

**BATTLE CREEK DOWNTOWN DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS**

Monday, October 28, 2019

MEMBERS PRESENT: Ross Simpson, Paul Conkey, Edward Guzzo, Cody Newman, John Godfrey, Nelson Karre, Kim Carter
Ex-Officio: Commissioner Susan Baldwin, Commissioner Kate Flores

ABSENT: Rebecca Fleury, Kyra Wallace

OTHERS PRESENT: Ted Dearing, Linda Morrison, John Hart and Sarah McGinnis

Call to order: Mr. Conkey called meeting to order at 3:30pm.

Welcome new member Nelson Karre. City Clerk Victoria Houser administered oath of office.

Approval of Minutes:

MOTION: Mr. Godfrey moved that the Battle Creek Downtown Development Authority Board of Directors approve the meeting minutes from July 22, 2019 with changes. Mr. Newman supported the motion. Unanimously approved.

Preliminary Year End (FY19) update:

Linda Morrison reviewed the preliminary FY19 (year ending 6/30/19) statement; revenue is over expenditures \$261,826. The annual audit is currently on going. There was a property tax reconciliation correction during audit preparation increasing tax increment revenue by \$347,068, There may be one additional adjustment for the year end to recognize approximately \$100,000 bad debt expense in the DDA general fund. This is the result of a payoff from a Direct Investment Fund borrower that sold the business in late September. The payoff is less than the amount borrowed. This 2006 loan was partially from the DIF and partially from the DDA general fund. Working through the details, more information to follow.

MOTION: Mr. Nelson moved that the Battle Creek Downtown Development Authority Board of Directors approve the preliminary financial statements as presented. Mr. Guzzo supported the motion. Unanimously approved.

Review Interim Financial statements:

Ms. Morrison reviewed the interim financial statements for the three months ended 9/30/19. The \$2.8 Million-debt service payment will not be paid until May 2020, resulting in revenues over expenditures for the three months of \$2,791,833. Tax Increment Revenue is much larger than last year because of state legislation changes and increases in taxable value. The \$20,000 street construction project approved at the last meeting has been added to the statement. Discussion about the need for \$150,000 funding for the Battle Rock project;

MOTION: Mr. Simpson moved that the Battle Creek Downtown Development Authority Board of Directors approve the interim financial statements as presented. Mr. Guzzo supported the motion. Unanimously approved.

MOTION: Mr. Guzzo moved that the Battle Creek Downtown Development Authority Board of Directors approve a budget adjustment for the \$150,000 Battle Rock Project. Mr. Simpson supported the motion. Unanimously approved.

Project Report – Ted Dearing/John Hart:

Real Estate Improvement Fund: This grant initiative helps address any gap-financing issues for new businesses downtown. The program offers businesses easier access to resources imperative for long-term success. This is a great tool to get projects done. To date, the Fund has announced support for three projects. More information coming soon.

Battle Rock: The project is moving forward. Still getting approvals. Would like to start construction in 2020.

McCamly Plaza Hotel: Regulatory challenges are slowing the process of renovations. Costs have increased. They need a Capital Investor to complete. Certainly regulatory requirement must be completed this week to maintain their current certificate of occupancy.

Milton Tower: The construction is coming along great! Pictures and updates are available online. They have full electricity in the building. Internal work is currently being completed. Exterior elevator should be removed by December. There will be facade work that will close the sidewalk in front of 64 W. Michigan coming soon.

Other:

- The owners of Arcadia are working on the roof replacement. Hoping to have that completed before winter.
- Horrock's is still considering moving to Beckley Rd. No commitments have been made, still discussing.
- The nuisance complaint against EconoLodge has a scheduled hearing on November 4th, 2019. The City is coordinating with others to assist any residents displaced by legal action.
- The city continues to explore options to deal with structural issues at 34 E. Michigan.

Member/Citizen Comments: Mr. Simpson stated the homeless/vagrant problem downtown is getting worse. There is no police presence in the evening and on weekends..

Adjourn:

4:55pm