

CITY OF CHARLEVOIX
DOWNTOWN DEVELOPMENT AUTHORITY/MAIN STREET MEETING
Monday, February 24, 2020 at 5:30 p.m.
210 State Street, City Hall, Charlevoix, Michigan

1. Call to Order

2. Pledge of Allegiance

3. Roll Call

Chair: Maureen Owens
Members Present: Sam Bingham, Sean Bradley, Richard Christner, Luther Kurtz (by phone), Paul Silva, Rick Wertz, Amanda Wilkin
Non-Voting Member: Liam Dreyer
Members Absent: Kirby Dipert
City Staff: Lindsey Dotson, Executive Director

4. Inquiry Into Potential Conflicts of Interest

5. Consent Agenda

- A. Minutes
- B. Committee Minutes
- C. Monthly Report

Member Dreyer stated that his last name was spelled with two "e's". It was noted that some references to members were reversed.

Motion by Member Christner, second by Member Wertz to approve the Consent Agenda items as amended. Motion passed by unanimous voice vote.

6. Reports

A. Meet Ryan Deery

Mr. Deery introduced himself and gave a brief description of his background and career prior to becoming the Executive Director of the Charlevoix Public Library.

B. Director's Report

Chair Owens asked if anyone had signed up for the Cooperative Ad Campaign and Director Dotson responded that she would make the sign-ups live the next day. She stated that the only change was that they were not doing the Community Shopper ad and it was \$50 more per business; she received at least 12 verbal yeses.

Director Dotson referenced the Inaugural Bridge Charlevoix Conference scheduled for April 30th, from 8:00 a.m.–1:00 p.m. at the Charlevoix Public Library. She also reported that Dan Leonard of the MEDC agreed to work with the DDA to help create a local investors group targeting the lack of housing in the downtown. She stated that another round of Match on Main applications would be due May 4–17.

7. New Business

A. Facade Grant Application - BLOOM

Director Dotson stated that an application was reviewed by the members of the Design Committee from BLOOM to assist in a large window restoration project that will be completed in phases. The amount requested is the rest of the available DDA fund for this fiscal year, \$7,700. She stated that the Design Committee scored the application very highly and recommended Board approval. Ms. Haf responded to questions from the Board members and stated that the two bids she received were not comparable as far as the type of work and the quality of the product. She described the project and stated that the total cost was \$90,000.

Motion by Member Bradley, second by Member Wertz to approve a Façade Grant to Jennifer Haf (BLOOM) in the amount of \$7,700 to be paid upon receipt of proof of payment when the first phase of the project is complete. Motion passed by unanimous voice vote.

B. Presentation/Proposal for 109/111 Bridge Park Drive

Jon O'Connor & Kyle VanStrien, co-owners of Long Road Distillers presented their proposal to occupy the space at 109 and 111 Bridge Park Drive for the purposes of establishing a distillery tasting room, retail shop and cocktail bar. Mr. O'Connor requested replacing the existing southernmost metal door with a traditional glass entry door with sidelights, similar to the entry doors for the shared lobby between the Beaver Island Boat Company and the space in question. He stated they were proposing a lease rate of \$1,400 a month with their payments beginning upon occupancy of the property and MLCC approval. He stated that he was proposing a 3-year lease with the potential for five 3-year renewal options with lease rate increases tied to the CPI and they hoped that the taxes would not exceed \$6,000 per year.

Director Dotson stated that \$6,000 was a good estimate for personal and real property taxes. She added that the rates in the downtown vary greatly ranging from \$10 to \$26 per square foot. Member Christner noted that the proposed rate would be approximately \$6 a square foot. He questioned if the proposal included continued cleaning of the restrooms as was in the previous tenant's lease and Mr. VanStrien stated that they would entertain a similar agreement.

Member Silva felt it would be a great addition to the downtown, but they had a certain responsibility to the City to make sure that we are entering into a fair agreement for both parties. He stated it appeared that this proposal was at a rate lower than what the previous tenant paid, and he felt they needed to know the facts before they made a decision. Member Wertz felt that they had not done due diligence on this and Member Silva stated at the same time he did not want to slow down the applicants. Chair Owens questioned the Board and the applicants if a week of serious due diligence would the Board entertain the idea of having a special meeting to consider a potential counter proposal.

Mayor Kurtz asked if Director Dotson checked to see if the City Charter allows for the proposed 18 year lease. Mr. O'Connor stated that they owned and leased a number of properties and they wanted to make a commitment to the Charlevoix location and also to have some security when making a large investment into a property. Mayor Kurtz thought the Charter limited lease agreements to five years.

Member Dreyer questioned if there was any way to speed up the process by using some of the existing equipment from the Charlevoix Brewing Company. Mr. O'Connor stated that their hope was to use some of the infrastructure, not necessarily the equipment and part of their due diligence was to determine the condition of the building for a new lease.

Mr. VanStrien stated that they took into consideration the former tenant's lease, their business model and the location not being visible from Main Street and the positive/negative externalities of the property. Mr. O'Connor suggested that the DDA could consider approving the concept subject to negotiation of the lease.

Chair Owen stated that the Director could provide fair market value for the property. Director Dotson stated that the estimate to replace the door was about \$5,000. Mayor Kurtz was in favor of approving the concept subject to negotiation of the lease.

The public hearing was opened.

Denise Fate felt that if people were tasting spirits and cocktails it was important that food be offered as well. Mr. O'Connor stated that the space does not offer a full commercial kitchen but they would offer a variety of sandwiches, salads and appetizers.

The public hearing was closed.

Motion by Member Christner, second by Member Wertz to approve the concept as presented subject to acceptable lease negotiations with the proposed tenant. Motion passed by unanimous voice vote.

The members agreed to schedule a special meeting for 8:00 a.m. on Friday, February 29th to finalize the lease negotiations.

C. Cynthia Woods Mitchell & Johanna Favrot Fund Grant Application

Director Dotson explained that because the DDA are members of the National Main Street Center/National Trust for Historic Preservation they were eligible to apply for funding that helps with brick and mortar restoration of buildings that are owned either publicly or by a non-profit in the DDA district. She stated that she was seeking permission to submit a grant on behalf of the Charlevoix Historical Society for continued rehabilitation efforts for interior renovations at the Harsha House Museum at 103 State Street.

Member Christner questioned if there was any liability from the DDA's perspective as to certifying that things are done as they need to be, and Director Dotson responded that would be included in the follow-up reporting. She stated that they were basically the pass-through for the money similar to what was done for the Match on Main Street program. Denise Fate stated that these grants would probably be \$10,000 each and the Society will match the other \$10,000.

The public hearing was opened and closed as there were no public comments.

Motion by Member Bradley, second by Member Bingham to permit Director Dotson to submit grant applications to the Cynthia Woods Mitchell & Johanna Favrot Fund on behalf of the Charlevoix Historical Society for continued rehabilitation efforts at the Harsha House Museum. Motion passed by unanimous voice vote.

D. Draft Design Guidelines

Director Dotson stated that the purpose of the Design Guidelines was to serve as a resource for property owners and contractors as to how to properly take care of their building whether it was historic or not and how to preserve the character that is unique to Charlevoix. She stated it was the intention of the Design Committee, the Zoning Administrator and Planning staff to eventually incorporate some of the recommendations into the City Code for the Central Business District. Director Dotson stated that they were planning to hold an informational meeting on the new guidelines on March 5th at 5:00 p.m. at City Hall.

The public hearing was opened and closed as there were no comments from the public.

Motion by Member Wilkin, second by Member Wertz to approve the Design Guidelines document with minor modifications to styling and content. Motion passed by unanimous voice vote.

8. Request for Future Agenda Items

9. Old Business

A. Facade Grant Reimbursement – 221 Bridge Street

Director Dotson stated that in 2017 the DDA approved a \$10,000 facade grant to Fred DiMartino for fire recovery efforts on his building at 221 Bridge Street, and now three years later the DDA still had not reimbursed him the funds because proof of payment was not provided. Mr. DiMartino advised that he cannot obtain that information from the construction company. Director Dotson stated that the property was still being worked on including the roof and issues with the masonry that was done.

Chair Owens confirmed that Mr. DiMartino spent over \$20,000 on this restoration and he needs to provide something to show that he's paid over \$20,000 toward this project then they would be comfortable with giving him the \$10,000 in grant funds. Member Bingham felt it would be reasonable to give the applicant until March 31st to provide the required documentation. Director Dotson noted that she invited Mr. DiMartino to attend this meeting.

The public hearing was opened and closed as there were no public comments.

Motion by Member Bradley, second by Member Wertz to request proof of payment and completion of project by March 31, 2020 or else the grant award is no longer available because of the time that has passed. Motion passed by unanimous voice vote with Mayor Kurtz abstaining.

10. Board Comments

A. Closed Session Pursuant to MCL 15.268(e)

Motion by Member Christner, second by Member Wertz to enter into Closed Session pursuant to MCL 15.268(e) for the discussion of the request from City Attorney Scott Howard. Motion passed by unanimous voice vote.

Closed Session commenced at 6:50 p.m. and Open Session reconvened at 7:03 p.m.

Motion by Member Owens, second by Member Wertz that the DDA join the City of Charlevoix in their lawsuit against Lake Charlevoix Brewers and Round Lake Group, that we include in the suit the outstanding monies due to the DDA by the two entities of approximately \$1,568, that we request Attorney Scott Howard if possible to include language to protect our building from damage as the two entities vacate the building and that we do not incur any legal fees.

Yeas: Bradley, Christner, Silva, Wertz, Wilkin, Owens

Nays: None

Abstain: Bingham

Absent: Kurtz, Dipert

11. Public Comments

12. Adjourn

Motion by Member Wertz, second by Member Bradley to adjourn the meeting at 7:07 p.m. Motion passed by unanimous voice vote.

Joyce Golding/fgm

Maureen Owens

Chair