

**City of Ypsilanti
Downtown Development Authority**

**Operations & Finance Committee Meeting
Wednesday, September 13, 2017 – 8:30 a.m.
Ypsilanti City Hall – Council Chambers
1 S. Huron St, Ypsilanti**

Note Meeting Location Change

- I. Call to Order**

- II. Roll Call**

Adam Gainsley	P	A	Ruth Ann Jamnick	P	A
Ben Harrington (C)	P	A	Diana Wong	P	A
Steve La Chance	P	A			

- III. Approval of Agenda *(X)**

- IV. Approval of August 14, 2017 Minutes *(X)**

- V. Audience Participation**

- VI. Old Business**

- VII. New Business**
 - 1. 17 North – Redevelopment Liquor License (X)*

- VIII. Old Business**
 - 1. Recycling

- IX. Proposed Business**

- IX. Announcements/Comments**

- X. Audience Participation**

- XI. Adjourn** – Wednesday, September 13, 2017, SPARK East, 215 W. Michigan Ave.

Key: * = items requiring Committee action (X) = documents attached in packet

Ypsilanti Downtown Development Authority
Operations & Finance Committee Meeting
Monday, August 14, 2017 – 7:00 p.m.
SPARK East
215 W. Michigan Ave.

I. Call to Order 8:31

II. Roll Call

Adam Gainsley	P	Ben Harrington (c)	P
Steven La Chance	P	Ruth Ann Jammick	A
Diana Wong	A		

Others in Attendance: **Rasheed Atwater, Ypsilanti DDA**
 Joe Meyers, Ypsilanti DDA

III. Approval of Agenda (X)*

Adam Gainsley motioned to approve the agenda and Steve La Chance supported the motion. The agenda was approved by the committee.

IV. Approval of June 7, 2017 Minutes (X)*

Adam Gainsley motioned to approve the May 9th meeting notes and Steve La Chance supported the motion. The minutes were approved by the committee.

V. Audience Participation (3 minutes each) NA

VI. New Business:

1. Street Cleaning Policy
 - a. Joe opened the discussion of creating a policy for getting our streets cleaner. Discussion ensued over the problem areas.
 - b. Adam Gainsley supported using see-click-fix to help document the problems.
 - c. Joe indicated that the DDA is investigating some alternative options to just code enforcement in the district.
 - d. The Committee supported strengthening code enforcement and strictness.
 - e. Ben Harrington supported using an educational pamphlet to encourage residents and business owners to recycle and use the existing trash pick-up options.
2. Recycling
 - a. Joe Meyers discussed the possibility of using Bigbelly as a recycling option for the DDA.

- b. Adam Gainsley asked for more logistics of the receptor and analysis of what the contract and benefit of using Bigbelly would be.
 - c. Ben suggested using a cost-benefit-analysis and making a decision based off of the study.
3. Legal Services
- a. Staff informed the committee that they are investigating the different options for legal services and will have a recommendation in the next few meetings.

VII. Old Business:

1. DDA Budget-FY 2016/2017
- a. Joe presented the budget, showed where improvements were made and where work was still needed then fielded questions.
 - b. The committee discussed a proposal from Invisible Engines to create for a website and the cost of the new program. Invisible Engines is located in Landline in the DDA district.
 - c. Adam Gainsley motioned to recommend approval Invisible Engines proposal contingent upon the price being lowered. Steve La Chance supported the motion and it was approved. The price would come out of TIF Projects and would be split 33% from each district.
 - d. Discussion ensued over reinstating grant funding in downtown. Currently there is a total of \$5,000 total in grant funding total and with the budget situation slightly improving, the committee discussed transferring funds back into grants for this Fiscal Year.
 - e. Adam Gainsley recommended to raise the grant line items of the budget by 15,000 in account 413 allowing \$10,000 for rehab and façade grants. Steve La Chance supported the motion and the committee recommended the board approve the adjustment
2. Maple Street Lot Policy
- a. Discussion ensued over the Maple Street Lot policy.
 - b. Ben Harrington recommend the DDA adopt the city's special events policy in for rental of parking lots (attached).
 - c. Adam Gainsley recommended the city. Steve La Chance supported the motion and the committee made the recommendation.

VIII. Proposed Business: N/A

IX. Announcements/Comments: NA

X. Audience Participation: NA

XI. Next Meeting: Wednesday, September 13, 2017, 8:30 a.m., SPARK East, 215 W. Michigan Ave.

Adjourned at 9:00 p.m.

Key: (*) = items requiring Board action (X) = documents attached in board packet

CITY OF YPSILANTI DOWNTOWN DEVELOPMENT AUTHORITY

TO: OPERATIONS & FINANCE COMMITTEE
FROM: JOE MEYERS
SUBJECT: REDEVELOPMENT LIQUOR LICENSE APPLICATION – 17 N. WASHINGTON.
DATE: 9/8/2017
CC:

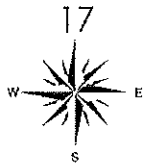
Melinda Ann O’Neill has turned in an application for a Redevelopment Liquor License (RLL) from the State of Michigan.

The review process as approved by the DDA states that when an application for an RLL is turned in to the City Clerk’s office, that it be directed to the DDA to review. The DDA will review the application at the appropriate committee level and make a recommendation to the full DDA board. If the recommendation is to approve/support the application, the YDDA board will review and formally vote on. If this is approved by the full board, it will be directed to the City Clerk and appropriate departments to forward to City Council for their consideration when deliberating a request to the Liquor Control Commission (LCC).

Per the approved DDA policy I have reviewed the submitted materials and created a bullet point list of what was provided and what is still needed for full consideration of the request. The items italicized are the items we still need addressed.

1. Evidence that the applicant has the right to possess the premises.
 - The applicant has provided a copy of the signed lease.
2. The applicant must meet all the requirement of PA 501 which include that it is engaged in dining, entertainment, or recreation, is open to the general public not less than 10 hours a day, 5 days per week, and has a seating capacity of not less than 25 persons.
 - The applicant has indicated that they will provide seating for more than 25 persons.
 - The business is scheduled to be open 7 days a week 15 hours a day.
3. For a proposed business, the applicant must demonstrate how the issuance of a license would prevent further deterioration in the DDA and promote economic growth.
 - Adding tax value through the purchase of new equipment – the law has changed on how personal property tax is generated so it is hard to judge this one.

- The business is planning on hiring as many local contractors as possible and create up to 10 new jobs.
4. The location is in compliance with the Zoning Ordinance.
 - The building is zoned Center for which a restaurant is a by-right use.
 5. Supply Certificate of Occupancy.
 - The applicant is required to get a Certificate of Occupancy prior to applying for the Official Redevelopment Liquor License. The quotes needed provided should bring the building to the level of getting a C of O.
 6. Supply evidence that all taxes are current.
 - *Applicant to supply proof that taxes have been paid prior to the September 13, 2017 Operations and Finance Committee Meeting.*
 7. Supply a written statement that the applicant will not violate any laws of the State of Michigan or ordinances of the City of Ypsilanti.
 - This was provided in the application.
 8. Supply a written statement that the applicant understands the City of Ypsilanti ordinance prohibiting public nudity.
 - This was provided in the application.
 9. Supply documentation that there has been or will be an investment of at least \$75,000 for the rehabilitation or restoration of the building. This may include furniture, fixtures, and equipment.
 - The applicant provided estimates of \$115,000 - \$171,371.27 of work to be completed prior to the liquor license being issued.
 10. Supply documentation that neither an on-premise escrowed license or quota license is readily available under a standard of economic feasibility, as applied to the specific circumstances of the applicant.
 - The applicant has provided the necessary documentation in the application.
 11. The applicant must acknowledge that the business will remain at the existing location while possessing the RLL and acknowledge the license is not transferable to another location.
 - This was acknowledged in the application packet.



17 North
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(734) 796-6175

MEMORANDUM

Date: 9/5/2017

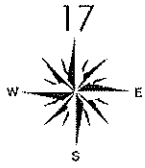
To: Joseph Meyers
Community Development Manager
Ypsilanti Downtown Development Authority
1 S Huron St
Ypsilanti, MI 48197

From: Melinda Ann O'Neill, President

Re: **New/Transfer Liquor License Assurances/Evidence**

Pursuant to the application requirements of the Ypsilanti Downtown Development Authority (YDDA) for a new/transfer liquor license, please note the following:

- **The Business Plan** for 17 North is attached, which lists numerous benefits to the City, including an estimate of how many employees the bar will hire.
- **Notarized Evidence** is attached from Harmony Lane, LLC (heretofore known as APPLICANT) that all attempts were made to acquire an escrowed license. This includes letters sent to escrow licenses currently in the transfer process.
- **Evidence** is attached that the APPLICANT has the right to possess the premises from the property owner, Beal Properties, LLC - see Lease Agreement.
- **Evidence** is attached that the APPLICANT is in compliance with the Zoning Ordinance, per City of Ypsilanti zoning map and the Ordinance.
- **Evidence** is attached that the APPLICANT has committed a capital investment of at least \$75,000 to be expended for rehabilitation or restoration of the building before the license is issued. See attached for itemized quotes.
- The APPLICANT **understands and assures** against violating any laws of the State of Michigan or the ordinances of the City of Ypsilanti in conducting the business where the liquor license will be used and recognizes that a violation on the premises may be cause for the City objecting to renewal of the license or requesting revocation of the license.
- The APPLICANT **understands and assures compliance** (see attached memorandum) with the City of Ypsilanti's ordinance prohibiting public nudity, **and is aware** that a violation of the ordinance on the premises where the liquor license is used will be cause for objecting to renewal of the license, or for requesting revocation of the license.
- The APPLICANT provides **assurance** that the premises will be open to the general public at least 10 hours a day, 5 days a week.
- The APPLICANT provides **assurance** that the premises will have a seating capacity of at least 25 people.



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MEMORANDUM

Date: 9/5/2017

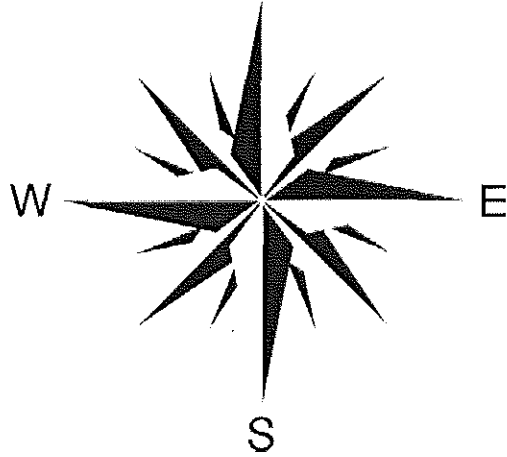
To: Joseph Meyers
Community Development Manager
Ypsilanti Downtown Development Authority
1 S Huron St
Ypsilanti, MI 48197

From: Melinda Ann O'Neill, President

Re: Assurance of Compliance with Washtenaw County Ordinance

Pursuant to the application requirements of the Ypsilanti Downtown Development Authority (YDDA) for a new/transfer liquor license, 17 North applicant understands and will comply with the City of Ypsilanti's ordinance prohibiting public nudity, and is aware that a violation of the ordinance on the premises where the liquor license is used will be cause for objecting to renewal of the license, or for requesting revocation of the license.

17



Business Plan:
17 North

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Executive Summary

The vision for 17 North is to establish a local restaurant/bar/music venue in the heart of downtown Ypsilanti. 17 North will provide a casual, relaxed atmosphere, live entertainment and top-notch food. Investing in this ideal location is an opportunity to attract locals and students as well as expand the market to all of Metro Detroit with a focus on community and urban planning. Music lovers and culinary snobs will come from near and far to enjoy 17 North.

Highlights

As a start-up restaurant and bar, the goal for 17 North is to increase the number of patrons by a minimum of 15% each year by offering attractable, affordable entertainment and food options. Knowing the restaurant industry is competitive in the area, the focus on developing a communal feel in a maturing city is the foundation for revenue. We believe the target market for this location includes a diverse group of young professionals to a middle-aged audience who looks to enjoy great food and people, have a safe and clean place to meet friends and/or bring family for an evening out. We will capitalize on this prospective audience by offering the best local options in food and entertainment with emphasis on engaging Ypsilanti locals and Eastern Michigan University students and faculty.

Objectives

- Capitalize on an excellent location offering a safe, clean and overall wonderful place to gather
- Boast an excellent menu that becomes a central attraction
- Offer consistent, quality entertainment by attracting established acts as well as up-and-coming artists/musicians/comedians
- Work with area committees and groups to launch community conversations and urban planning ideas (Engage@EMU, YCS, etc.)
- Identify community-based initiatives and offer a venue for support and awareness (National Kidney Foundation, Gift of Life Michigan, American Heart Assoc., etc.)

Mission Statement

Give customers an experience with food, atmosphere and entertainment comparable to none.

Keys to Success

- Family of investors who were born and raised in Ypsilanti
- Vested interest in being a part of the successful growth of downtown Ypsilanti
- Employ at least 10 staff, with preference to local residents and students – to ensure a true investment in the city
- Community engagement

Description of Business

17 North will bring a refreshing experience to the restaurant and nightlife scene to an historic venue in downtown Ypsilanti. The focus of the restaurant/bar is to offer great food at an affordable price while presenting options for nightlife and entertainment. With the city's business expansions over the past few years, we feel the restaurant/bar offering is directly in-line with the driving needs of the community, relative to the nearby university, local families and area professionals. 17 North will welcome a lunch-to-dinner crowd while remaining open through 2am to offer a late-night bar experience. The casual, clean and industrial décor will feature art from local vendors focused on Ypsilanti history, including EMU and a proud foundation for manufacturing. 17 North features a bar-style menu specializing in 'just really, good bar food' which will offer distinction from other downtown restaurants serving more of a dinner menu. 17 North will also feature a full selection of liquor and beer, a large dance floor, DJ booth, stage for live shows, multiple pool tables and large-screen televisions to accommodate a late-night club experience.

Company Ownership/Legal Entity

Harmony Lane, LLC is a sole-proprietorship owned by Melinda Ann O'Neill (nee Prince), a new LLC based out of Belleville, MI. Melinda Ann was born in Ypsilanti, MI and graduated from Willow Run High School. She has strong ties to the area, as over 30 family members still reside in the city. Melinda Ann, along with her husband, Dr. Jim O'Neill, are excited to invest in the community as they'd like to expand their strong roots for their family. Two of her seven children currently attend Washtenaw International Middle Academy in Ypsilanti, MI. This will be the first endeavor for Harmony Lane, LLC. Melinda Ann's family owned a restaurant in Saline, MI for over 10 years, where she and her mother built a successful business model based upon excellent food and superior customer service.

Location

17 North is in an ideal location for a restaurant/bar. Being a part of true downtown Ypsilanti is vital for this type of venue to succeed. Eastern Michigan University, home to over 25,000 students and faculty members, is located less than a mile away. EMU's College of Business resides only a few blocks away with the Ypsilanti Transit Center being steps from our front door. Located in the heart of downtown Ypsilanti, 17 North is in the perfect position for the walk-ability traffic the city needs.

Interior

17 North offers a large footprint for any business. Housing over 6,000 square feet, the overall theme lends to an industrial, rustic trend with a nod to college and family life. 17 North will highlight art from local students as well as the history of area schools and its legacy of manufacturing. Compartmentalizing the areas within 17 North will be a key to identifying natural spaces for dining, live entertainment and dancing. This will be done by table and furniture placement in order to transition each day from restaurant to evening entertainment venue.

Hours of Operation

17 North will be open every day from 11:00 a.m. – 2:00 a.m.

Products and Services

17 North will offer a small menu highlighting top-not bar food along with a full-service liquor, beer and wine bar. Events will vary depending on the night. 17 North will house events including but not limited to musical acts and comedy shows.

Suppliers

17 North will utilize as many local suppliers as possible. As noted earlier, the goal is to showcase the heritage and new trends of the City.

Service

Customer Service is one area in which 17 North will be a true leader. Following a Net Promotor Score format, we will take customer service to an entirely new level by keeping customers *and* employees happy and engaged. 17 North wants to be your neighborhood bar and grille, where families and students can stop in and experience kind souls who genuinely care about your day.

Management

Melinda Ann O'Neill will manage the overall business model and finances. Her background in running a family restaurant with her mother will be an integral part of what is needed to form a successful, employee and customer-focused venue. Many of the practices being put in place to run 17 North come from lessons learned while becoming a successful IT Executive focused on team-building and process-driven daily activities resulting in high revenue streams, customer-focused awards and employee retention. Dr. Jim O'Neill will support the business model boasting over two decades of successful consulting practices with a focus on research. Together, The O'Neills will operate and support the business financially. Bradley Angle will be 17 North's General Manager. With over three years of management in the restaurant industry, Bradley will handle the day-to-day decisions and employee needs as well as manage the club/bar in the late evening, including event scheduling and closing duties.

17 North will be a vision-based company with support mechanisms in place to ensure employees have a positive, healthy lifestyle by allowing work-life balance benefits including financial assistance with child care, flexible student schedules and paid transportation for those needing assistance with travel to and from work. Harmony Lane, LLC believes in promoting positivity in the work place which directly affects the daily health and well-being of employees.

Financial Management

As a start-up business, 17 North is projecting the following costs within the first year, based upon the current condition of the building as well as traditional up-front costs. A projected budget for operations is provided on the last page.

Renovations:

• Façade:	\$20,000
• Floor:	\$10,000
• Ceiling:	\$ 5,000
• Walls:	\$ 5,000
• Plumbing:	\$20,000
• Windows/Doors:	\$20,000
	<hr/>
	\$80,000

Equipment:

• Deep Fryers:	\$ 2,000
• Flat-top:	\$ 5,000
• Video Games	\$ 5,000
	<hr/>
	\$12,000

Signage and Advertising/Marketing:

• Signage:	\$ 5,000
• Advertising/ Marketing:	\$ 1,000
	<hr/>
	\$ 6,000

License/Insurance: \$2,000

Supplies: \$15,000

GRAND TOTAL \$115,000

Marketing

Market Analysis

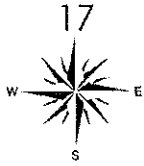
Local families, Eastern Michigan University students, and local professionals will be the primary target market for the restaurant/bar. We're expecting a big draw of 21- to 35-year-olds, as it will be the largest club within walking distance [from EMU] to the heart of downtown Ypsilanti. Melinda Ann has a well-established network from her role as a sports reporter for the Detroit Tigers and Detroit Pistons. She also brings a loyal following of contacts who support her efforts with Vista Maria where she was named Mentor of the Year in 2016. As a living kidney-donor she has worked very closely with Gift of Life Michigan as well as The National Kidney Foundation. She plans to utilize these networks heavily and depend on the great people of Ypsilanti for support. Using a combined social network (8,000+ Facebook friends and social media contacts), 17 North will book regional and national comedy and music acts on a weekly basis. Projected net revenue from each show will be \$4,000.

Advertising and Promotion

- Advertising primarily will rely upon the following strategies: Mobilizing social media (currently 8,000+ Facebook connections and social media contacts). We also plan on purchasing ad space on local billboards lining 94 near Huron.
- Utilizing existing partnerships in the community, including Engage@EMU (via Decky Alexander, Director) and local/regional music and comedy artists
- Maximizing sponsorships of area events (e.g., Heritage Festival, Elvis Fest, Car shows, EMU football games etc.), based upon community connections
- Hosting and sponsoring cause-based platforms (e.g., Gift of Life, American Cancer Society, American Red Cross etc.)

Projected Operational Expenses

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Controllable Expenses:												
Salaries/Wages	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
Advertising	50	50	50	50	50	50	50	50	50	500	50	50
Travel/Auto	50	50	50	50	50	50	50	50	50	50	50	50
Dues/Subs.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Utilities	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200	2200
Misc.	100		100		100		100		100		100	
Subtotal	7400	7400	7400	7400	7400	7400	7400	7400	7400	7400	7400	7400
Fixed Expenses:												
Rent	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000	5000
Depreciation												
Insurance	450	450	450	450	450	450	450	450	450	450	450	450
Permits/Licenses												
Loan Payments	250	250	250	250	250	250	250	250	250	250	250	250
Misc.	300	300	300	300	300	300	300	300	300	300	300	300
Subtotal	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000	6000
Total Expenses	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400	13,400



17 North
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AFFIDAVIT

Date: 9/5/2017

To: Joseph Meyers
Community Development Manager
Ypsilanti Downtown Development Authority
1 S Huron St
Ypsilanti, MI 48197

From: Melinda Ann O'Neill, President

Re: Attempts to Acquire an Escrowed Liquor License in Washtenaw County

Pursuant to the application requirements of the Ypsilanti Downtown Development Authority (YDDA) for a new/transfer liquor license, 17 North has made all reasonable attempts to acquire an escrowed liquor license, which included the following steps:

- Identification of all owners (total = 17) who currently hold available escrowed licenses in Washtenaw County (See attached for list). Of the 17 identified, 11 were pending a transfer, which reduced the number of currently available escrow licenses to 6;
- A request to purchase a license was sent to all identified owners via certified U.S. Mail (see attached for receipts). Note: Requests were also mailed to all owners with licenses identified as transfer-pending, in case the opportunity to purchase the license was an option; and
- After 30 days since the certified letters were sent, there were no responses from the owners or their representatives through any means offered (i.e., letter, e-mail or phone).

Signed: Melinda Ann O'Neill 9-6-17
President, Harmony Lane, LLC Date

NOTARY: Acknowledged before me in Washtenaw County, Michigan, on 9-6-2017 (year) by Harmony Lane, a Michigan limited liability company, for the company.

Notary Public Signature: Ronald Maxwell

Notary's Name: RONALD MAXWELL

Acting in the County of Washtenaw

My Commission expires: 10/07/2023

Ronald Maxwell
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF WASHTENAW
My Commission Expires Oct, 7, 2023
Acting in the County of Washtenaw

