



FARMINGTON DOWNTOWN DEVELOPMENT AUTHORITY  
MINUTES  
Monday, March 23, 2009

The meeting was called to order at 6:05 p.m. by President Cowley.

ROLL CALL: Cornwell, Cowley, Higgins, Jakacki, Kuiken, Pastue  
Rock, Schneemann, Ziegler

ABSENT: Mazzone

OTHERS PRESENT: Executive Director Knowles  
Administrative Assistant Nogle  
Events Coordinator Wolter

**CONSENT AGENDA ITEMS:**

MOTION by Rock SUPPORTED by Kuiken to approve the regular minutes of February 23, 2009, and to accept and file the February Financial Statements and the Bill Review Report as presented. MOTION CARRIED, ALL AYES.

**ELECTION OF OFFICERS**

President Cowley relinquished the Chair to Ms. Knowles. The floor was opened for nominations.

Jakacki nominated and Ziegler supported the nomination of Greg Cowley for the position of President. Kuiken nominated and Schneemann supported the nomination of James Kuiken for Vice-President. Ziegler nominated and Jakacki supported the nomination of Vincent Pastue for the position of Secretary. No other nominations were offered.

MOTION by Rock, supported by Kuiken, to close the nominations for 2009 officers and to elect those nominated by acclamation. MOTION CARRIED, ALL AYES.

President Cowley reassumed the Chair.

**CAPITAL IMPROVEMENTS PLAN**

Knowles requested that the Board review the draft Capital Improvements Plan that includes the projects outlined in the Development Plan. The plan is intended to serve as a guide for future projects and may be updated as priorities change.

MOTION by Kuiken SUPPORTED by Rock to approve the Capital Improvements Plan MOTION CARRIED, ALL AYES.

**FOUNDERS FESTIVAL**

Krista Wolter updated the Board on the status of tasks for the festival. K. Wolter requested Sue Buck put the word out in the newspaper in hopes to obtain 50 or more volunteers for Public Relations, Entertainment, Decorations and Volunteer Recruitment.

## **TAX INCREMENT REVENUES FOR CAPITAL IMPROVEMENT BONDS**

The following preamble and resolution were offered by Member Higgins and supported by Member Kuiken

WHEREAS, pursuant to Act 197, Public Acts of Michigan, 1975, as amended (“Act 197”), the Farmington Downtown Development Authority, City of Farmington (the “DDA”) has determined that it is necessary and expedient to acquire and construct certain street and streetscape improvements in the Development Area together with related costs (the “Project”); and

WHEREAS, the DDA hereby covenants to amend its Development Plan and Tax Increment Financing Plan (the “Plan Amendment”) to include the Project, and to forward the Plan Amendment to the City Council for approval and further proceedings in accordance with Act 197; and

WHEREAS, in order to obtain the lowest financing cost for the Project, it is necessary that the City issue limited tax general obligation bonds pursuant to Act 34, Public Acts of Michigan, 2001, as amended, and payable from tax increment revenues received by the DDA; and

WHEREAS, the DDA agrees to provide to the City Council a statement of the anticipated tax increment revenues for the period during which moneys must be set aside for the repayment of the bonds which the City is issuing to finance a portion of the cost of the Project.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The DDA hereby agrees to pay to the City from the tax increment revenues received by the DDA the amounts necessary to pay the principal and interest on the limited tax general obligation bonds to be issued by the City in one or more series in an aggregate principal amount not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000), to finance a portion of the cost of the Project (the “Bonds”) when such principal and interest come due; provided, however, that to the extent the City determines that it is in the best interest of the City to redeem all or any portion of the Bonds prior to maturity, the DDA may, but shall not be required to, prepay its obligations authorized herein. In the event the funds of the DDA are insufficient to pay the principal of and interest on any Bonds as they come due, and the City pays such sums from its own funds, the DDA agrees to reimburse the City in whole for such payments from funds of the DDA as the same are received. The DDA further agrees to reimburse the City for any costs of the Project not financed from the proceeds of the Bonds, including, if necessary, the costs of issuance of the Bonds, any publication costs, and other costs incurred by the City associated with the design and acquisition of the Project, in an amount not to exceed \$500,000. Title to the Project shall remain with the City.

2. The DDA hereby acknowledges that the City will issue its Bonds in reliance upon the agreement and promise of the DDA to pay to the City all of its

available tax increment revenues up to the amounts necessary to pay the principal of and interest on the Bonds.

3. The DDA hereby certifies to the City that the estimated tax increment revenues shown on Exhibit A attached hereto are the DDA's best good faith estimate of said revenues.

4. The DDA hereby covenants to take all actions within its control, to the extent permitted by law, necessary to maintain the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended, including but not limited to, actions relating to the rebate of arbitrage earnings and the expenditure and investment of proceeds of the Bonds and moneys deemed to be proceeds of the Bonds.

5. The DDA makes the following declarations for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

- (a) As of the date hereof, the DDA reasonably expects to reimburse the DDA for the expenditures described in (b) below with proceeds of debt to be incurred by the DDA.
- (b) The expenditures described in this paragraph (b) are for the costs of acquiring and constructing the Project which were or will be paid subsequent to sixty (60) days prior to the date hereof.
- (c) The maximum principal amount of debt expected to be issued for the Project, including issuance costs, is \$1,200,000.
- (d) A reimbursement allocation of the expenditures described in (b) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the DDA's use of the proceeds of the debt to be issued for the Project to reimburse the DDA for a capital expenditure made pursuant to this resolution.
- (e) The expenditures described in (b) above are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of placed in service under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).

- (f) No proceeds of the borrowing paid to the DDA in reimbursement pursuant to this resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in (d) above.

6. The Secretary of the DDA is directed to deliver a certified copy of this resolution to the City Clerk.

7. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Member Cornwell, Cowley, Higgins, Jakacki, Kuiken, Pastue,  
Rock, Schneemann, Ziegler

NAYS: Member None

#### **RESOLUTION DECLARED ADOPTED.**

#### **BRANDING PROJECT REVIEW AND FEEDBACK**

Director Knowles asked for opinions on the Branding Study. Knowles requested more review of the Branding Study by the Board Members and report any questions at the April Board Meeting. Our next step is to complete the creative process; an request for proposals outlining the list of actions and deliverables should be prepared.

#### **ANNUAL FLOWER PLANTING – EXTENSION OF CONTRACT**

Annette Knowles recommended the DDA extend a prior contract with Liberty Street Gardens, as outlined in the bid process documents.

MOTION by Kuiken SUPPORTED by Pastue to accept the proposal from Liberty Street Gardens for the seasonal amount of 19,240.00, funds to derived from account 248-000.00-801.006, Seasonal Decorations and Gardening. MOTION CARRIED, ALL AYES

#### **ORGANIZATION COMMITTEE UPDATE**

Plans to publish the Main Street Messenger are on target for the end of April 2009. The streetscape will be the main topic. We will have an insert as we did for Holly Days that describes events, such as the Farmers Market, Concert Schedule, and encourages support of local downtown business during the Streetscape. The Volunteer Appreciation was well-received, with approximately 60 people in attendance. Pat Shelton was very surprised when she received the Mary Martin Award. "Spreading the News" will be implemented soon to share updates on each committee to the DDA Board, City Council and volunteers.

**DESIGN COMMITTEE UPDATE**

The Design Committee is reevaluating the streetscape; it may be phased, with Grove Street being deferred. Discussions with the property owners are progressing. Lighting at the Pavilion should be completed in the next couple weeks.

**ECONOMIC RESTRUCTURING UPDATE**

James Kuiken informed the Board the Economic Restructuring Meetings will be moved to the 3<sup>rd</sup> Tuesday of each month. The Business Assistance Team will be meeting with downtown businesses on Thursday, March 12, 2009.

**SIGN INCENTIVE APPLICATION #1**

MOTION by Rock SUPPORTED by Higgins to approve sign incentive application 09-01, received from Diane Cassidy, for the Exchange Building, located at 33314 Grand River Ave., in an amount not to exceed \$320.00. MOTION CARRIED, ALL AYES.

**MARKETING & PROMOTIONS UPDATE**

NO REPORT

**CLOSED SESSION – LAND ACQUISITION**

Motion by Kuiken Supported by Higgins to enter into a closed session to discuss the Land Acquisition.

Ayes: Cowley, Cornwell, Higgins, Kuiken, Jakacki, Pastue, Rock, Schneemann, Ziegler  
Nays: None. Motion Carried.

Motion by Pastue Supported by Kukien to reconvene into regular session. MOTION CARRIED, ALL AYES.

Motion by Ziegler Supported by Higgins to authorize the actions discussed in closed session. MOTION CARRIED, ALL AYES.

**ADJOURNMENT**

MOTION by Ziegler, SUPPORTED by Higgins that the meeting be adjourned. MOTION CARRIED, ALL AYES.

The meeting was adjourned at 7:45 p.m. The next meeting will be on Monday, April 27, 2009 at 6:00 p.m.

Respectively submitted,

*Annette Knowles*