

NOTICE

DOWNTOWN DEVELOPMENT AUTHORITY (DDA)

The Shelby Township DDA will meet hold its regular meeting on Tuesday, January 10, 2017 at 7:00 pm in the Lobby Conference Room at the Shelby Township Municipal Building at 52700 Van Dyke, Shelby Township. The agenda for the meeting includes the following:

Call Meeting To Order: Chairman

Roll Call: Secretary

Approve Minutes:

- September 2016

Consultant:

- TBD

Old Business:

- DDA Façade Grant Program

New Business

- 2017 DDA Goals & Priorities
- How to promote our DDA Liquor License availability to perspective businesses that want to locate in DDA District
- New business expansions in DDA District

Treasurer's Report:

Financial Report - Gene D'Agostini

Committee Reports:

Economic Restructuring & Design

Jeff English

Organization

Pat Rabaut-Miller

Promotion

Kevin Karwowicz

Comments:

Correspondence:

(586) 731-5100 **Charter Township of Shelby** (586) 726-2731 TDD
Individuals with disabilities requiring auxiliary aids or service at the meeting should contact
the Shelby Township Clerk's Office at 586-731-5102, TDD 586-726-2731



**Charter Township of Shelby
Downtown Development Authority**

**Meeting Minutes – September 13, 2016
Shelby Township Municipal Building
52700 Van Dyke – Shelby Township, MI 48316
(Lobby Conference Room)**

Call to Order: Greg Gagnon called the meeting to order at 7:05 p.m.

Members Present: Jeff English, Paula Filar, Greg Gagnon, Bill Hellebuyck, Kevin Karwowicz, Jeff Swartz, Rick Stathakis

Members Absent: Gene D’Agostini, Pat Rabaut Miller

Guests Present: Craig Cowper

Approval of Meeting Minutes: Greg Gagnon explained that was a problem with the recording of the July meeting minutes. Jeff English made a motion to approve the meeting minutes, seconded by Kevin Karwowicz. Motion carried.

OLD BUSINESS:

DDA Façade Grant Program: Greg Gagnon mentioned that notes were passed out a couple of months ago from the Mt. Clemens DDA and everyone was asked to come back to this meeting with feedback and ideas for Shelby Township. There was discussion that the matching grant should not exceed \$10,000. Jeff Swartz thinks that we should not limit it to \$10,000. Paula Filar said the wording should be as such: “The matching grant would be awarded up to \$10,000. Additional funds over \$10,000 may be awarded under special circumstances at the discretion of the DDA Board.” This program would be for rehabilitation and renovation, not new construction. There was discussion about what is included in “façade”. Jeff English questioned the application process for applying for the grant as well as how and when the money would be awarded. The Mt. Clemens program was reviewed and modified for Shelby Township.

NEW BUSINESS:

How to Promote Our DDA Liquor License: Paula Filar found out that the going rate for a liquor license in Macomb County is approximately \$40,000-\$45,000 based on the last few licenses that were given out. A business can purchase a license from Macomb County for use anywhere in Macomb County. Shelby Township only has one license left. Once Shelby Township runs out of licenses, the licenses become more valuable. Paula Filar asked if our goal was to recruit new businesses in the DDA. She suggested coming up with a marketing piece or something that explains the process for obtaining a license that can be handed out at the Planning & Zoning counter. The license can also be promoted through our website, Facebook, and the DDA newsletter. Kevin Karwowicz will put something together by the next meeting.

New Business Expansions in DDA District: Nothing to report at this time.

TREASURER’S REPORT:

Financial Report: Gene D’Agostini was not present to report.

Budget Allocations 2017: The proposed budget for 2017 compared to the 2016 budget allocation:

	<u>2016</u>	<u>2017</u>
Meeting Fees	\$500	\$300
Office Supplies	\$0	\$200
Organization	\$6,000	\$3,000
Economic Restructuring	\$35,000	\$35,000
Façade Grant	\$0	\$50,000
Promotions	\$5,000	\$2,500
Other Expenses	\$500	\$500
General Admin Fee		

The general administrative fee will come from Allan McDonald in Finance.

The amended 2016 budget is as follows: Meeting fees \$200, office supplies \$100, organization committee \$100, economic restructuring \$14,000, promotion \$100, office space \$0, other expenses \$100, general administrative fee is determined by the Finance dept.

Paula will send a copy of the proposed budget to Allan and the DDA Board.

Motion by Jeff English to approve the amended budget for 2016 as discussed, seconded by Jeff Swartz. Motion carried.

Motion by Paula Filar to approve the 2017 budget as discussed, seconded by Jeff English. Motion carried.

Projected surplus: \$152,000

COMMITTEE REPORTS:

Economic Restructuring & Design: Jeff English had nothing to report.

Organization: Pat Rabaut Miller was not present to discuss.

Promotion: Kevin Karwowicz had nothing to report.

COMMENTS: None.

CORRESPONDENCE: None.

FUTURE AGENDA ITEMS:

- Promotion of the DDA Liquor License

Motion by Bill Hellebuyck to adjourn the meeting at 8:20 p.m., seconded by Jeff English. Motion carried.

Shelby Township DDA Façade Grant Program Overview & Guidelines

What is the Shelby Township DDA Façade Grant Program?

The program offers grants to businesses and/or property owners in the Downtown Development Authority Tax Increment Funding (DDA TIF) district to renovate and rehabilitate building facades. This program is offered by the DDA to leverage private improvements that contribute to the overall aesthetics of the district while making revitalization efforts affordable, creative and community-based.

The program offers a Façade Matching Grant Program: The DDA will provide a 1/1 matching grant for the cost of eligible and approved façade improvements. The matching grant shall not exceed \$10,000.

The Shelby Township Downtown Development Authority (DDA) Economic Restructure & Development Committee administers the Façade Grant Program.

The grant will be offered on an ongoing basis as funding permits until terminated by the DDA. The award amount is based on available funds, applicants and other variables. The grant will be allocated to façade, signage, awning, and other eligible projects, and is available to tenants, business and property owners. Larger grants may be considered at the discretion of the DDA Board only.

Who can apply for funding?

Any building owner or store proprietor/tenant with lease authority or authorization from the owner can apply for funding. Eligible properties can be commercial, including non-profits, or residential as long as they are located in the DDA District.

What types of improvements are eligible for funding?

- New signage, including monument style, projecting, and wall mounted (must have the ability to change lettering)
- New awnings or the renovation/restoration of existing awnings
- Reparation, renovation or restoration, removal of signage
- Exterior façade painting and/or paint removal
- Masonry repair and repainting
- Reparation, restoration and replacement of architectural details and materials
- Exterior lighting

Ineligible Expenditures:

- Improvements made prior to grant approval
- Interior rehabilitation unless deemed essential with regards to the building's façade improvement
- Interior decoration (i.e. wallpaper, paint, light fixtures, furniture, ext.)
- Refinancing of existing debt
- Inventory and equipment
- Sweat equity (payments for applicant's own labor)
- General or routine maintenance and cleaning
- General business operations expenses (payroll, taxes, utilities, etc.)

How are projects selected for funding?

Applicants will be evaluated by the DDA Façade Committee (Economic Restructure & Development Committee). Depending on the number applications, we may assign “waiting list” status to projects that qualify for selection, but are not selected during this current funding period. The grant is limited to one grant application per property per calendar year unless otherwise approved by the DDA. Applicant approval is at the sole discretion of the DDA.

The evaluation criteria are as follows:

- **Impact** – Overall impact of the project in the Shelby Township Downtown Development Authority District
 - Are inappropriate design elements removed?
 - Will the project eliminate what was previously a liability for the commercial district?
 - Does the project seek to restore the historical or architectural significance of the building?
 - Will the work performed be transferrable to a future business/property holder?
- **Financial leverage**
 - Projects that leverage a greater private investment will be considered at a higher priority
- **Cost/Schedule**
 - Is the project feasible in cost and schedule?
- **Sustainability/Performance**
 - How permanent are the improvements (signs are more changeable than new glazing, for example) and is there a maintenance plan for improvements?
 - Does the business own the building? If not, how much time remains on the leases?
- **Community Contribution**
 - Is the application a positive presence in the community? Do they demonstrate a “good neighbor” policy towards other business owners?
 - Is the area around the business kept clean and free of debris on a consistent basis?
 - Does the business participate in organized promotions or other community based activities?
 - Does the applicant actively promote the Shelby Township DDA and their own business?

Are there design Guidelines?

Yes. All projects must be approved in the applicable local, state, federal, and/or other licensing authority. This includes; but is not limited to, building and sign codes or ordinance. It is the responsibility of the applicant to apply for, and pay for, these permits.

Are there additional funds for design assistance?

Yes. The DDA may provide up to \$1,000 (no dollar for dollar match required) for professional architectural and design services. This must be from a professional firm not associated with the contractor performing the work. Like construction costs, these funds will be reimbursed once construction is completed and a final certificated of occupancy or other form of government approval is granted.

Other provisions:

Equal Employment Opportunity: The applicant, for itself and its contractor, shall comply with all applicable provisions of federal statutes and regulations concerning equal employment opportunities for persons engaged in rehabilitation work undertaken in conjunction with program assistance.

Eligible Contractors: The applicant shall award contracts for work to qualified contractors only.

Property Taxes, Special Assessments: No financial assistance will be provided from the Façade Grant Program if property taxes or special assessments are in default.

Improvement made pursuant to the grant shall be considered real estate fixtures.

How does the application process work?

Grant funds are disbursed on a reimbursement basis and cannot be issued until the proposed project has been completed and Shelby Township, or other licensing authority issues a certificate of occupancy or completion of the project being considered. **Work completed prior to the award letter will not be eligible for grant funding.**

Application Process

1. Contact the Shelby Township Economic Restructure & Development Committee member prior to submitting application. The member will explain and provide consultation on application process. The DDA may also require applicants to discuss their project plans at their monthly meeting. Additionally, the Committee may provide design assistance/recommendations (free) to applicants depending on the scope of the project.
2. Complete grant application in full. Complete applications will include:
 - Application for and Representation and Conditions form
 - Illustrations of the proposed work or architectural drawings including dimensions
 - Evidence of building department approval for proposed work
 - Photos of the site and its relationship to adjacent sites
 - Color samples and texture of finish materials, where applicable
 - Contractor proposals -a qualified contractor proposal is required. At the discretion of the committee, additional contractor qualifications may be requested.
 - All building construction plans as may be required by the Building Department, where applicable.
 - Projects totaling more than \$2,500 require at least 2 contractor bid proposals.

Deadline

1. Applications are accepted on an ongoing basis.
2. The DDA will review the applications, make a recommendation to approve or reject the application at its sole discretion. There is no appeal from the DDA's decision.
3. Grant applicants will be notified following the DDA Board Meeting usually held on the 2nd Tuesday of the month, whether their project will receive funding. The notification will outline the specified amount of the grant, as well as other requirements, if any. The applicant can then proceed with any additional permitting and review process that the Township of Shelby Township will require.
4. If an application is denied, it may be reconsidered at a later date.

All applications must be returned to:

Shelby Township Downtown Development Authority
52700 Van Dyke Avenue
Shelby Township, MI 48316-3572

What happens after a project is selected for funding?

1. Renovation/rehabilitation work must be completed within six (6) months of approval. Depending on the scope of a project, extensions may be requested on a case-by-case basis. The DDA reserves the right to cancel the grant in the event of failure to comply with this schedule.
2. The applicant is responsible for obtaining all building permits and any other required permits for the work to be done. The applicant is responsible for conformance with all applicable federal, state and local codes, laws, and/or ordinances.
3. The applicant agrees to maintain the property and improvements.
4. The DDA Grant Program may utilize any approved project including, but not limited to, displaying a DDA sign at the site, during and after construction, and using photographs and descriptions of the project in DDA materials.

How do I get reimbursed for my project?

Funds will be released to the applicant upon construction completion, satisfactory inspection, receipt of certificate of occupancy or completion and proof of matching funds, the same to include the following:

1. Submit a financial summary report, copies of invoices and waivers of lien from contractors (and subcontractors, if applicable), proof of necessary building permits and photos of completed project. Costs must be itemized with comparisons to original application budget. You must submit the DDA Façade Grant Program Request for Reimbursement form, which will be provided upon approval.
2. Committee members will vote to authorize payment, and funds will then be dispersed if all the work has been completed in accordance with the grant approval.

Note: Shelby Township Downtown Development Authority reserves and maintains the right to make changes in the terms and conditions of the Façade Grant Program as it from time to time deems necessary.

Charter Township of Shelby Public On-Premises Liquor Licenses

Related Information Report Revised: July 12, 2016

Section 521a of the Michigan Liquor Control Code of 1998 allows cities, villages and townships the ability to “enhance the quality of life for their residents and visitors to their communities” by issuing *public on-premises liquor licenses* in addition to quota liquor licenses allowed in these municipalities.

Public on-premises liquor licenses can be issued to those businesses located in either a Redevelopment Project Area or in a Development District established by the local municipality. The minimum public and private real and personal property investment that needs to have taken place in a “Redevelopment Project Area” is \$50,000,000 over the previous three (3) years and the minimum investment that is required to have taken place in a “Development District” is \$200,000 over the previous five (5) years.

Because the total property investment requirement is much higher for establishing a Redevelopment Project Area as opposed to a Development District, the Shelby Township Board of Trustees approved the designation of the existing Charter Township of Shelby Downtown District as the *Charter Township of Shelby Development District* for the purposes of issuing public on-premises licenses. Other types of development districts that can also be designated as a development district under the act are a district established under the tax increment authority (TIFA) act, a development area established under the corridor improvement authority act and an area established as a principal shopping district (PSD).

Part of the process of establishing the Township’s Downtown District as a Development District is having the Township Assessor sign an affidavit attesting to the amount of public and private investment that has taken place within the Development District over the past five (5) years. This affidavit is also required to be filed with every application for an on-premises liquor license in the future. The Charter Township of Shelby Township Board of Trustees has the ability to approve one public on-premises liquor license for each \$200,000 of total property investment that has occurred in the established Development District over the previous five (5) years. The Liquor Control Commission will not issue a public-on-premises liquor license on a newly constructed building. These licenses can only be approved for businesses that will occupy a building where at least \$75,000 has been spent rehabilitating or restoring the structure over the previous five (5) years or a written commitment has been made to invest at least that same amount in rehabilitating or restoring the building where the business will be located.

All businesses that apply for a public on-premises liquor license must be engaged in dining, entertainment or recreation must be open to the general public and must have a seating capacity of at least 25 people. The initial enhanced license fee for an on-premises liquor license is \$20,000. The form that would be required to be filled out is Michigan Liquor Control Commission Retail License & Permit Application. This form (LCC-100) is available on the Michigan Liquor Control Commission website and will automatically calculate fees when opened using Adobe Acrobat Reader. Before applying for a public on-premises liquor license the business must also obtain a recommendation from the local legislative body and must attach the Local Government Approval Form (LCC-106) to their application.

These public on-premises liquor license licenses cannot be transferred by the Michigan Liquor Control Commission to another location. If the licensee goes out of business, they must surrender their license to the commission. The Township may approve another applicant within the development district to replace the business who has surrendered their license to the commission provided that the new applicant's business meets all of the same property investment and business requirements of the act.

The individual signing the application for the public on-premises liquor license must demonstrate that they attempted to secure an appropriate on-premises escrowed license or quota license and that, to the best of his or her knowledge, an on-premises escrowed license or quota license was not readily available within the county in which the applicant proposes to operate. An "escrowed license" is a license in which the rights of the licensee in the license or to the renewal of the license are still in existence and are subject to renewal and activation in the manner provided for in the Michigan administrative code. "Readily available" means available under a standard of economic feasibility, as applied to the specific circumstances of the applicant, that includes, but is not limited to, the fair market value of the license based on where the applicant will be located, the size and scope of the proposed operation, and the existence of mandatory contractual restrictions or inclusions attached to the sale of the license. Please contact the Michigan Liquor Control Commission at (866) 813-0011, choosing the "Licensing Option" for more detailed instructions on the statutory requirement of demonstrating that one has attempted to secure an appropriate on-premises escrowed license that is readily available in Macomb County.

This information was taken from MCL436.1521a, as amended, and is not meant to be an all-inclusive list of all of these rules and regulations, but are an attempt to present all of the significant information regarding applying for an on-premises liquor license. For additional information on these statues please contact the Shelby Township Assessor, Matthew Schmidt at mschmidt@shelbytwp.org or at (586) 803-2000 or the Michigan Liquor Control Commission at mlccinfo2@michigan.gov or at (866) 813-0011.

Public On-Premises Liquor Licenses (Municipal Procedural Development Options)

Public Act Number: 270 of 2014
Amended: Michigan Liquor Control Code of 1998
Sections Amended: 521a
Amendatory Change: Allows cities, village and now TOWNSHIPS to issue public on-premises liquor licenses in addition to quota liquor licenses already available under the act.

Business Must be Located in a:	Redevelopment Project Area	Development District
Municipality Must First:	Pass a Resolution Establishing Area Can Define Any New District Area	Pass a Resolution Establishing a District? Can Define an Existing District Including a: Downtown District
Assessor Affidavit Required:	Yes	Yes
Time Period:	3 Years Prior to Application Date	5 Years Prior to Application Date
What is Required:	Total Property Investment is 50 million Commercial Investment is 25% of Total	Total Property Investment is \$200,000
Business Requirements:	Must be Open at Least 10 Hours per Day Must be Open at Least 5 Days per Week Must Demonstrate that Another On-Premises Escrowed License or Quota License is Not “Readily Available” in County	Rehab/Restoration of Building is at least \$75,000 Engaged in Dining, Entertainment or Recreation Must be Open to General Public Seating Capacity is at Least 25 People Must Demonstrate that Another License is Not “Readily Available” in County
License Approval Requirements:	One for each 50 million over 1st 50 million	One for each \$200,000 over first \$200,000
License Fee:	None?	\$20,000
Can a License be Transferred?	No	No
If a License Holder Goes OOB?	License Surrendered to Commission	License Surrendered to Commission
Approve Replacement Business:	Yes (With Same Business Requirements)	Yes (With Same Business Requirements)