



Downtown Development Authority

City of Gladstone
1100 Delta Ave
Gladstone, MI 49837

Staff Report

Agenda Date: February 20, 2024
Department: Downtown Development Authority
Presenter: Patricia West

AGENDA ITEM TITLE:

Architecture & Engineering Fees (\$25,000) | 1000 Delta Ave | Patrick Johnson

BACKGROUND:

During the January 16, 2024 DDA Regular Meeting, the DDA Coordinator, Patricia West, began the discussion by giving a summary overview of the \$25,000 funding granted to Patrick Johnson in November of 2016. This overview referenced prior discussions documented in minutes as outlined on page 9 of the DDA Agenda packet for 01/16/2024. Following the summary, a staff recommendation was made to stop the payment of all outstanding funding commitments (\$6971.78) effective 01/16/2023 and require the previously paid out amount of \$18,028.22 be repaid in whole to the Gladstone Downtown Development Authority over the course of 24 months, with the first installment of \$9014.11 due January 31, 2025, and the second installment of \$9014.11 due January 31, 2026.

The discussion was then turned over to Patrick Johnson and Suani Nieto. They provided a thorough history of funding commitments and funding avenues pursued for the project to date.

Board members discussed the options below, but no formal motion was made:

- Stopping the payment of any outstanding funding to be owed and forgive the \$18,028.22 previously paid out in engineering fees.
- Stopping the payment of any outstanding funding to be owed and placing a lien on the property, which would be removed when the project comes to a completion, with yet to be identified parameters put in place.

Motion made by LeDuc, seconded by Becker to table the discussion until the February meeting in the interested of time.

Voting Yea: Becker, Bostwick, Lippens, Closs, Skwor, Silta, Neumeier, LeDuc

MOTION CARRIED.

FISCAL EFFECT:

\$25,000

SUPPORTING DOCUMENTATION:

- History of DDA Board Decisions Related to Architecture & Engineering Fees (\$25,000) for 1000 Delta Ave
- DDA Minutes
 - November 7, 2016
 - September 17, 2019

- October 15, 2019
- October 20, 2020
- October 21, 2021
- August 15, 2023
- September 19, 2023

RECOMMENDATION:

Stop the payment of all outstanding funding commitments (\$6971.78) effective today and require the previously paid out amount of \$18,028.22 be repaid in whole to the Gladstone Downtown Development Authority over the course of 24 months, with the first installment of \$9014.11 due January 31, 2025, and the second installment of \$9014.11 due January 31, 2026.