

**REGULAR MEETING MINUTES OF THE
DOWNTOWN DEVELOPMENT AUTHORITY/OWOSSO MAIN STREET
CITY OF OWOSSO**

October 4, 2023, AT 7:30 A.M.

CALL TO ORDER: The meeting was called to order by Chair Jon Moore at 7:41 A.M.

ROLL CALL: Taken by Chair Jon Moore

PRESENT: Chair Jon Moore, Commissioners Nicole Reyna, Daylen Howard, Robert J. Teich, Jr. and Emily Olson. Josh Ardelean arrived at 7:37 A.M. Vice- Chair Lance Omer arrived at 8:37 A.M.

ABSENT: Commissioner Bill Gilbert. Josh Ardelean left at 9:07 A.M.

OTHERS PRESENT: Lizzie Fredrick, DDA/OMS Director; Brad Barret, Finance Director and Scott Gould, City Attorney

AGENDA:

MOVED BY OLSON, SUPPORTED BY REYNA TO APPROVE THE OCTOBER 4, 2023 DDA/OMS AGENDA AS PRESENTED.

**AYES: ALL
MOTION CARRIED**

MINUTES:

MOVED BY OLSON, SUPPORTED BY TEICH TO APPROVE THE SEPTEMBER 6, 2023 DDA/OMS ANNUAL MEETING MINUTES.

**AYE: ALL
MOTION CARRIED**

PUBLIC COMMENTS: Jay Jahn from Three Fit Chicks asked the Board if Three Fit Chicks can revise their Revolving Loan Fund agreement.

Jahn stated that Three Fit Chicks has business partners that want to leave the LLC and be removed as guarantors on the loan.

Jahn stated that Three Fit Chicks wants to keep their RLF loan for the low interest rate and asked the Board to revise the contract to increase the funds for Three Fit Chicks to use towards appliance debt with another borrower.

ITEMS OF BUSINESS:

1. **CHECK REGISTER AUGUST 2023:** Fredrick reviewed the Check Register for September 1, 2023 through September 15, 2023 and shared that the remainder of September will be included in the November DDA/OMS agenda packet.

Teich asked if expenses for the electrical repairs of downtown streetlights and parking lot lights were the responsibly of the DDA and where the funds are coming from.

Fredrick confirmed that electrical repairs within the Downtown District boundary are the responsibility of the Board and expenditures come from the Building Maintenance budget, 248-200-930.000.

MOVED BY REYNA, SUPPORTED BY ARDELEAN TO APPROVE THE CHECK REGISTER AS PRESENTED FOR SEPTEMBER 2023.

AYES: ALL

MOTION CARRIED

2. **REVENUE AND EXPENDITURE REPORTS:** Fredrick reviewed the Revenue and Expenditure Report and answered questions.
3. **DELINQUENT LOAN REPORT:** Fredrick reviewed the Delinquent Loan Report and answered questions about the Kleeman Properties (dba Owosso Cookie Company) and Ihm Enterprises (dba Capital Sports) loans in delinquency.
4. **LOAN INVENTORY REPORT:** Fredrick presented the Loan Inventory Report.
5. **REVOLVING LOAN FUND IHM ENTERPRISES:** Barrett updated the Board that Ihm Enterprises has a balance of \$40,867.97 as of October 3, 2023 and that the City of Owosso received notice of a Chapter 13 Bankruptcy Plan by Ihm Enterprises that does not take into account late fees accrued for their delinquencies. The City would lose roughly \$5,900 if the plan is accepted.

Gould notified the Board that the City is considered an unsecured creditor and that Ihm Enterprises' attorney is uncertain that the City will receive any payment.

Gould shared that the City can file a Notice of Creditors to stay up to date on Ihm Enterprises' court correspondence and that there will be a virtual hearing on November 16, 2023 where Ihm Enterprises will present their Bankruptcy Plan to the court.

Gould confirmed that the City has 21 days after the hearing to object, contingent upon proper legal grounds.

MOVED BY HOWARD, SUPPORTED BY OLSON TO APPROVE THE CITY ATTORNEY TO PURSUE REIMBURSEMENT FOR IHM ENTERPRISES' REVOLVING LOAN FUND LOAN.

AYES: ALL

MOTION CARRIED

6. **REVOLVING LOAN FUND KLEEMAN PROPERTIES & O'MARIE'S, LLC:** Barret updated the Board that the Kleeman Properties four-month delinquency was paid in full on September 28, 2023 and answered questions about processes and procedures for delinquent loan payments.

Board discussed revising the terms of future RLF Loan agreements.

Gould estimated the O'Marie's LLC wage and tax garnishment refiling cost to be around \$175.00 and confirmed that the City can refile every year for 10 years before refiling for another 10-year money judgment approving wage and tax garnishments.

MOVED BY OLSON, SUPPORTED BY HOWARD TO APPROVE THE CITY ATTORNEY TO REFILE WAGE AND TAX GARNISHMENTS FOR ANOTHER YEAR FOR THE O'MARIE'S, LLC REVOLVING LOAN FUND LOAN.

AYES: ALL

MOTION CARRIED

7. **REVOLVING LOAN FUND THREE FIT CHICKS:** Board discussed Christie Jahn's request to remove two of the three guarantors of the Three Fit Chicks RLF Loan and the cost, time, processes and procedures involved.

Barrett confirmed that RLF terms have been updated since the time of the Three Fit Chicks agreement.

Board discussed updating the RLF terms to include administrative fees covering staff time and attorney fees for borrower requested agreement revisions.

Gould recommended a new loan agreement under the new terms where Jahn is the only guarantor if the Board would like to pursue the borrower's request.

Gould asked Jahn for Three Fit Chick business meeting minutes or a letter that provides documentation that the two guarantors want to be removed from the LLC and RLF Loan before the Board pursues a new agreement excluding the two guarantors.

- 8. MAIN STREET PLAZA MASONRY REPAIR CHANGE ORDER:** Fredrick reviewed the Change Order and answered questions.

MOVED BY TEICH, SUPPORTED BY OLSON TO APPROVE CHANGE ORDER NO. 1 TO THE CONTRACT BETWEEN THE CITY OF OWOSSO AND BORNOR RESTORATION INC. OF LANSING, MICHIGAN FOR THE MAIN STREET PLAZA MASONRY REPAIR IN THE AMOUNT OF \$4,970.00

**AYES: ALL
MOTION CARRIED**

COMMITTEE UPDATES:

1. **Design:** Fredrick provided updates on the completion of the Main Street Plaza Masonry Repair and Fall Beautification Program, which included purchased perennial and annual mums along with a donation of hay bales, cornstalks and pumpkins from Peterson's Landscaping.
Fredrick estimated the year-round Bridge Basket Beautification Program will launch this winter.
2. **Promotion:** Olson shared that Glow is in need of volunteers for the day of the event and that the Promotions Committee will oversee the NYE Block Party.
3. **Organization:** Moore shared that the Organization Committee is prioritizing Board Member Onboarding Resources, Fundraising and Volunteer Recruitment.
4. **Economic Vitality:** Fredrick confirmed the Electric Vehicle Charging Stations are out of service.

BOARD CONTINUING EDUCATION/INFORMATION: Fredrick reminded the Board that the in-person Michigan Main Street Accreditation visit will include a Board Meeting on October 31, 2023.

Olson confirmed she will be attending the Michigan Municipal League Convention.

DIRECTOR UPDATES: Fredrick shared about her recent Michigan Main Street Director Retreat.

BOARD COMMENTS: Howard set a goal to get the Economic Vitality Committee ready to accept RLF applications by spring.

ADJOURNMENT:

**MOVED BY HOWARD, SUPPORTED BY REYNA TO ADJOURN AT 9:36 A.M.
AYES: ALL
MOTION CARRIED**

NEXT MEETING OCTOBER 31, 2023.