

OWOSSO CITY COUNCIL

AUGUST 12, 2014

7:00 P.M.

PRESIDING OFFICER: MAYOR BENJAMIN R. FREDERICK

OPENING PRAYER: MAYOR BENJAMIN R. FREDERICK

PLEDGE OF ALLEGIANCE: MAYOR BENJAMIN R. FREDERICK

PRESENT: Mayor Benjamin R. Frederick, Mayor Pro-Tem Christopher T. Eveleth, Councilpersons Loreen F. Bailey, David B. Bandkau, Burton D. Fox, Elaine M. Greenway, and Robert J. Teich, Jr.

ABSENT: None.

CITIZEN COMMENTS AND QUESTIONS

Tom Manke, business owner at 118 South Washington Street, thanked the City for cleaning up Jerome Avenue, saying he had received a significant amount of positive feedback about it on his Facebook page.

Ryan Henry, Kincaid Henry Building Group, Inc., distributed handouts of the conceptual drawings for development of the Matthews/Mueller Building and detailed the proposed brewery, restaurant, office space, and apartments that would be contained at that location. He also provided a status update on the Armory project indicating both projects dovetail with the City's DIG Project.

ITEMS OF BUSINESS

DIG PROJECT UPDATE

City Manager Donald D. Crawford outlined the status of the DIG Project saying the City had gone out for bids for each of the three distinct parts of the project but received only a single bid for Part 2 at twice the anticipated cost, and no bids at all for the other two. Consultations with the State resulted in little flexibility on their part, with no allowance to reduce the project scope, increase the timeline for the project, or increase the grant amount to cover a portion of the overage as the grant was awarded on a competitive basis.

There was discussion regarding what the MEDC had to say about the lack of bids, the reasons why the bids may not have attracted much interest, rebidding all three parts of the project, and accepting the current bid and rebidding the remaining parts. There was also discussion regarding what would happen if the Armory project does not go through and the City has proceeded with the DIG project. Council was told the City would be responsible for paying the grant match entirely from the general fund and the City/DDA would receive no revenues from the TIF proposed for the Armory. The total match is estimated at \$337,000.

There was discussion whether the City should take on that kind of risk, the future of the Armory project should the DIG not be undertaken, and returning the grant funds and reapplying for DIG money next year. During the course of the discussion it became apparent there was confusion as to who receives the TIF money from the Armory project with both the DDA and the developers claiming the funds. Mayor Frederick clarified the issue saying the DDA had agreed to accept the risk of the Armory project with the understanding there would be a TIF set up to pay the DDA back for its investment, going so far as to say that without receipt of the TIF money the DDA would go bankrupt.

Motion by Mayor Pro-Tem Eveleth to reject the bid for Part 2 of the DIG Project and rebid all three parts.

Motion supported by Councilperson Fox.

Roll Call Vote.

AYES: Councilpersons Greenway, Bailey, Mayor Pro-Tem Eveleth, Councilpersons Teich, Bandkau, Fox, and Mayor Frederick.

NAYS: None.

Councilperson Bailey inquired whether there would be a stipulation in the agreement with the Chamber of Commerce that would require they pay the TIF even if they petition for, and receive, tax relief from the Board of Review or the Tax Tribunal. City Manager Crawford indicated the City will have to create an "agreement in addition to taxes," though he cautioned that such an agreement would have no effect if the Armory project fails.

Councilperson Teich inquired when the “new” Chamber would potentially be operational. Chamber CEO Jeff Deason said the building would be operational approximately 10 months after commencement of construction.

Councilperson Fox wanted to know the cutoff date for deciding whether to go forward with the DIG Project. City Manager Crawford indicated that a decision would need to be made around September 3rd or 4th after the bids come in September 2nd.

2014 STREET FUNDING PROPOSAL PLAN AND PROMOTION

City Manager Crawford distributed a handout containing information and cost estimates for the streets proposed for reconstruction if the street millage passes in November. And he reminded Council the City has submitted grant applications for funding assistance for Oliver Street and South Cedar Street.

Councilperson Bandkau said he was excited to see the proposal. He encouraged the development of a 3-5 year plan to provide some flexibility should grant funding come through.

There was discussion regarding how information on the street millage should be communicated to the public. City Manager cautioned the Council that in order for such questions to be successful a large amount of communication is required to promote all the issues involved. He suggested that an outside group would need to take on this task as the City is prohibited from promoting on its own behalf. Mayor Frederick suggested the millage could be marketed as a replacement for the street bond that will be expiring, he also suggested setting concrete goals and voicing expectations to get the public on board.

Councilperson Bandkau inquired whether it would be possible to levy the street millage in December if it passes in November. City Manager Crawford indicated it was not.

Councilperson Fox echoed the desire for the development of a 5-year plan.

NEXT MEETING

Monday, August 18, 2014

BOARDS AND COMMISSIONS OPENINGS

None.

ADJOURNMENT

Motion by Mayor Pro-Tem Eveleth for adjournment at 8:08 p.m.

Motion supported by Councilperson Fox and concurred in by unanimous vote.

Benjamin R. Frederick, Mayor

Amy K. Kirkland, City Clerk