

CITY OF CHARLEVOIX
DOWNTOWN DEVELOPMENT AUTHORITY/CHARLEVOIX MAIN STREET BOARD MINUTES
Monday, January 25, 2016 at 5:30 p. m.
210 State Street, City Hall, Second Floor Council Chambers, Charlevoix, Michigan

A. Call to Order/Invocation or Pledge of Allegiance

B. Roll Call of Members Present

Chair: Dan Barron
Members Present: Gabe Campbell, Fred DiMartino, Kirby Dipert, Dianne DuPont, Tamie Gillespie, John Kurtz, Rick Wertz (late), John Yaroch
Members Absent: None
City Staff: Annie Doyle, DDA/Main Street Director; Mark Heydlauff, City Manager

C. Inquiry into Potential Conflicts of Interest

John Kurtz noted that he would have a conflict of interest if there was discussion on the item regarding the 109 Bridge Park property.

D. Consent Agenda

1. Approval of Main Street/DDA Board Minutes – December 28, 2015 and January 5, 2016

Director Doyle stated a correction was needed on page 2, first paragraph of the December 28th meeting minutes to read: "Director Doyle reported that Keweenaw Excursions moved out of the office space in the Bridge Park building and had taken the boat to be sold in New Orleans." Member Gillespie stated that a correction was needed on page 2, third paragraph of the December 28th meeting minutes to read: "Maureen Owens, Food Truck Committee member, stated they held their initial meeting, but several key restaurant owner committee members were unable to attend the meeting. She stated that she believed the meeting was a good start." Chair Barron stated that there was a typo on the second page, 2nd paragraph, of the January 5th meeting minutes where the word "year" was repeated twice.

Motion by Mayor Campbell, second by Member Yaroch to approve the minutes of December 28, 2015 and January 5, 2016 as corrected. Motion carried by unanimous voice vote.

2. Review of Main Street Committee Meeting Minutes

Chair Barron stated that the Committee meeting minutes were provided to the Board for their information. There were no questions/comments from the Board.

Member Wertz joined the meeting at 5:35 p.m.

3. Revenues and Expenditures with Comparison to Budget Report

Director Doyle explained that she thought the Board wanted to verify the numbers as there were discrepancies when they were reviewing the proposed budget compared to the current budget. Member Kurtz stated that the report would coincide with what the Treasurer told him and he wanted to have time to review the report and get back to the Board. Chair Barron stated that they would carry the item over for future discussion.

E. Director's Report

Director Doyle was pleased to report unanimous Planning Commission approval of the special use permit for the shared commercial space of Charlevoix Munson Area Hospital and Charlevoix Courier located on Bridge Street. The partnership was facilitated through the Main Street Program as an example of how the DDA/Main Street can foster economic growth and teamwork downtown.

Director Doyle announced the success of the Shop Local Campaign over the holiday season. The winners were Doug & Trisha Drenth. She stated that over 3,344 entries were received for a total dollar amount of \$167,200. She expressed appreciation to Jodi Bingham and the Promotions Committee as well as the Chamber of Commerce for donating half of the \$500 prize.

Director Doyle reported that City Council approved wine tasting at the Farmers Market at their January 18th meeting.

Director Doyle stated that the Monthly Downtown Business Owner group identified 2016 goals at their January meeting which included:

- To provide customer service training;
- To provide store to store walkabouts to learn what products are offered;
- To have collective hours of operation; and
- To work on collaborative marketing opportunities.

Director Doyle stated she had a table reserved at the Chamber breakfast on February 5th and members should contact her if they would like to attend. The next Main Street quarterly training is in downtown Farmington on March 7-8, 2016 with the focus on economic vitality.

Chair Barron felt it was a very significant decision on the part of the Planning Commission regarding the shared space proposal on Bridge Street. Director Doyle reviewed the requirements within the Zoning Ordinance regarding specific retail uses for the downtown district and the special use permit application. The unique proposal offered by the Hospital/Newspaper for the shared space included services, classes and products to be offered, retail-like storefront and appeal, and the vibrancy standard.

F. Old Business

1. 109 Bridge Park – Consideration of Applications

Chair Barron stated that one application was from Julie Roth for an ancillary office facility for some type of manufacturing business located elsewhere. The second application was from L.C. Brewers, LLC which would create a segregated office facility for a new entity that would facilitate a self-distributing license from the Michigan Liquor Control Commission to allow an expansion of the existing brew pub.

Member Yaroch questioned the application from Ms. Roth and stated that he had a hard time understanding what the business was all about. Chair Barron stated that the application indicated “manufacturing.” Member Dupont commented that she researched online and the application indicated that the business had been in operation for 17 years. She stated that the applicant had a pet business in Snowmass, CO in the late 1990’s and the business was listed as not in good standing with the State of Michigan. Chair Barron stated that all of this information and a detailed business plan were requirements of the application and Ms. Roth indicated that she did not want to submit a business plan due to concerns regarding confidentiality. He stated that the Board was not requesting proprietary, confidential information, and some type of summary about the business would have been helpful. Member Wertz stated that the application arrived after the 5:00 p.m. deadline and it was not professionally prepared. Member Yaroch stated that the Brewery was to be commended on their plan and their presentation. Member Dipert stated that without knowing what Chilson Roth LLC plans to do with the space, he couldn’t support renting the space to them. He stated he was more interested in finding a tenant that would help maintain the Main Street mission and vitalize the downtown community.

Member DiMartino stated that he wanted compatible businesses next to each other. He stated that the Brewers’ application was going to fit and allow them to expand their business.

Member Yaroch stated that the professionalism of the proposal from the Lake Charlevoix Brewing Company exemplifies the type of business operation that the DDA intends to put in the space. He recommended that the Board grant their application. Member Gillespie concurred.

There were no public comments.

Member Wertz questioned Evan Keller, Head Brewer for Lake Charlevoix Brewing Company, as to when they wanted to start leasing the space and Mr. Keller replied right away. Member Wertz questioned if the business was a newly formed corporation and Mr. Keller responded affirmatively, and they would like to lease the property as of February 1st at \$8.00 per square foot.

Motion by Member Kurtz, second by Member Dupont to lease the space to L.C. Brewers, LLC premised on the terms required by the application form at \$8.00 per square foot, subject to approval of specific terms of the lease by the Facilities Committee. Motion carried by unanimous voice vote.

G. New Business

1. Main Street Committee Chair Roles and Responsibilities

Director Doyle stated that the Michigan Main Street Center recommends the development of job descriptions for the Main Street Committee Chairs and she summarized the duties of the Committee Chairs. Chair Barron stated that he would recommend clarification of the first sentence under Facilitation of Work Planning to read: "Each committee project must be authorized through a work plan which has been approved by the DDA/Main Street Board. Work plans are to be utilized as tools to set direction and manage expectations within the committee."

Member Wertz expressed concern regarding whether a committee member should be allowed to vote on a topic if they had not attended past meetings regarding said topic. Director Doyle discussed this situation with Main Street who suggested outlining standards, such as attendance for three months prior to participation in a vote. She forwarded the information to the Committee Chairs for their consideration.

Member Wertz felt the Committee meetings should be run more like the DDA Board meetings with motions and discussion. Discussion followed regarding the roles of the committees, work plans, other matters that come before the committees as directed by the Board, and the role of the Organization Committee as it relates to fundraising.

There were no public comments.

Motion by Member Kurtz, second by Member DiMartino to authorize that the draft Main Street Committee Chair Roles and Responsibilities description be finalized with the recommended changes and that the final description be transmitted to the Committee Chairs. Motion carried by unanimous voice vote.

2. Formation of Administration/Executive Committee.

Director Doyle stated that it was common for entities to create a sub-committee of Board members to provide oversight and assist as needed in the detailed executive and administrative decision-making processes of the organization. At the January 5, 2016 meeting, Member Kurtz recommended the development of an evaluation process for the Executive Director.

Chair Barron summarized how he envisioned this sub-committee being involved and he indicated that he would like to serve on the sub-committee. Member Kurtz expressed his interest in serving on the committee and felt that the Mayor should be a member as well.

Motion by Member Yaroach, second by Member Wertz to establish an Administrative/Executive Sub-Committee including the DDA/Main Street Chair, the Mayor, and up to two at-large positions, one of those being filled by Member Kurtz at this time. Director Doyle stated that she would run this matter by the City Attorney for approval. Discussion followed regarding whether the Deputy Mayor or Deputy Chair of the DDA/Main Street Board should be members. Motion was withdrawn.

Motion by Member Yaroach, second by Mayor Campbell to establish the Administrative/Executive Sub-Committee as discussed with the makeup of the Chairman and Vice Chair of the DDA/Main Street Board, the Mayor, and John Kurtz as an at-large member subject to review and approval by the City Attorney. Motion carried by unanimous voice vote.

3. Charlevoix County Community Foundation Grant Application Approval

Director Doyle stated that Staff requested permission to apply for a grant from the Charlevoix County Community Foundation (CCF) for the improvement and/or replacement of sound and technical equipment at the Odmark Pavilion in East Park as needed. She stated that the grant application deadline was March 1st.

Motion by Member DiMartino, second by Member Yaroch to authorize the Executive Director, Annie Doyle, to apply for a grant for sound and technical equipment in the Odmark Pavilion from the Charlevoix County Community Foundation. Motion carried by unanimous voice vote.

4. Main Street Services Application Approval

Director Doyle stated that as part of Charlevoix's Main Street Select Level status, they were eligible to apply for a "Main Street Branding Service". The branding service will include a Main Street logo, committee logos, four additional event logos, a website incorporating all new branding with a "what you see is what you get" content management system, training on website maintenance and a style guide for branding and logos. The Promotions Committee requested permission to apply for this service and developed a project specific sub-committee ready to develop the application in coordination with other Committees and organizations as needed. She stated that this program is the one that the volunteers have shown the most interest in and she recommended applying for this service. She stated the branding service is a very intensive community-wide discussion and facilitation of a community visioning session that would include all stakeholders and people who are interested in the process.

Motion by Member Dupont, second by Member Wertz to authorize the development of the "Main Street Branding Service" application. Motion carried by unanimous voice vote.

5. Bike Rack Donation – Approval to Proceed

Director Doyle stated that the LaBlance Family approached the Main Street/DDA office in the spring of 2015 with the desire to donate a bike rack to the community with the funds received in memory of the late Tim LaBlance. The \$2,000 donation would pay for 2-3 of the smaller bike racks proposed by the family in Bridge Park or at Charlevoix Public Library.

Motion by Member Kurtz, second by Member Wertz to authorize the Executive Director to seek input from the Design Committee regarding the bike rack proposal and to present a recommendation for design and placement of the bike racks to the Planning Commission on February 8, 2016 at their regularly scheduled meeting. Motion carried by unanimous voice vote.

6. Open Signs for Downtown Businesses – Approval to Proceed

Director Doyle stated that since October 2015, attendance at the monthly Downtown Business Owners meetings averaged 20 businesses. The group has been developing consistent hours of operation and collaborative notification of these hours. The business owners have identified a flag design and bracket wall mount they wish to use as a collective "open" symbol that will be easily recognizable, especially during the winter, indicating that local stores are open for business. The idea was that each business would pay for its own flag at an estimated cost of \$150 per flag and mount.

Motion by Mayor Campbell, second by Member Dupont to authorize the Executive Director to facilitate the open sign project for the downtown business owners. Motion carried by unanimous voice vote.

H. Public Comment

Maureen Owens, Food Truck Committee Member, stated that the Committee met on January 12th and elected Adam Kline as Chair. The City Manager provided maps of the theoretical 100' buffer around existing restaurants for consideration. The Committee reviewed the maps and found a tentative location for food trucks. Ms. Owen's stated the Committee decided to review local food truck policies and she cited Harbor Springs as allowing four parking spaces on a first-come-first-serve basis. The Committee's next meeting is scheduled for February 9th.

I. Miscellaneous Business of the Board

City Manager Heydlauff explained the funding that the DDA undertook in 2006 with the Marina project when City Council approved about \$7 million in bond funding for the construction of the Marina and East Park. The City issued the bonds committing the TIFF capture revenue that the DDA received to pay the bonds back. Under the DDA Act, issuing debt is not something that the DDA can do on its own without the consent and express approval of City Council. In the case of these bonds, the DDA committed their TIFF capture money as collateral to make the bond payments. The City backed up the DDA commitment by pledging the full faith and credit of the City to make the bond issue. The bonds that were issued have a refunding (refinancing) provision due in 2016. He stated that City Council is

currently in the process of accepting a plan to issue \$3.6 million in what will be known as the 2016 Capital Infrastructure Bond Series. That bond issue will be occurring this year and since the DDA's bond issue is eligible for refunding this year, the City can save fees by running them together as one bond issue.

City Manager Heydlauff stated that there are two parts of the bond issue that relate to the DDA that will save the DDA money. First, the average interest rate over the next 10 years would have been about 4.1% under the original terms issued in 2006. The City's financial advisor estimated 2.9% interest over the remaining life of the loan by refunding now. In 2006, the DDA set an escalating repayment plan so they paid more each year with the current fiscal year having a bond payment of \$450,000. In 2027 when the bonds reach full maturity, that debt service amount would be over \$500,000. What they were proposing was to level the payment out so that for the next 10 years the payment would be between \$461,000 and \$466,000. The first three years the DDA would pay slightly more than it would have, but for the remaining seven years they would pay less, and in the last three years the DDA would save \$40,000-50,000 a year. City Manager Heydlauff stated that the Resolution before the Board puts the DDA on record as re-affirming that pledge.

Motion by Member Kurtz, second by Member DiMartino for approval of a Resolution requesting issuance of refunding bonds and confirming pledge of the DDA tax increment revenues as submitted by City Staff. Motion carried by unanimous voice vote.

J. Future Agenda Items

1. Request to Review – Reserve Fund

The Board concurred to hold off on this agenda item until the bond refinancing issue was complete.

2. Request to Review – Bridge Park Building Maintenance

Member Kurtz stated that he was willing to postpone this discussion until they see what happens with the Reserve Fund. The Board concurred. Chair Barron stated it was probably a good time for the Facilities Committee to review any needed maintenance for the Bridge Park Building and report back to the Board.

Member Kurtz stepped down from the dais and asked that the Board make maintenance of the building a priority including the bathrooms, roof, and heating/air conditioning units.

K. Adjournment

Motion by Member Wertz, second by Member Yarocho to adjourn. Motion carried by unanimous voice vote. Meeting adjourned at 7:20 p.m.

Joyce Golding/fgm

City Clerk

Dan Barron

Chair