

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

A. Call to Order

The meeting was called to order at 5:30 p.m. by Vice Chair Jeannine Wallace.

B. Invocation or Pledge of Allegiance

C. Roll Call of Members Present

Vice Chair: Jeannine Wallace

Members Present: Mayor Norman L. Carlson, Jr., Fred DiMartino, Kirby Dipert, Luther Kurtz, Hugh Mason, John Yaro

Members Absent: Dan Barron, Todd Wyatt

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

D. Inquiry Regarding Possible Conflicts of Interest

None

E. Approval of Minutes

Motion by Member DiMartino, second by Member Mason, to approve the September 22, 2014 minutes as presented. Motion passed by unanimous voice vote, with Member Yaro

F. Community Economic Development Director's Report

Director Pearson reviewed the items contained within the Executive Director's Report and Community Partner/City Updates, and responded to DDA members' questions.

Director Pearson updated the Board on the public mural for downtown. The final sketch has been reviewed and the lighthouse has been changed to red. Once the artist is on site, there will be more details added. Director Pearson stated that they have raised \$3,200 in private donations and that George Haggard, Charlevoix resident, has indicated that he is willing to pay the remaining balance, once donation efforts are complete. The total cost of the project is \$11,400.

Mrs. Radke distributed copies of ~~their~~ [the Charlevoix Community Foundation's](#) Annual Report to the DDA members, and presented a \$500 donation toward the public mural.

Director Pearson reported that the DDA received a check from the State of Michigan in the amount of \$10,679.43 for reimbursement on Personal Property tax losses and this was an unbudgeted revenue item.

Director Pearson reported that there is one month remaining on the Main Street campaign; \$24,225 of the \$30,000 goal has been collected and campaign pledges can be made until November 26th. The agenda packet included a copy of the volunteer and donor log for the members to review. Director Pearson has received very positive comments from the community about the Main Street Program.

Director Pearson stated that the Small Business Saturday campaign will be held again this year from November 28th to December 22nd. Free kits will be made available for all businesses downtown and passports will be printed and handed out to the general public. Once a customer has eight stamps/stickers from downtown businesses in their passport, that customer will be entered into a drawing to win \$250 and one year's free downtown parking.

G. Old Business

1. Holiday Tree Lights

Director Pearson is looking for direction from the Board regarding holiday tree lighting. She summarized that if the lights continue to be lit year round, the cost to the DDA will be about \$15,000 - \$20,000 per year. This estimate is based on replacing one-third of the lights per year, as they will last a maximum of three years maximum when they are used year round. If the lights are lit only during the holiday season, the cost will be about \$8,000 - \$11,000 per year. When used only during the holiday season, the lights are expected to last five years.

Director Pearson stated that the Shade Tree Commission does not have a plan to replace the trees on Bridge Street; they estimate that the trees will stay for at least another ten years.

Member Dipert asked about the blue lights, as he believes that those lights last longer than the white lights. Discussion followed regarding the white lights and other colors, funding concerns, lighting every other tree instead of every tree, and the cost to replace the trees downtown. Member Yaroch suggested lighting the lampposts instead of the trees.

Director Pearson recommended doing basic maintenance on the tree lights this year, which is budgeted at \$1,000, and then removing the 2012 tree lights in the spring of 2015 to allow the trees to grow.

Director Pearson stated that there are 35 lampposts downtown that get wrapped with garland and wreaths. Lights could be added to the poles at an estimated cost of \$2,500. Director Pearson suggested creating a subcommittee to come up with a recommendation about future holiday lighting plans. Member Dipert said he was interested in serving on the subcommittee. Other members could include a Council member, downtown business owner, Shade Tree Commission member, and the CEDD. The Board agreed to establish a subcommittee that would provide recommendations to the Board regarding holiday lights.

There were no comments from the public on this issue.

H. New Business

1. Keweenaw Excursions Contract Renewal

Director Pearson reported that Keweenaw Excursions lease for the DDA property at 103 Bridge Park Drive Unit C expires on October 31, 2014. She reported that she had spoken with Kraig and Jason Funkey, owners of the cruising vessel, and they would like to obtain a multi-year lease. She explained that the contract provided for the rent to remain the same for 2015 at \$525 per month (June through October), and then the monthly rate would increase \$25 each year to \$550 for 2016, \$575 for 2017, \$600 for 2018, and \$625 for 2019.

Upon questioning, Director Pearson reported that total heating costs for the building were \$7,656, City utilities \$413, cleaning services approximately \$13,000, and window cleaning \$500. Total cost is \$21,519. The cleaning services are for three public bathrooms downtown. Two tenants use the building and there is no way to distinguish the utilities between the two. Director Pearson compared the five month utilities cost for the unit of \$3,760 to Keweenaw's five month rental rate of \$2,625. The Beaver Island Boat Company pays approximately \$26,000 a year to rent property and dock space. After discussion and clarification of the figures, it was determined that the utility costs related to Keweenaw were closer to \$2,000 for the five months. Director Pearson stated that their rental rate of \$500 per month had not changed from 2009-2013.

Member Kurtz commented that Keweenaw is worried about the proposed dock expansion and how the proposed expansion could change the terms of the lease. He suggested that language regarding the dock expansion be included in the agreement. Director Pearson responded that the dock expansion would not affect the current office space. Mayor Carlson suggested including language "contingent upon a valid dock lease" in the agreement.

Members discussed various terms, such as a one year lease or increased rent. Mayor Carlson reminded the board that the DDA is not losing money on the current lease, given the variables of the utility costs. Director Pearson advised the board that she had started negotiations at \$50 a month increase, which was not well received. Eventually, the two parties agreed to the \$25 per month increase after the first year of the new lease. Members discussed the possibility of a kiosk by the marina instead of the office space; Sunshine Charters pays \$1,000 per year for their kiosk. Director Pearson stated if Keweenaw wanted to explore the option of a kiosk instead of office space, that the vacated office could be used as a new business incubator. Mayor Carlson suggested a marina shop in that space.

Motion by Member Dipert, second by Member Yaroch, to enter into a one year contract with the Keweenaw Excursions at an increase of a \$100 per month with the option to negotiate and renew their contract in June of 2015. Motion passed by unanimous voice vote.

There were no public comments.

2. Holiday Decorations Bids

Director Pearson stated that she had sent out request for bids to six greeneries in the area and had received two responses: Bills Farm Market in Petoskey (\$1,732/per year) and Pine Hill Nursery in Torch Lake (\$3,000/per year). She stated that the DDA had \$500 to contribute to the project for this year, leaving the downtown merchants to come up with the remaining \$1,232.

Motion by Member Yaroch, second by Member DiMartino, to enter into a three year contract with Bills Farm Market and approve an expenditure of \$500 for the holiday decorations for each year. Motion passed by unanimous voice vote.

There were no public comments.

3. Review & Development of Budget Goals

Director Pearson reported that staff is developing budget goals for the 2015-16 fiscal year and that many of the 2014-15 goals are being carried forward into the next year as the DDA had taken on multiple projects that will be ongoing into the next budget year. She stated that she is committed to maintaining all of the programs, initiatives, and events that they have run in the past and that that additional work will come along with the Main Street Program, the downtown Wi-Fi project, potential marina expansion, and updated way finding system.

Director Pearson pointed out a couple of major changes in the proposed new budget including: funds for updates/improvements to the Odmark Performance building in East Park, an updated way finding system and signage downtown, and installation of downtown Wi-Fi system.

Motion by Member Yaroch, second by Member Mason, to accept the 2015-2016 Budget Goals as presented by the CEDD Director. Motion passed by unanimous voice vote.

There were no public comments.

I. Audience – Non-Agenda Input

None.

J. Miscellaneous Business of the Board

Director Pearson stated that she needed to have authorization from the Board to apply for a liquor license for the 2014 Bridge Drop Event. Member Dipert referenced the minutes from September 22, 2014 which indicated that the Board authorized the CEDD to apply for the liquor license for the Bridge Drop at that meeting so a motion was not needed at this time.

K. Future Agenda Items

None.

L. Adjournment

Motion by Member Dipert, second by Member Kurtz, to adjourn. Motion passed by unanimous voice vote. Meeting adjourned at 7:04 p.m.

Joyce Golding/fgm

City Clerk

Jeannine Wallace

Vice Chair