



CITY OF WALLED LAKE
DOWNTOWN DEVELOPMENT AUTHORITY
TUESDAY, MAY 12, 2020

The Meeting was called to order at 4:00 p.m.

ROLL CALL: Ackley, Ambrose, Blair, Fernandes, Marshal, Shuman, Easter

ABSENT: Allen, Atwell, Lublin, Wlodarczyk

There being a quorum present, the meeting was declared in session.

OTHERS PRESENT: DDA Managing Director Pesta, Finance Director Barlass, Police Chief Shakinas, Confidential Assistant Jaquays

REQUESTS FOR AGENDA CHANGES: None

APPROVAL OF THE MINUTES:

1. Regular DDA Meeting of March 3, 2020

DDA 05-01-20 APPROVAL OF THE MINUTES FROM THE MARCH 3, 2020 MEETING

Motion by Blair, supported by Ackley: CARRIED UNANIMOUSLY: To approve the minutes from the March 3, 2020 meeting.

2. Regular DDA Meeting of April 14, 2020

DDA 05-02-20 APPROVAL OF THE MINUTES FROM THE APRIL 14, 2020 MEETING

Motion by Blair, supported by Fernandes: CARRIED UNANIMOUSLY: To approve the minutes from the April 14, 2020 meeting.

CORRESPONDENCE: None

PRESENTATION:

1. Randy Thomas: Insite Commercial

Randy Thomas gave an update to the DDA Board on what is happening with the old Community Education Center (CEC) building but another proposed redevelopment of a property in the DDA district.

Mr. Thomas since the combined meeting and discussion about the future of the CEC property the school has run into a little issue with a hot spot on the property. Mr. Thomas said it was defined as an oil tank that had been removed from the property. Mr. Thomas said when the school was doing remediation of this site, on this particular hot spot, was identified and that moved into a Phase II of remediation and placing monitoring wells around that particular area to make sure there is not any ground water contamination. Mr. Thomas explained by doing that the State requires a year of testing over the summer, fall, and winter months and following spring depending on when the testing began before EGLE will give their approval and the school is at the tail end of this requirement. Mr. Thomas said the school board has isolated the area it is really not going to pose an issue that area will not be built on or that spot will be capped but it will not pose any public concern because it is deep in the soil. Mr. Thomas thinks in July he will be actively marketing the property. Mr. Thomas said he wants to include the DDA and planning commission in the process.

Mr. Thomas discussed a piece a property on the southeast of Pontiac Trail and Decker. Mr. Thomas said there is a small house to the west of the corner property and the family has chosen to put the house on the market. Mr. Thomas said the property is zoned RM-1 and a little over five (5) acres. Mr. Thomas said there has been interest from some developers to use the property for multi-family or senior or some sort of combination.

Executive Director Whitt said the city administration is working closely with Mr. Thomas on both parcel and will coordinate as best we can any activity the city requires as manager and Executive Director to facilitate the use of the 6.45 acres and city through the red tape like we did the with the 1010 building years ago. Executive Director Whitt said the DDA will gather the information together and have it to distribute to help improve our downtown. Mr. Whitt said there is full cooperation to get those two parcels developed.

UNFINISHED BUSINESS: None

NEW BUSINESS:

EXECUTIVE DIRECTOR REPORT:

1. Update on Downtown Improvements: surveying & streetlamps enhancement

Executive Director Whitt said last month the city council rejected bids that came in for the downtown improvement project. Mr. Whitt said the city went back out to bid and is waiting for the bid results. Executive Director Whitt said the surveying from downtown has been slowed down as well as any rehabilitating the streetlamps. Mr. Whitt said there was discussion in months past to make the lights look better by painting them and it all has been put on hold dealing with the pandemic and as soon as the Governor allows us to get back to work and we believe it is safe then we will be back in business. Executive Director Whitt said the bids for some of the projects downtown should be in this week and will probably be presented to city council at the next meeting.

2. Update on round 1 Business Stabilization Grant

Executive Director Whitt said the round 1 of the business stabilization grant has been awarded. Mr. Whitt said a team was put together at the direction of Mayor Ackley. Executive Director Whitt said Mayor Ackley identified several businesses downtown and then it went to the County Executive to get his stamp of approval. Executive Director Whitt said the first round for Walled Lake was the Segway dealership in the amount of \$3,600, Nino's Bakery received \$3,600 at the direction of the Mayor, Liz's Tailor received \$3,600, and Jennifer's Nails on the other side of Walled Lake Drive received \$3,600. Mr. Whitt said all these businesses are on the same side for the sidewalks. Mr. Whitt explained the situation that these business owners can contribute some of that money presumably rearrange their business and contribute to their part for redoing their sidewalks which is our intent from the Segway place all the way down across Pontiac Trail. Executive Director Whitt thanked Mayor Ackley for getting that done and working with the County.

Executive Director Whitt said there is another round of awards coming in but won't get into the names yet until we know that the County agrees with the Mayor's selection. Mr. Whitt said the focus is on the businesses that improve our downtown development district and soon as we are free to announce that the Mayor will. Executive Director Whitt congratulated the Segway dealership, Nino's Bakery, Liz's Tailor, and Jennifer's Nails who received the award and thanked the Mayor again for her input.

3. Curbside pick-up for downtown businesses

Executive Director Whitt explained what has been learned in terms of the pandemic that some of the renters downtown above those businesses in that area do not have garbage pick-up. Mr. Whitt said that residential garbage is being tossed out into the street. Executive Director Whitt said he personally worked with public works at least one time to re-bag the garbage and have it disposed of. Mr. Whitt said we are going to have to deal with the business owners who own the property to get them to use curbside pickup and pay for it. Executive Director Whitt it appears some of the owners have been getting a free ride for some time so now it will require code enforcement and legislation and if anyone knows the property owners downtown tell them they need to contact refuse company and arrange pickup or it will have to be dealt with another way.

4. Discussion – MI Airline Trailway Phase 2 associated costs

Executive Director Whitt said for the trailway phase 2 and the costs associated the city has seen a substantial increase in what was promised to the voters, where 55% of the people in Walled Lake voted against spending anymore city money. Mr. Whitt said the trail was pedaled to the taxpayers as a no cost to them and to date the city has spent \$87,000 and we still have not received an audit nor has the city received a response. Executive Director wants all the boards and commissions and council to understand this is costing a lot more than when and is identified. Mr. Whitt said it is not a true statement to say that grants are somehow funding Walled Lake; the city is getting deeper every day.

Finance Director Barlass said for fiscal 20 Walled Lake has paid \$87,000 in engineering costs so far this year and every month the city gets another bill from the City of Wixom to pay our 30% for engineering so at this point it is unclear how much more Walled Lake will be paying before the end of this fiscal year. Ms. Barlass says as the city stands now, we are at \$87,000 in expenditures for the trailway.

Executive Director Whitt said the trail is being brought up because there continues to be discussion on how the trail is paying for itself or that there are grants coming in or that other money is funding the trail. Mr. Whitt said the citizens of Walled Lake are funding the trail when they were told it was going to be no cost to the city and 55% of the voters said they were oppose on spending city tax dollars on the trail. Executive Director Whitt said also there has still been no audit and no final agreement either. Mr. Whitt said there is no explanation on where the money has been going from the beginning until now. Mr. Whitt said there will be on the next council agenda the expenditure that has been spent on the trail.

Chairman Ambrose asked what the total amount is on what the City of Walled Lake has paid for the Airline Trail.

Finance Director Barlass said she will get that total for him by the next meeting DDA or council meeting. Ms. Barlass said in the last fiscal year the City spent \$30,000 and knows there was money spent prior to that as well.

Chairman Ambrose said he hopes to get some answers tomorrow from the trail manager on an end date with the trail project before Phase II begins which is extending the trail starting from Wixom to Milford.

Mayor Ackley said the trail expenditure needs to be discussed because the Walled Lake voters voted against spending money on the trail. Ms. Ackley said she understood that the extension from Wixom to Milford was between those two communities and had nothing to do with the MI Airline Trail and now all of sudden Wixom and Milford want that to go through the Michigan Airline Trail.

AUDIENCE PARTICIPATION:

Council Member Woods said he called into the Trailway meeting last month and some of the extra comments and discussions were about adding drinking fountains on the trail and connecting the newer condos in Wixom just east of Gunnar Mettala Park to the trail however the trail manager did not discuss the cost with those additions or how it was going to be paid for. Mr. Woods said the trail manager asked for a wish list to be put together for the trail to add into the project.

Council Member Costanzo said, "Let me talk about the trailway real quick since we are talking about the numbers and it came up on the agenda here. So, when the trail first got proposed I am going to give you some finding numbers. The DNR Grant \$1,700,000, the Ralph C Wolfson Foundation was \$1,300,000 for Phase I and another \$900,000 for Phase II to the trailway council. The Mike Levine Foundation contributed \$220,000. The DNR chipped in another \$50,000 when Walled Lake came into this program the estimated cost for the trailway development was \$420,000 because they went out and got all these grants the TAP grant, the Mark Levine Foundation donation, and Ralph C Wolfson Foundation it actually reduced the cost from \$420,000 to \$87,000. So, the cost has come down considerably because of the efforts of the trailway council as a body. The bridge we have heard so much because it has been characterized in the past the grant money has been used on the bridge. The bridge was paid for from a SEMCOG grant along with Commerce Township funding it did not come from Walled Lake."

Council Member Costanzo said, "The 55% of the voters that turned it down, what they turned down was a tax increase that was on the ballot. They did not reject the trail so to characterize that may not be entirely accurate. The trailway council there has been no contributed for this year because they are operating out of fund balance, not all the money was used from the Ralph C Wolfson Foundation and the funds contributed from the past, they are operating out of fund balance. In other words, they are using money that is in the bank right now. The trailway is, being part of the trailway council helps them apply for the grants and get donations as a body as a whole if they split up in separate communities it is much harder to get the grants. Phase II we are not contributing any money to Phase II, that is between Wixom and Milford, it is just as a body on the application process. I have attended as many as these meeting as my colleagues as well, there is no coming for Phase II from Commerce and Walled Lake that is a separate deal with Wixom and Milford."

Council Member Costanzo said, "We heard at the beginning from the presentation from the gentleman marketing the property. The trailway is a huge selling piece in marketing that property and being part of this trailway council what they have done versus a paved multi use trail to what was being proposed before of just a stone gravel trail that would have been much more high maintenance as we heard from the many studies. When we look at the numbers look at all the numbers."

Council Member Owsinek said the \$87,000 that is just for this year. Mr. Owsinek said the trailway wants to spend money to put a stripe down the middle of the trail. Mr. Owsinek asked are they going to put a no passing zone sign on the trail now too? Mr. Owsinek said the trailway began in 2009 and here we are ten (10) years later we still have no audit and it has been difficult to get financial statements to do an audit.

Mr. Owsinek said here we are ten (10) years down the road no audit, no accountability and yet they say Walled Lake is not going to be involved with the Phase II and does not believe that for one second. Mr. Owsinek asked when does the cost stop and when do we take care of our own portion? Mr. Owsinek said one needs to know when enough is enough. Mr. Owsinek said the City spent \$87,000 this year alone and \$30,000 last year and it is time to stop messing with the

taxpayers. Mr. Owsinek said there is no end in sight and Walled Lake has been suckered in every year since we have been in this trail group and have been short skirted and held hostage.

Chairman Ambrose said he understands the cost came in lower for Walled Lake and there were some grants that were beneficial but the reason our cost came in lower is because from the original estimate of the trail when it was put out to bid the true bidding came in substantially lower and the city was fortunate enough to keep the amount of the grants given to us thus lowering our overall costs. Mr. Ambrose said however the continuation of the engineering cost goes on and on. Mr. Ambrose said the trail council talked about putting in drinking fountains and drinking fountains are not just put in without significant more engineering work and studies. Mr. Ambrose added that the trail discussed striping the trail and that is an additional cost to the city, like we need to stripe the trail, it is not a highway.

DDA Board Member Marshal said Walled Lake does not need drinking fountains on our portion of the trail, let Wixom put them in and there is no need for striping on a trail that is three feet wide. Mr. Marshal said it makes no sense to him.

Mayor Ackley said the trail has some money left from a grant so the trail manager is trying to find ways to spend it but the grant money does not cover engineering costs. Ms. Ackley said the engineering costs going to Wixom is what is crippling the City's budget. Ms. Ackley said even though Mr. Costanzo thinks we have not spent any money this year because there is a fund balance \$87,000 is a lot of money not spent and the city has no choice in this and we are still paying at the higher percentage.

DDA Board Member Fernandes said she is concerned about the money being spent the taxpayers of Walled Lake did vote not to put anymore money towards the trail. Ms. Fernandes said an audit should not be that hard to put together the manager has to submit annual reports to give to the grantors to let them know the money is being spent as originally identify in the grant. Ms. Fernandes said a grant should not be that hard to come by since most of it is grant money as stated by Council Member Costanzo. Ms. Fernandes asked to see those numbers and it is a simple request from Walled Lake.

Mayor Ackley said we have been requesting it. DDA Board Member Fernandes said what is the trail reasoning for not producing the numbers, this should all be public knowledge. Mayor Ackley said Council Member Owsinek brings it up every meeting and the manager just keeps saying he is working on it and has some pricing on the cost of an audit and that is as far as he will discuss the matter. Ms. Ackley said the trail won't even go forward with the required yearly audit let alone go back and start from the beginning.

DDA Chairman said with the grant money that is left over that keeps being discussed does not mean it is free if Walled Lake has to keep spending money to get the free money.

WARRANT REPORT:

**DDA 05-03-20 APPROVAL TO RECEIVE AND FILE THE WARRANT FOR
APRIL 2020**

Motion by Blair, supported by Easter: CARRIED UNANIMOUSLY: To receive and file the warrant for April 2020.

ADJOURNMENT:

DDA 05-04-20 ADJOURNMENT

Motion by Blair, seconded by Fernandes; CARRIED UNANIMOUSLY: To adjourn the meeting at 4:43 p.m.



Chelsea Pesta
DDA Managing Director



Casey Ambrose
DDA Chairman