH |
| 14. PNC Bank (New) | 28841 John R, MH |
| 15. RTM Supplies (Renewal, \$500 Level) | Warren, MI |
| 16. Trevco (new) | 32450 N. Avis, MH |
| 17. Energy Products (New) | 1551 E. Lincoln, MH |
| 18. Detroit Hitch Co (New) | 651 Rochester, Clawson |
| 19. Master’s Restaurant (New) | 1775 E. 13 Mile, MH |
| 20. Our Credit Union (Renewal) | 3071 N. Normandy, RO |
| 21. ReMax in the Park (New) | 22200 John R, HP |
| 22. Fraternal Order of Police (New) | 1457 E. 12 Mile, MH |
| 23. Butcher & Packer (New) | 1780 E. 14 Mile, MH |

Total Renewal/In-Kind: 7 (includes Q2 payments from City/MH DDA, 1 Industrial Level)
Total New: 16 (2 at industrial level of \$500)
Total Current Membership to date: 217

Notable Milestones & Activities

- ❖ **Chamber E-Blast via MailChimp:** Weekly E-Blast Announcements generated and shared with membership. 38 Editions as of August 2, 2023. Weekly editions include information on upcoming community events/activities.
- ❖ **Social Media Platform Management:** Multiple/Daily Social Media Postings to highlight local businesses/members and chamber activities. Goal of content posting 1-2/daily or active weekly postings. Board Members/Active Members are encouraged to share and like daily postings.
- ❖ **Special Events/Holiday Offerings/Promotions:** Coordinate monthly E-Lounge sessions with topics relevant to small businesses. Rotate venues and times between both communities. Coffee and Chats with MH City Manager Melissa Marsh and HP City Manager Ed Klobucher. Other special E-Lounge guests include Police Chief Corey Haines, Local Business Leaders from MHHP Community. Other events include Cybersecurity event with FBI, Active Shooter Training with MHPD, Ribbon Cuttings, Small Business Retreat, Police Appreciation Week, DPS Appreciation Week, Bi-Weekly BRAND Meetings and Promotion of Members, Community Round Table, and other civic/community/holiday events.
- ❖ **Shop Small Saturday Campaign:** Highly successful “Get Caught Shopping Small” Campaign to promote and engage small businesses in both communities. High rate of participation from local businesses from both communities. Elected Officials, City and School District Leaders invited to participate by “getting caught” shopping throughout the month of November leading to Shop Small Saturday –November 26, 2022. Visited over 12 small shops in MH & HP and surrounding cities to take selfies and promote “Shop Small Saturday” on November 26th. Highlighted the visits by posting all selfies on OC’s sweepstake post and also posted all visits on Chamber social media postings.
- ❖ **Culture, Food & Networking Events** –Strive for monthly events at rotating restaurants offering different cuisines from “Around the Globe.” Unique kind of casual networking with an emphasis on the different international cuisines and the culture associated with the restaurant or the small business owner. Events typically scheduled around lunch time with participation level at 15-20+. Restaurants that hosted in 1st quarter-3rd quarter: Loan Vision with Beyond Juice & Detroit Wings, Lao Pot, NoodleTopia, Super Tacos, 168 Market. Other “Around the Globe in MHHP Community activity planned include Kimchi Making Workshop (September 2023) with future plans to highlight cuisines from Thailand, Italy, Vietnam and more.
- ❖ **Successful State of the Cities** -Event held at Eastern Palace Club on March 23rd. Worked with both Mayors, City Leaders, Chamber Committee Members to plan and execute successful event with high level of engagement for sponsorships and positive feedback from business leaders.
- ❖ **Successful Annual Golf Outing**, Fieldstone Golf Course, 104 golfers with high level of sponsorships and participation from members, including for the 1st time all school districts (Lamphere, Madison, Hazel Park) participating.

- ❖ **Partnership with the MH Arts Board for upcoming Trail Tunes** on September 9, 2023. Assist with the application to the State for special liquor license. Attend planning committee meetings with the MH Arts Board with 2 other Chamber Board Representatives.
- ❖ **Secured sponsorship from MHHP Board for upcoming HP Art Fair on August 26-27th.**
- ❖ **Annual Derby Fundraiser planned for October 2023**, committee meetings starting in July. Goal of raising \$20K with 200-300 guest participation.

Notable Retention, Attraction, Relocation & Expansion Visits

Predevelopment Meetings/Expansion/Site Selection/Ombudsman Services

- Coordinated with MH to introduce Najor Development for the 12 Mile and I-75 Redevelopment (Former Marinelli's Restaurant)
- Meeting with John McCann and Rob Zograph at Design Struct (HP) to discuss redevelopment concepts/market targets for property. Marketed marketing material via chamber social media platforms.
- Design/Create by David Wenner (Seeking 4-5,000 sq.ft workshop)
- Mia's Bakery Expansion-Building Dept Introduction
- Meeting with Bill Nalu-Interstate Auto, Electric Charging Station Dvt, Contact with McNaughton McKay
- Meeting with Issac Hanna-HQ of Wireless Giant, 32600 Stephenson Hwy, introduced by Bill Nalu-Interstate Auto, discuss redevelopment project that involves EV charging stations, expansion of EVMode Business. Coordinate predevelopment meeting with MH Approval Team on both projects. Email sent to Melissa Marsh and Giles Tucker on 10-25-22 Follow-up phone call to property owner off 14 Mile (Steak & Shake biz) and Stephenson Hwy (Wireless Giant Owner) for possible redevelopment space.
- Meeting with Chief Corey Haines, City Attorney and Cindy Dong, owner of Fuji and 168 Market to discuss outstanding code enforcement issues, discussion on pro-active measures for the future.
- Inquiry on small industrial building in MH for office & R&D use-Mr. David Bowl Focus on areas in DDA
- MH Nail Supply Business (13 Mile and Dequidre) seeking 10K commercial or warehouse space for expansion.
- Relocation services for Big Al's Barbershop. Arrange for private retail space showing of property on 11 Mile owned by Bruno Ferguson of Boodles Restaurant. Arranged a showing of leasing space at ChairZ owner. Discussion on DDA grants including sign grant, façade grant.
- Multiple site visits with Ironbody Studios for future expansion.
- Site Visits of potential buildings for sale/lease for food manufacturing expansion-Noodletopia Restaurant-July 2023
- Partnership with Oakland Thrive on various networking events. Secure venue and co-hosted event at QMI for Women Owned Certification workshop.
- Assisting with OC Showcase Event scheduled for October 27, 2023.

**Agreement for Services
Between
DDA of Madison Heights
and
Madison Heights/Hazel Park Chamber of Commerce**

This Agreement between the Madison Heights Downtown Development Authority (hereinafter “DDA”) and the Madison Heights/Hazel Park Chamber of Commerce (hereinafter “MHHP”) for the period starting **October 1, 2023 – September 30, 2024.**

RECITALS

The DDA shall pay to the MHHP \$10,000 for business and event services rendered by the MHHP to the DDA, upon DDA Council approval, payable quarterly in equal amounts of \$2,500 in October, January, April, and July. Said amount may be adjusted each year as determined by the amount of inflation or deflation or services being requested as approved by the DDA Council during the DDA’s budget process, no later than the third Monday in May for the upcoming October 1st start period.

PURPOSE

Throughout the term of this Agreement, the MHHP will provide the following services with funds paid by the DDA to MHHP:

- Coordinated marketing and promotions for DDA area specific business-related activities - this specifically includes Small Business Saturday, Downtown Day, and grand opening events for all new DDA businesses.
- General business inquiries related to various topics for DDA issues or services.
- Training for local businesses and coordination with Oakland County Small Business Services.
- Develop and provide accurate and timely information to assist businesses interested in locating, expanding, or remaining in the DDA area.
- Coordinate with appropriate other agencies, governments, and non-profits to assist in business retention and expansion including Madison Heights Downtown Development Authority.
- Coordinate and contract with appropriate other agencies, governments, and non-profits to assist in business location decisions.
- Develop and maintain strong working relationships with agencies and governments that provide financial and technical assistance or training to businesses.
- Assist in one (1) DDA specific promotional event annually as determined by the DDA.
- Assist to market and promote festivals and events held by the DDA.

REQUIRED REPORTING

The MHHP shall provide the following reports to the DDA:

- By January 31 of each year an Annual report including a presentation to the DDA Board :
 - Summary and analysis of the specific steps taken to by MHHP to perform the economic development and marketing related tasks described the in this agreement. .
 - Performance Measures. The MHHP shall include in its report key performance measures including:

- Change in total Chamber business membership
- Change in DDA business membership
- A brief description and quantity of attraction, expansion, and retention related activities
- Clear outcomes of marketing and promotional activities and events in the DDA area.
- The number of DDA business attendees in events or marketing activities.
- Financial reporting and Inspection including:
 - List of Board members, their occupations, and years on the Board;
 - MHHP annual financial statements showing the previous year expenses and revenues;
 - Current and projected budgets (total organization and individual programs provided to the DDA under this Agreement). The DDA's report shall include the DDA funds expended compared to overall project funds.
- A Quarterly Report on the variety of specific promotional activities executed for the purpose of attracting businesses or business customers to the DDA. The Quarterly Report should include a description of the specific promotional activities, including samples of promotional material and financial report of individual promotional activities.

GENERAL PROVISIONS

1. **Amount of Agreement** - Subject to the terms and conditions of this agreement, the DDA agrees to provide funds in the amount specified above.

3. **Default** - If MHHP fails to remedy any material breach of any of MHHP obligations under the terms of this Agreement within 30 days of receipt of written notice from the DDA of the breach, the DDA may terminate this Agreement and the DDA may pursue any remedies available at law or in equity. Such remedies may include, but are not limited to, termination of the Agreement, stopping quarterly payments on or demanding a return of the funds, payment of interest earned on funds or declaration of ineligibility for the receipt of future payments.

4. **Amendments**. The terms of this Agreement will not be waived, altered, modified, supplemented, or amended in any manner except by a written instrument signed by the parties. Such written modification will be made a part of this Agreement and subject to all other Agreement provisions.

5. **Indemnity**. MHHP agrees to defend, indemnify and save DDA, its officers, employees, and agents harmless from any and all losses, claims, actions, costs, expenses, judgments, and/or other damages resulting from injury to any person (including injury resulting in death,) or damage (including loss or destruction) to property, of whatsoever nature arising out of or incident to the performance of this Agreement by MHHP (including but not limited to, MHHP employees, agents, and others designated by MHHP to perform work or services relating to MHHP obligations under the terms of this Agreement). MHHP shall not be held responsible for damages caused by the negligence of DDA or anyone acting on behalf of the DDA.

6. **Insurance**. MHHP shall, at its own expense, at all times for twelve months from the date of this Agreement, maintain in force a comprehensive general liability and workers' compensation policy. The liability under such policy shall be a minimum of \$500,000 per occurrence (the combined single limit for bodily injury and property damage claims) or \$500,000 per occurrence for bodily injury and \$100,000 per occurrence for property damage. Liability coverage shall be provided on an "occurrence" not "claims" basis. The DDA of Madison Heights, its officers, employees, and agents shall be named as additional insured.

7. **Notices and Representatives.** All notices, certificates, or communications shall be delivered or mailed prepaid to the parties at their respective places of business as set forth below or at a place designated hereafter in writing by the parties. DDA of Madison Heights- Melissa Marsh, DDA Manager 300 W. 13 Mile, Madison Heights, MI 48071.

This Agreement constitutes the Entire Agreement between the parties. There are no understandings, Agreements, or representations, oral or written, not specified herein regarding this Agreement. No amendment, consent, or waiver, or terms of this Agreement shall bind either party unless in writing and signed by all parties. Any such amendment, consent, or waiver shall be effective only in the specific instance and for the specific purpose given. The parties, by the signature below or their authorized representatives, acknowledge having read and understood the Agreement, and the parties agree to be bound by its terms and conditions.

DDA of Madison Heights

Name & Title: _____

Signature: _____

Date: _____

Name & Title: _____

Signature: _____

Date: _____

Madison Heights/Hazel Park Chamber of Commerce

Name & Title: _____

Signature: _____

Date: _____

Downtown Development Authority of City of Madison Heights

Memorandum

Date: August 17, 2023

To: Downtown Development Authority Board Members

From: Giles Tucker, Community Development Director

Subject: DDA Meeting Dates for November 2023 & for the 2024 Calendar Year

At the end of each calendar year the DDA board schedules its Regular meeting dates for the following year. These regular meetings have been scheduled for the second Tuesday of each month and this coincides with the morning after City Council Meetings. To avoid back-to-back meetings, staff is proposing that these meetings are moved to the third Tuesday of the month. In addition to these regular meetings, I have also included two joint DDA/BRA meetings scheduled on third Tuesday of the month in April and August that allow the board to address both the business of the DDA and any normal BRA related business that occurs. As always the DDA can choose to schedule additional meetings as needed.

For similar reason, staff is suggesting that the meeting scheduled for November 14th, 2023, be moved either to November 21st or November 7th if that is too close to the Thanksgiving holiday. If approved, staff will also reschedule the DDA Informational Meeting to this date and notify the relevant taxing jurisdictions.

Staff Recommendations

Staff recommends that the DDA board approve the rescheduling of the November 14th meeting to either November 7th or November 21st, 2023, and to approve the following meeting dates for the 2024 calendar year:

Regular DDA Meeting Dates

January 16th, 2024
 February 20th, 2024
 June 18th, 2024
 November 19th, 2024

Informational DDA Meeting Dates

June 18th, 2024
 November 19th, 2024

DDA/BRA Joint Meeting Dates

April 16th, 2024
 August 20th, 2024