



Downtown Development Authority

City of Gladstone
1100 Delta Ave
Gladstone, MI 49837

Staff Report

Agenda Date: August 15, 2023
Department: DDA
Presenter: Patricia West

AGENDA ITEM TITLE:

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

BACKGROUND:

[Excerpt from Minutes] November 7, 2016

Pat Johnson is looking for funds for engineering costs (Engineer proposal packet reviewed) for renovations of the Rialto Center. He is proposing adding 3-4 new apartments upstairs and doing general remodeling of the commercial space as well as re purposing two of the commercial spaces on the ground floor. The engineering costs are a necessary part of the project for him to complete the project correctly as well as for any application to the state for grant assistance. If the city is successful in securing a rental rehab grant for this building it will open the doors for other buildings in the city for rental rehab in the downtown area.

Motion by Mark Roxbury; seconded by Derby Chase to approve up to \$25,000 for engineering costs for the Rialto Center to Pat Johnson. If the rehabilitation project does not take place 100% of the DDA funds shall be paid back to the DDA. MOTION CARRIED

[Excerpt from Minutes] October 20, 2020

Patrick Johnson reported that the Rialto Center retail space was now within one spot of being totally full and there are several options being investigated to fill that spot. He said that when the original \$25,000 Engineering Study was funded, the Rialto was anticipating an MEDC 75 percent funding and the remaining 25 percent by the Rialto's owners. Things changed at MEDC and Patrick reported that they were not able to come up with the cash needed to continue. Ron reported at over \$18,000 of the Engineering Study money was expended. Patrick Johnson committed to continue working to fill the building and improve cash flow and agreed to be responsible for the full Engineering monies if not brought to a conclusion.

City Manager Buckman said that a directory of business sign would be a good way to attract traffic. Patrick said that Delta Business Solutions next door had complete a tree trimming project that made the Rialto signage much more visible.

Motion by Derby Chase; seconded by Jay Bostwick to review this project again in one year (October 2021). ***MOTION CARRIED UNANIMOUSLY***

[Excerpt from Minutes] October 21, 2021

Patrick Johnson reviewed the status of the project. He discussed the original \$25,000 Engineering funds and Renée Barron confirmed that \$18,028 has been spent to date. Patrick said that the Rialto businesses are nearly full and that he is still looking to add another 3 apartments on the second floor. He said \$100,000 of personal funding is needed and reported that the sale of his former Chiropractic Office on Delta Avenue had added funding which will be used for this purpose.

Motion by Jay Bostwick; seconded by Erica Quinn to review this project again in one year (October 2022) ***MOTION CARRIED UNANIMOUSLY***

As of 08/09/2023, \$18,028.22 of the committed \$25,000 DDA funds have been paid towards this project.

FISCAL EFFECT:

\$25,000

SUPPORTING DOCUMENTATION:

- Committed Funding Breakdown and Payments
- DDA Minutes – November 7, 2016
- DDA Minutes – October 20, 2020
- DDA Minutes – October 21, 2021

RECOMMENDATION:

Staff recommends requiring 100% of the funds (\$18,028.22) be paid back to the DDA.