

CITY OF CHARLEVOIX
DOWNTOWN DEVELOPMENT AUTHORITY (DDA) MINUTES
Monday, January 27, 2014 — 5:30 p. m.
210 State Street, City Hall, Second Floor Conference Room, Charlevoix, MI

A. Call to Order

The meeting was called to order at 5:30 p.m. by Chair Hugh Mason.

B. Invocation or Pledge of Allegiance

C. Roll Call of Members Present

Chair: Hugh Mason

Members Present: Mayor Norman L. Carlson, Jr., Kirby Dipert, Luther Kurtz, John Yaroch, Fred DiMartino, and Dan Barron

Members Absent: Jeannine Wallace, Todd Wyett

City Staff: Bethany Pearson, Community Economic Development Director (CEDD)

D. Inquiry Regarding Possible Conflicts of Interest

None

E. Approval of Minutes

Motion by Member Barron, second by Member Dipert to approve the December 9, 2013 minutes as presented.

Motion passed by unanimous voice vote.

F. Old Business

None.

Director Pearson asked permission to re-arrange the agenda items, discussing the CED Director's Report first. Members generally agreed.

G. Community Economic Development Director's Report

Director Pearson asked City Treasurer Joe Zielinski to address the Board regarding the DDA Bonds for Bridge Park. Treasurer Zielinski stated that the agenda packet included a copy of his email to the City Manager regarding capturing the 2014 school taxes for the DDA debt service payments. He noted that, because of the Bridge Park bond issue, the DDA was able to capture additional taxes above and beyond what the DDA would typically be allowed to capture including school millage taxes. The City paid the last debt service payment on the bond issue on November 1, 2013 and the DDA no longer has outstanding debt service payments. Based on a legal opinion and the Treasurer's audit of DDA records, the last capture of school taxes was in the 2013 tax year; therefore, the DDA is not eligible to capture the school tax in 2014. The City did not budget for the capture of the 2014 taxes so there was no negative impact on the DDA budget.

Director Pearson reviewed the items contained within the Executive Director's Report and Community Partner/City Updates, and responded to DDA members' questions. She stated that she had provided a binder of information regarding the DDA and the City to each Member and she felt it would be beneficial for Members to bring the binders with them to each meeting. Director Pearson will forward the information in electronic form to each Member.

H. New Business

1. Election of Officers

Director Pearson stated that, this being their annual meeting, the DDA By-Laws require that the DDA elect a Chair and Vice Chair. Chair Mason stated that he did not want to serve another year as Chairman; however he also noted that Jeannine Wallace was the current Vice Chair and stated that he believed she would be willing to serve another year as Vice Chairman.

Motion by Member Yaroch, second by Member Kurtz, to nominate Dan Barron to serve as Chair; motion by Member Dipert, second by Member Yaroch, to nominate Jeannine Wallace to serve as Vice Chair.

Motion passed by unanimous voice vote.

Chair Barron took over the meeting.

2. Downtown Wi-Fi Feasibility Study

Director Pearson stated that the City of Charlevoix, the DDA, and the Charlevoix Chamber of Commerce have been working with Childs Consulting Associates to determine the feasibility of providing free public Wi-Fi throughout the downtown area and some of the City's public beaches. She explained the three phases of the project and that staff was looking to the Board for one-third (1/3) funding of Stage One of the study; the Chamber and the City have both approved one-third of Stage One funding at \$700 each. Funding for the DDA's portion of the study is budgeted for in the 2014-2015 budget, but the City Manager would like to start Stage One of the project before April 1st. Director Pearson reported that there are funds available to support the \$700 expenditure in the 2013-14 budget. The cost for all three stages would be \$3,307 per agency. Director Pearson responded to questions from the Members regarding the project.

Member Dipert does not believe the service is necessary: Anyone who needs an Internet connection has it available on their phone, tablet, or in their office. As a business owner, if he chooses to process credit cards through an in-house computer he would need a secure line; therefore, offering Wi-Fi does not have a great deal of benefit to downtown merchants.

Director Pearson responded that the Wi-Fi would be secure to run credit cards: that was discussed with the consultant. If the project were to proceed to completion, the downtown merchants would be able to use the free Wi-Fi service and not have to pay for their own service. Director Pearson noted that there are a number of ways to fund the Wi-Fi service and that these methods will be further reviewed by the consultant.

Member Kurtz asked if there were any comparable costs for what other Cities pay for this service. Director Pearson stated that the City of Alpena provides Wi-Fi, and that she could get a comparable study from them.

Motion by Member Kurtz, seconded by Mayor Carlson, to approve the \$700 expenditure for Stage One of the Wi-Fi study.

Motion passed by a 6 - 1 vote with Member Dipert dissenting.

3. Keep Charlevoix Beautiful – Hanging Baskets

Director Pearson reviewed the item and answered questions from the Board. A donor has come forward who would like to expand the hanging baskets in the DDA area in conjunction with Keep Charlevoix Beautiful's (KCB) *Operation Petunia* with baskets that will go on State Street from Antrim Street to Park Avenue on both sides of the street, as well as on the 100 blocks of Antrim, Mason, Clinton, and Park. KCB will pay for the cost of the baskets and hooks, and DPW Superintendent Elliot has estimated that the costs for watering the additional baskets would be approximately \$5,500 per year. City Manager Straebel recommended that the DDA and the City share the expense; however, there would be no expenditure on behalf of the DDA as a donor has offered to pay for the DDA share of the maintenance, in perpetuity. This project would include about 50 additional baskets of flowers in the downtown area.

No action is required by the DDA, as there is no expense to the DDA.

4. City of Charlevoix Marina Expansion

Director Pearson stated that City staff and the City Council were considering an expansion to the City's Public Marina. The expansion would increase the length of Dock A an additional 150' and would include room for seven additional 80' slips and six additional 50' slips. Director Pearson explained the visuals that showed the proposed expansion and reported that Harbormaster Hal Evans has indicated there is a great need for more dock slips in the City marina, especially in the 60'-80' range. Staff estimates that the proposed expansion would pay for itself in 3 - 4 years. Director Pearson reported that each boater brings in more than \$200 per person, per day into the downtown area and stated that the expansion could be a huge economic boost for downtown.

Chair Barron reported that, at the recent Planning Commission meeting, Councilmember Perron had made some valid points about the benefits of this expansion project. Chair Barron pointed out the economic benefits of the marina to the downtown and the City of Charlevoix.

Director Pearson reported that the Marina was paying \$100,000-\$120,000 a year toward the debt service on the East Park bonds, with the DDA paying the remaining amount of the debt service payment. In the DDA's long-term outlook, the debt service payments are drastically reducing the DDA's cash reserves and if the Marina Fund can

generate more money and pay more toward debt service payments that would help save the DDA's funds in the long run.

Mayor Carlson explained the thought process behind the 3-4 year estimated timeframe to pay for the expansion and Council's discussion regarding the possibility of allowing pre-leasing of the larger boat slips to help fund the expansion. Because no Waterways Funds will be used for the project, the City would control the additional slips.

Member Yaroch stated he supported the expansion project, but he would like to see better management of the Marina by allowing for more transient boaters and shoppers' docks.

Discussion followed regarding view corridors, transient and seasonal boaters, and the length of time boats are allowed to stay in the Marina during the summer season.

Chair Barron opened the item to public comment.

Councilmember Leon Perron stated that he strongly supports the expansion; however, he is not getting any positive feedback from his constituents and he feels that a good public relations program would be needed.

Mayor Carlson responded that he has only received positive feedback for the project. He believes it is Council's job to have public hearings and show the economic benefit of the expansion to the community.

Chair Barron closed the item to public comment.

Chair Barron suggested adding a "whereas" clause stating that the project would have a "significant, positive economic impact of the proposal". No action was taken to revise the resolution.

Motion by Member Mason, second by Member DiMartino that the purpose of the DDA is to help promote economic viability in the downtown area, and the proposed expansion is expected to have a significant beneficial economic impact, therefore to adopt a Resolution of Support for the Proposed City Marina Expansion, as follows:

CHARLEVOIX DOWNTOWN DEVELOPMENT AUTHORITY
RESOLUTION OF SUPPORT FOR THE PROPOSED CITY MARINA EXPANSION

WHEREAS, The Charlevoix Downtown Development Authority was formed on April 19, 1982 to act as a DDA under Public Act 197 of 1975, with the following responsibilities: to correct and prevent deterioration in the DDA District, to encourage historic preservation, to create and implement development plans, and to promote economic growth; and

WHEREAS, Economic development projects focused in our downtown is vital to our community's identity and quality of life; and

WHEREAS, The purpose of the DDA is to help promote economic vitality in the downtown area and the proposed expansion of Dock A is expected to have a significant beneficial economic impact.

WHEREAS, The State of Michigan estimates that each boater spends approximately \$250/day in the community they are docked; and

WHEREAS, The \$300,000-\$400,000 proposed expansion would have a three to four year return on investment; and

WHEREAS, There is a shortage of available 60'- 80' slips in both the City Marina and in Northwest Michigan; and

WHEREAS, The revenue generated from the expansion would help to pay off the debt service the DDA is currently paying on East Park and

WHEREAS, Charlevoix has the unique opportunity to continue to market itself as Michigan's premiere boating destination and follow Governor Snyder's statewide "blue" economy model.

NOW, THEREFORE, BE IT RESOLVED, THAT THE DOWNTOWN DEVELOPMENT AUTHORITY OF CHARLEVOIX endorses the 2014 proposed expansion of Dock A of the Charlevoix City Marina.

RESOLVED, this 31st day of January, A.D. 2014.

Resolution was adopted by the following yeas and nays vote:

Yeas: Carlson, Dipert, Kurtz, Yaroch, Mason, DiMartino, Barron

Nays: None.

Absent: Wallace, Wyatt

I. Audience – Non-Agenda Input

Director Pearson stated that she had a written request to address the Board from Phil Parr, representing the Bridge Street Tap Room, and she wanted to include, via phone, the Bridge Street's partner and primary investor, Rich Bergman. The Round Lake Group, d/b/a the Bridge Street Tap Room, is proposing to open a new business at 202 Bridge Street featuring Michigan micro-brews and would like to apply for a redevelopment liquor license. Mr. Parr gave a PowerPoint presentation regarding the redevelopment proposal including: background of the four partners, including Rich Bergman, Aaron Hagan, Adam Englewood, and himself, format of the operation, layout of the project, seating capacity, sample menu, marketing strategy, requested assistance from the DDA and the City, and community involvement. Mr. Parr reported that they were committed to being open year-round.

Mr. Parr stated that following their business plan investment strategy would require the appropriate City documentation to apply for a redevelopment liquor license, and guidance and recommendations to ensure that their application to the Michigan Liquor Licensing Commission (MLCC) is fit and appropriate for Charlevoix. He stated it was a privilege to have the DDA's insight on making the business a year-round business. They will be requesting a Class C liquor license with one bar to sell beer, wine and liquor for on premise consumption as part of the redevelopment liquor license. Future plans call for requesting a specialty designated merchant license for retailing beer and wine for off premise consumption. As part of a redevelopment liquor license, the applicant must have a financial commitment of \$75,000 in improvements to the building. Mr. Parr explained the details of the proposed improvements, which total \$137,000. The Group understands that review of their application would be performed on a later date, as they were unable to be placed on this evening's agenda; however, they hope to be open by spring.

Director Pearson stated that the DDA would need to give official support/recommendation for the project to the City Council. She believes this is an excellent project and that their business program is well thought out. Mayor Carlson questioned if a special meeting could be scheduled for the project and Director Pearson responded that the Group had completed the majority of the paperwork for the redevelopment liquor license and that, if the DDA wanted to move forward, a special meeting could be scheduled toward the end of next week. She also noted that the Group will be presenting this same program to the City Council on February 3rd. After discussion, the DDA agreed to schedule a special meeting on Friday, January 31st, at noon to review the redevelopment liquor license application.

J. Miscellaneous Business of the Board

Member Yaroch questioned if a member could participate in a meeting by Skype. Mayor Carlson advised that, under Michigan law, officials had to be physically present to participate in a public meeting.

Member Yaroch asked for a summary on the recent Bridge Drop. Director Pearson stated that the weather was very cold, but the response was overwhelmingly favorable with an estimated 1,500 – 2,000 spectators to watch the fireworks at midnight. There were no incidents reported from the Police and Fire Departments, though there were some concerns regarding the camels in Bridge Park. There are a number of sponsors and donors who have already indicated their support for next year's event. Chair Barron echoed Director Pearson's remarks and stated that there were many options to expand the event for 2014. Director Pearson stated that the event made a big economic impact on the downtown area and local lodging establishments.

K. Future Agenda Items

Member Yaroch stated he had a couple of future agenda items he would be discussing with Director Pearson, including a housing rehabilitation program for downtown communities, and the holiday lighting scheme at East Park.

L. Adjournment

Motion by Member DiMartino, second by Member Yaroch, to adjourn.

Motion passed by unanimous voice vote.

Meeting adjourned at 7:17 p.m.