

DOWNTOWN DEVELOPMENT AUTHORITY MINUTES FINAL FEBRUARY 15, 2006

A meeting of the Downtown Development Authority was held on Wednesday, February 15, 2006 in the Lower Level Conference Room of Troy City Hall, 500 W. Big Beaver Troy, Michigan. Alan Kiriluk called the meeting to order at 7:30 a.m.

PRESENT: Michael Culpepper
 Stuart Frankel (departed 9:02 a.m.)
 David Hay
 Michele Hodges
 William Kennis
 Alan Kiriluk
 Daniel MacLeish
 Carol Price
 Ernest Reschke
 Louise Schilling
 Douglas Schroeder
 Harvey Weiss

ABSENT: G. Thomas York

ALSO PRESENT: John Szerlag
 John Lamerato
 Brian Murphy
 Lori Bluhm
 Doug Smith
 Mark Miller

EXCUSE ABSENT MEMBERS

Resolution: DD-06-01
 Moved by: Kennis
 Seconded by: MacLeish

RESOLVED, That York be excused.

Yeas: All (12)
 Absent: York

NEW BUSINESS

A. Election of Chair

Resolution: DD-06-02
 Moved by: Kennis
 Seconded by: Hodges

RESOLVED, That Alan Kiriluk be elected Chairman of the Troy Downtown Development Authority for 2006.

Yeas: All (12)
Absent: York

B. Election of Vice Chair and Secretary/Treasurer

Resolution: DD-06-03
Moved by: Hodges
Seconded by: MacLeish

RESOLVED, That Tom York be elected Vice Chairman and John Lamerato Secretary/Treasurer for 2006.

Yeas: All (12)
Absent: York

C. 2006 Meeting Schedule

Resolution: DD-06-04
Moved by: Kennis
Seconded by: Reschke

RESOLVED, That the Board adopt the 2006 meeting schedule, which shall be attached to the original copy of these minutes.

Yeas: All (12)
Absent: York

APPROVAL OF MINUTES

Resolution: DD-06-05
Moved by: Hodges
Seconded by: MacLeish

RESOLVED, That the minutes of the December 21, 2005 regular meeting be approved.

Yeas: All (12)
Absent: York

OLD BUSINESS

A. Corridor Study Update

Doug Smith gave an update on the Corridor Study.

B. Citizen Education Initiative for DDA

Resolution: DD-06-06
Moved by: Hodges
Seconded by: Culpepper

RESOLVED, that the Board request the Executive Director to develop an RFP for the Citizen Education Initiative.

Yeas: All (11)
Nays: Frankel
Absent: York

NEW BUSINESS (cont.)

D. Upcoming Vacancy of Executive Director

Resolution: DD-06-07
Moved by: Culpepper
Seconded by: Schilling

RESOLVED, that Doug Smith be named Acting Executive Director effective March 13, 2006.

Yeas: All (12)
Absent: York

E. Change to Bylaws

Resolution: DD-06-08
Moved by: Culpepper
Seconded by: MacLeish

RESOLVED, That the Board wishes to discuss the amendment of Article IV, Section 4 at its next Board meeting by adding "or other designated person" to this Section.

Yeas: All (12)
Absent: York

F. DDA Position on Excluding Monarch

The Board reviewed various components and ramifications of removing the Monarch from the district including: Bonding Capacity, Donors vs. Consumers, Taxes.

Resolution: DD-06-09
Moved by: Reschke
Seconded by: Hodges

WHEREAS, the current Troy Downtown Development Authority boundaries include only 31% of the property that is in the proposed Monarch residential development; and

WHEREAS, this action would limit the ability of the DDA to fund any recommendations resulting from the Big Beaver Corridor Study; and

WHEREAS, residential property, particularly high-density residential and mixed use developments (PUD's) are critical elements to the long-term growth of the corridor; and

WHEREAS, according to our Municipal Finance Advisor, Bendzinski & Co., the following reasons were given not to reduce the boundaries of the DDA: 1) The City and Downtown Development Authority (DDA) has a "moral obligation" to bond holders to continue, at a minimum, the boundaries of the DDA; 2) The initial projections as to anticipated growth within the DDA have not been met; 3) Debt service coverage was based on projections of growth. The current debt service coverage has not met the requirements of the Plan or insurance commitments. By Changing the boundaries of the District, the City would be acting in bad faith to its bond holders; and 4) The DDA and the City would have to make a "disclosure of a material event" to all bond holders, insurers and rating agencies; and

WHEREAS, the DDA would no longer capture non-city taxes (currently 40% of the tax capture \$226,000) to fund public infrastructure projects in the DDA; and

WHEREAS, the taxes continuing to flow into the general fund from the base year determinations of 1993, exceed the amount of expenditures required to provide public services in the DDA district;

THEREFORE, BE IT RESOLVED, that the Troy Downtown Development Authority supports retaining the current boundaries and opposes any modifications including the removal of the Monarch Project.

Yeas: All (12)
Absent: York

PUBLIC COMMENT

Two visitors in attendance addressed the Board.

The meeting was adjourned at 9:05 a.m.

Next Meeting: March 15, 2006 @ 7:30 a.m. @ Troy City Hall, Lower Level Conference Room

Alan Kiriluk, Chairman

John M. Lamerato, Secretary/Treasurer