

CITY OF CHARLEVOIX
DOWNTOWN DEVELOPMENT AUTHORITY/MAIN STREET MEETING
Tuesday, November 17, 2020 at 5:30 p.m.
Council Chambers, City Hall

1. Call to Order

2. Pledge of Allegiance

3. Roll Call

Chair:	Maureen Owens
Vice Chair:	Richard Christner
Members Present:	Sam Bingham, Sean Bradley, Kirby Dipert, Luther Kurtz, Paul Silva (late), Amanda Wilkin
Members Absent:	Ron Way
Non-Voting Member:	Liam Dreyer
City Staff:	Lindsey Dotson, Executive Director; Mark Heydlauff, City Manager

4. Inquiry Into Potential Conflicts of Interest

5. Consent Agenda

- A. Monthly Report
- B. Committee Minutes
- C. Board Minutes
- D. Chamber Partnership Considerations

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

6. Reports

A. Director's Report

Director Dotson summarized several of the items included in the Report.

B. SBEI Update

City Manager Heydlauff recalled that in 2018, the City received the services of the *Sustainable Built Environment Initiative* at Michigan State University to assist the City in developing a consensus vision for the alleys and parking areas west of downtown. In order to continue the progress toward improvements and implementation of the *Alley Corridor Vision*, the *Corridor and Alley Implementation of Designs* document was created to give City Council and stakeholders clearer guidance on the next steps needed. He stated that they added budget estimates for engineering, considerations for how underground utilities should be upgraded in concert with above-ground modifications, and broken the project down into segments to guide decision-making for budgeting, capital improvement planning, and the potential of private and grant-supported funding.

C. Draft Alley Improvement Grant Program Guidelines

Director Dotson stated sub-committees were working on how to create incentives for property owners to make improvements to the rear of their buildings. She noted that there were other funding sources to consider. Mayor Kurtz felt the grant should be limited to owners who were converting spaces into customer entrances and not just installing an awning.

D. DDA Financials

Director Dotson included this as an update at the Chair's request.

7. New Business

A. Draft Downtown Housing Incentive Program Guidelines

Director Dotson stated the *Economic Vitality Committee* assigned Maureen Owens and Sarah Hagen to work with her on drafting the guidelines similar to the program in Three Rivers, MI. She stated that they would like this Program to be tied to the Deed Restriction Program as well. The Program awards up to \$25,000 to a property owner for creating a housing unit in their building in the Downtown District and the funds could be used for most interior buildout excluding design elements. It would be structured as a reimbursement grant similar to how they operated the Façade Grant Program.

Member Dipert expressed concern about going to all the effort to put this together for maybe no takers. Director Dotson stated that this was not going to be a standalone grant and that the property owners would be given the opportunity to take advantage of other incentives. Mayor Kurtz questioned how long people would have to have the rental rates at the minimum income and Director Dotson stated that was undecided at this point. Mayor Kurtz questioned if this was "per property" and not "per unit" and Director Dotson replied that it would be limiting if it was "per property" because wouldn't the Board want more apartments vs. less. Mayor Kurtz was in favor of removing the "rental rate" part because it would be difficult to get year-round people into downtown units that are more expensive. Chair Owens expressed concerns about the appropriate rental rate for workforce housing vs. short-term rentals.

Member Silva joined the meeting at this time.

Chair Owens and Mayor Kurtz agreed that the application should be per unit and she stated that there may need to be a revision of the funding amount if it is per unit. Member Dipert clarified that the proposed rate was up to \$15 per sq. ft. to a maximum of \$25,000. The item would be brought back to the Board for final review in December.

B. MDARD 2021 Rural Development Fund Grant

Community Development Fellow Martin explained the specifics of the *Upper Floor Housing Grant* that will serve to create housing specifically for year-round residents, which will expand options for those living and working in Charlevoix. He responded to various questions from the Board regarding the Grant.

Motion by Mayor Kurtz, second by Member Dipert to support budgeting for a \$50,000 match to the Michigan Department of Agriculture and Rural Development (MDARD) 2021 Rural Development Fund grant if awarded that will fund the new downtown housing incentive program. Motion passed by unanimous voice vote.

C. Bridge Park Building Update

Member Silva stated his goal to bring up this matter was to reconsider if they were being effective with their resources and assets. He stated that Realtor John Murray came up with a figure of \$500,000 - \$600,000 based on an income approach for that property with a 6-7% cap rate. He stated that there might be some hurdles with the City Charter and the decision might not be completely up to the DDA Board.

Director Dotson noted that the property was purchased from MDOT in 1998 for \$536,000 which was not just the building itself, and there were limitations placed on the use of the property but only for 10 years after the purchase. Chair Owens stated the City owns the property and the DDA are managers of the property. Mayor Kurtz stated that the DDA does not money on this property so the idea of changing the arrangement to give it back to the City seems like they could find a middle ground where they don't spend so much time on managing the property. He stated that instead of selling the building, perhaps someone like John Murray could manage the property for them.

Member Dipert stated that the DDA is happy with the revenue generated from the building when its fully rented until they get hit with a \$40,000 or \$50,000 bill for repairs to the building. He stated that he agreed with Chair Owens that maintaining control of that property is more valuable to the downtown than letting it go. Manager Heydlauff outlined some of the history of the property and the City Charter restrictions.

Chair Owens recommended that they review the actual revenue from the property to determine if that would support hiring a professional property manager to manage the property for the DDA. After discussion, Director Dotson stated that she would come back to the Board with information about revenue and expenses associated with the building and a brief analysis on what it could cost to retain a property manager given their projected income.

D. Downtown Snow Removal

Manager Heydlauff advised that in October City Council asked him to research options for expanding snow removal on the sidewalks downtown by partnering with a private firm. Discussion followed among the Board members about snow removal techniques and potential costs, funding difficulties, and whether or not downtown businesses would be able to assist with expenses for enhanced snow removal operations. Mayor Kurtz stated that the RFP includes the side streets and State Street and questioned if the DDA would be interested in participating in improved snow removal in the downtown area this winter.

E. Igloo Discussion

Mayor Kurtz stated that Council requested the DDA's opinion on the idea of making igloos available in the parks, spaces adjacent to restaurants and in the parking areas behind the buildings to assist restaurants during the pandemic. Member Silva shared his igloo experience at Hotel Earl and noted that Northville installed semi-permanent structures in their downtown. After discussion, the Board was in support of igloos downtown with uniformity, approval of locations and thoughtfulness for pedestrian traffic and snow removal.

Motion by Member Bradley, second by Vice Chair Christner to support the idea of allowing igloos in the downtown area with uniformity, direction of locations, and consideration. Motion passed by unanimous voice vote.

Director Dotson stated that there is a grant opportunity for \$15,000 to purchase igloos or other means of making winter more comfortable in the downtown. The Board concurred to have Director Dotson apply for the grant.

8. Old Business

A. The Vault Co-Working Space Update

Director Dotson stated that the Charlevoix Area Chamber of Commerce Board approved entering into a partnership with the DDA for oversight/management of The Vault Co-Working Space for one year with the intent to fully take over the following year. She explained the details of the Memo of Understanding and the intention that next year the Chamber would fully take over operation of The Vault.

A. Long Road Distiller Lease

Vice Chair Christner stated that the City Attorney drafted a revised lease addressing the sentiments of the Board and he explained the details of the current negotiations. Member Dipert questioned whether the Board could offer the space to BIBCO and Director

Dotson replied that BIBCO had expressed some interest in the past. Mayor Kurtz felt the Board should try to find a tenant that would continue to utilize that space contributing to the vibrancy of the downtown and Member Silva agreed.

C. Director Task/Time Management Discussion

Director Dotson recalled that the Board requested that she categorize the way she spends her time and prioritize as necessary to focus more on working toward established DDA goals. She explained her updated spreadsheet.

9. Public Comments

10. Request for Future Agenda Items

11. Board Comments

12. Adjourn

Motion by Member Bradley, second by Vice Chair Christner to adjourn the meeting at 7:42 p.m.

Joyce Golding/fgm

Maureen Owens

Chair