

CITY OF CHARLEVOIX
DOWNTOWN DEVELOPMENT AUTHORITY (DDA) MINUTES
Monday, December 22, 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 Chair Dan Barron.

B. Invocation or Pledge of Allegiance

Chair Barron announced he had plaques in recognition of service to the Downtown Development Authority for Luther Kurtz (2013-2014) and former Mayor Norm Carlson (2004 – 2014). He presented the plaque to Council member Kurtz and thanked him for his service to the DDA.

C. Roll Call of Members Present

Chair: Dan Barron

Members Present: Mayor Gabe Campbell, Fred DiMartino, Kirby Dipert, Tamie Gillespie, Hugh Mason, Jeannine Wallace, and John Yaroch

Members Absent: Todd Wyatt

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

D. Inquiry Regarding Possible Conflicts of Interest

None

E. Approval of Minutes

Motion by Mayor Campbell, second by Member Mason to approve the November 24, 2014 minutes as presented. Motion passed by unanimous voice vote.

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 stated that at the December 15th Council meeting, Council passed amendments to the City Code to approve the outdoor dining program, with a cost to the applicable businesses of \$50 annually. Staff is still tweaking some of the language in the Program Guidelines, which would be brought back to Council in January for final approval.

Director Pearson reported that House Bill 5856, which dealt with TIF Reform, was pulled from the House Committee by Representative Kowall. This is good news for the DDA.

Director Pearson stated that at the December 15th City Council meeting, Council received input and discussed the Library contribution. Council directed the DDA and Library staff to meet and discuss a partial contribution or negotiations for future years. She stated that she had spoken to Library staff about the current situation, and that the DDA had already approved its upcoming annual budget, but DDA staff would be able to sit down and work out something for future years.

G. Old Business

1. Consideration of a Lease Agreement with the Round Lake Group, LLC.

Director Pearson reported that the draft lease for the Round Lake Group has been reviewed by herself, representatives from the Round Lake Group, the City Manager, Wastewater/Water Superintendent and the City Attorney. The lease had two conditions tied to it, including: 1) a contingency that Round Lake Group's is able to obtain the needed liquor license, and 2) approval from Wastewater Treatment Plant Superintendent Steve Tunis.

Director Pearson proposed that the lease for January be pro-rated (\$16.13 per day) based on when the Group can gain access to the building. She advised the Board that she had given current tenants, who are using the space for storage, 30 days' notice to remove their belongings. The current tenants have until January 9, 2015 to comply. Additionally, she gave Sunshine Charters permission to use space in the Odmark Performance Pavilion to store some of their goods.

Director Pearson advised that the property will be taxable once a for-profit business takes over the property; it will not be on the 2015 tax roll because taxes for 2015 are assessed on December 31, 2014. She stated that the rough estimate from the City Assessor for the space is \$8,385 per year starting in 2016 (estimated taxable value is \$158,700). Member Yaroach commented that it might be a good idea to have an appraisal done on the space; however, Chair Barron stated that is the tenant's responsibility to request an appraisal.

Chair Barron made several comments regarding the wording in the proposed lease, including incomplete references and language. He suggested that the document be reviewed by the City Attorney. Discussion followed regarding the need to construct a hallway to meet building code access. Manager Straebel stated that the renovations were included in the floor plan. Director Pearson stated that the lease included language on mandatory build out provisions.

Phil Parr of Round Lake Group, stated that they will be applying to Council and the DDA for a redevelopment liquor license for this space. They will also be submitting an application for an outdoor dining/seating permit.

There were no public comments regarding the proposed lease with the Round Lake Group.

Motion by Member Mason, second by Member Wallace, to approve the terms of the lease agreement, subject to the comments made during the meeting, and contingent upon approval of the liquor license and approval from the Wastewater Treatment Plant Superintendent with the lease to be effective January 1, 2015 with the Round Lake Group, LLC for 109 Bridge Park Drive. Motion passed by unanimous voice vote.

H. New Business

1. Acceptance of the Resignation of the Community Economic Development Director.

Director Pearson thanked the DDA Board for their support and cooperation over the last 19 months of her time with the City. In her new role at the Northern Lakes Economic Alliance (NLEA), she will continue to do whatever she can to assist the City in their efforts to redevelop the downtown.

Chair Barron asked Director Pearson to review the status of the Main Street application. Director Pearson stated that she had a meeting with the City Manager, City Planner, and Human Resources Assistant to review the DDA's Annual Calendar, which includes all the things that need to be done month by month. They had also scheduled an emergency meeting of the Main Street Committee for Monday, December 29th, at 5:30 p.m. She stated that Planner Spencer will be taking over the day-to-day duties for the Main Street Program. The presentation to the State on the Main Street status application is scheduled for February 11th in Lansing; she will be available to help with the presentation. Additionally, Linda Weller, Executive Assistant to the City Manager, will handle the day-to-day inquiries, emails, and business related to DDA matters. Director Pearson asked if the DDA would be interested in hiring someone on a temporary, part-time basis while the DDA goes through the recruitment and hiring process.

Manager Straebel stated that the City was lean on staff at the present and everyone was pitching in and doing additional work. He believes that a temporary position of even 5-10 hours a week would be of great assistance to staff. He stated that sharing the position, 75% DDA and 25% City, has worked very well and advocates for continuing partnership. He continues to support having a Community Economic Development Director position to work with the industrial park and other economic initiatives within the City and the DDA District. Manager Straebel stated that there may be issues with the Main Street Program, which requires a full-time staff member dedicated to the Main Street Program. This will be discussed further in February. Director Pearson agreed that the 75/25 split was equitable.

Member Dipert questioned if the Main Street Program required a full-time paid Director. Director Pearson responded that the language is a bit ambiguous. It indicates that they have to have a full-time employee, but it says that the wages can come from multiple organizations. The application also includes a question about what, if anything besides the Main Street Program, is included in the individual's responsibilities.

The Board discussed bringing in an administrative person to handle day-to-day tasks on a part-time basis until a new Director is hired. Director Pearson mentioned Katherine Forrester, who works part-time for the Recreation Department and may be interested in the temporary position.

Motion by Member Mason, second by Member Dipert, to reluctantly accept the resignation of Bethany Pearson, Community Economic Development Director. Motion passed by unanimous voice vote.

Motion by Member DiMartino, second by Mayor Campbell, to give Director Pearson permission to hire someone on a temporary, part-time basis to complete administrative duties until a full-time Director is hired. Motion passed by unanimous voice vote.

2. Review of Job Description, Recruitment Strategy, and Management of Daily Operations.

Director Pearson stated that she had added one additional essential job function, number 5, related to "coordinates and serves as the Director for the Michigan Main Street Program if selected in 2015" to the job description that was originally approved for her position in 2013.

Member Dipert believed that the Board could approve the job description and then adjust it as needed in the future, if a job applicant has strengths or weaknesses that warrant a change to the job description.

Motion by Member Yaroch, second by Member Mason, to re-affirm the job description subject to ongoing review and revision by the DDA. Motion passed by unanimous voice vote.

Director Pearson asked who would like to serve on the Hiring Committee for the new Community Economic Development Director. After discussion, it was determined that Mayor Campbell, Fred DiMartino, Kirby Dipert, City Manager Straebel, and one other member of the City Council would serve on the Hiring Committee, with the Human Resources Assistant participating as a non-voting member of the Committee.

Motion by Member Yaroch, second by Member Wallace, to recommend to City Council to form an Interview Committee comprised of DDA Members DiMartino and Dipert, Council and DDA representative Mayor Campbell, one City Council member to be determined by City Council, and City Manager Straebel as voting members and the Human Resources Assistant as a non-voting member. Motion passed by unanimous voice vote.

Director Pearson stated that her last day would be January 2, 2015. She also advised the Board that the NLEA will reimburse the DDA \$2,352.80 for expenses associated with Director Pearson's January conference at the Institute for Organizational Management.

I. Audience – Non-Agenda Input

None.

J. Miscellaneous Business of the Board

Member Dipert reported that he had had a pleasant coffee meeting with a couple of Library Board members. Part of the conversation was about the DDA's contribution to the Library, and he believes that there is a willingness on both sides to work out a solution that is best for the community.

K. Future Agenda Items

Director Pearson reminded the Board that they would need to add the Keweenaw Excursions' lease agreement to a future agenda for discussion, now that the Round Lake Group lease agreement is approved. She stated the current agreement expired on October 31, 2014.

L. Adjournment

Motion by Mayor Campbell, second by Member Yaroch, to adjourn. Motion passed by unanimous voice vote. Meeting adjourned at 6:50 p.m.