

**CITY OF CHARLEVOIX
DOWNTOWN DEVELOPMENT AUTHORITY (DDA) MINUTES
Monday, February 27, 2012 — 5:30 p.m.
210 State Street, City Hall, Council Chambers, Charlevoix, MI**

I. Call to Order

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

II. Roll Call of Members Present

Chair: Hugh Mason
DDA Director: Keith Carey
City Clerk: Stephanie C. Brown, Deputy Clerk
Members Present: Todd Wyett, Kirby Dipert, Gina Whitney, John Yaroch, Fred DiMartino
Members Absent: Mayor Norman L. Carlson, Jr., Dan Barron, Jeannine Wallace

III. Approval of Agenda

The Board approved the agenda as presented.

IV. Inquiry Into Potential Conflicts of Interest

None.

V. Approval of Minutes

Motion by Member Wyett, second by Member DiMartino, to approve the January 23, 2012 minutes as presented.
Motion passed by unanimous voice vote.

VI. Public Input, Not Related to Other Agenda Items

None.

VII. Old Business

None.

VIII. New Business

A. Charlevoix Public Library Annual Report

Library Director Valerie Meyerson reviewed the Charlevoix Public Library's Annual Report and answered questions from the Board. Director Meyerson reported that the library has finally seen stabilization in its service usage, which makes it much easier to plan. The library has a much higher visit rate per capita than the national average and sees an average of 3,173 visitors to the downtown library per week. Meyerson reviewed the history of the DDA's pledge of financial support which was brought on, in part, to help keep the library in the downtown area, and reminded the Board that they had promised to continue the annual pledge when the DDA's debt was paid. The DDA pledged \$30,000 per year because that is approximately the amount that the DDA captures from the Library millages and pledged 20 years because that is the term of the library's debt service.

Chair Mason opened the item to public comment at 5:47 p.m.

Former DDA Member Jeff Porter spoke to the board regarding the Board's original thinking behind the annual pledge. Originally, the Board was looking to have an "anchor" department store such as Sears or JCPenney's in the downtown. When that endeavor didn't pan out, the Board decided to assist the library in its effort to remain downtown. Hundreds visit the library each week, and the library has become the "anchor" that the DDA was hoping for.

Chair Mason closed the item to public comment at 5:50 p.m.

B. Keweenaw Excursions Office Space Modifications

DDA Director Carey reviewed the item for the Board. Kraig Funkey of Keweenaw Excursions reviewed the request and answered questions from the Board.

The Board generally agreed that Keweenaw Excursions should be required to pay some or all utilities associated with the leased office space, as they would be using additional utilities to make ice for their commercial ice machine operation. The Board also generally agreed that having an ice vending machine so close to the Marina and the Park would be advantageous for all parties.

Member Wyett suggested using summer 2011 as a "baseline" for utilities and charging Keweenaw Excursions for any increases over the baseline. Director Carey stated that staff is looking into that as one option; staff is also looking into installing a meter and other options. He would like the Board to give him flexibility so that the City can do what the Electric Department Superintendent thinks is the best option.

Chair Mason opened the item to public comment at 5:59 p.m. There was no public comment. Chair Mason closed the item to public comment at 5:59 p.m.

Motion by Member Dipert, second by Member Yaroch, to approve the modifications to 103 Bridge Park Drive, Unit C, as outlined in the letter and accompanying drawing [included in the agenda packet] submitted by Keweenaw Excursions. The interior changes include temporary shelving, counter space, and free-standing fixtures and the installation of a commercial ice machine. The exterior changes include the installation of a commercial ice merchandiser. Staff is authorized to amend the lease terms should it become necessary to require payment of some or all of the utilities associated with the leased office space.
Motion passed by unanimous voice vote.

C. Billboard Advertising

DDA Director Carey reviewed the item and answered questions from the Board. Director Carey reported that the cost of billboard advertising is prohibitive; however, the Castle and the Charlevoix Convention and Visitor's Bureau are interested in making this a collaborative effort, which would make the cost per unit approximately \$4,300. The Chamber of Commerce does not have the funds to participate at this time. Director Carey stated that, if the board was interested, he would continue to explore the item; he is not asking for any action from the Board at this time, only direction.

Asked if the billboard would be part of the *Pure Michigan* endeavor, Director Carey reported that the *Pure Michigan* campaign suggested that the DDA develop a smart phone application for directing visitors to and in downtown Charlevoix. The *Pure Michigan* campaign is strictly radio advertising, not print or billboards.

Member Yaroch remarked that a smart phone application is directly tied into the need to provide free Wi-Fi in the downtown and East Park. Director Carey reported that Wi-Fi is available free at several downtown locations, and that those locations are listed on the Downtown Directory; however, when a Wi-Fi study was performed a few years ago it was discovered that providing Wi-Fi in East Park and downtown would be cost prohibitive and that signal integrity would be a problem.

Chair Mason opened the item to public comment at 6:14 p.m. There was no public comment. Chair Mason closed the item to public comment at 6:14 p.m.

Members Dipert and Yaroch stated that billboard advertising might not be the best use of DDA funds; however, Chair Mason told Director Carey to continue researching options so that the Board has all the facts before making a decision.

D. Carry Over of Funds Resolution

Director Carey reminded the Board that the resolution is required to carry over unused 2011-12 DDA funds to the 2012-13 budget. City Treasurer Richard Brandi answered questions from the Board.

Chair Mason opened the item to public comment at 6:15 p.m. There was no public comment. Chair Mason closed the item to public comment at 6:15 p.m.

Motion by Member Yaroch, second by Member Whitney, to adopt Resolution 2012-01 as follows:

CAHRLVOIX DOWNTOWN DEVELOPMENT AUTHORITY
RESOLUTION NO. 2012-01
CARRY OVER OF FUNDS FOR PROJECTS WITHIN THE DEVELOPMENT AUTHORITY

WHEREAS, The City of Charlevoix Downtown Development Authority is projecting an approximate \$457,379 fund balance as of March 31, 2012; and

WHEREAS, The Downtown Development Authority is in the process of prioritization and implementation of future projects; and

WHEREAS, The Downtown Development Authority has debt service payments;

THEREFORE BE IT RESOLVED, THAT THE DOWNTOWN DEVELOPMENT AUTHORITY, hereby earmarks its March 31, 2012 fund balance estimated at \$457,379 for implementation on the yet to be prioritized projects and to pay future years debt service payments now within their development plan, as funding allows.

RESOLVED, this 27th day of February, A.D. 2012

Resolution was adopted by the following yea and nay vote:
Yeas: Wyett, Dipert, Whitney, Yaroch, Mason, DiMartino
Nays: None.
Absent: Carlson, Barron, Wallace

IX. Executive Director's Report

Director Carey asked if there were any questions regarding his report, which was included in the agenda packet.

Member Wyett asked to be informed when a meeting is set up with MDOT regarding the Bridge St./Clinton St. intersection.

X. Miscellaneous Business

- A. John Haggard, part-owner of two parcels in the DDA, asked the Board to reconsider its position on re-development liquor licenses. One of Mr. Haggard's tenants, Scovie's Gourmet Deli, would be willing to consider a significant expansion and building improvements if they were able to get a serving liquor license, which is what the re-development liquor license is designed for. Scovie's currently holds a license to sell beer and wine over the counter, but not to serve it. Mr. Haggard provided the Board with a copy of an e-mail from Scovie's Owner, Vi Keller-Forreider. Haggard suggested that a unit of government should not make decisions based on competition to existing businesses.

Chair Mason stated that the Board was not against the re-development liquor license, but that no one had applied at the time the idea was originally presented, and that the Board would consider the license on a case-by-case basis. Member Whitney stated that competitors' concerns had mostly to do with the winter months, when downtown businesses are operating "in the red" and there is not enough business for the existing restaurants, let alone sharing with a new restaurant. The Board discussed other ways to obtain a liquor license, due to concern that once a re-development license is approved, several other potential licensees will be granted licenses. Director Carey stated that the re-development liquor license can be granted on a case-by-case basis. City Council would determine the number of licenses and who they would be granted to. Additionally, the State Liquor Control Commission requires a business requesting a re-development liquor license to show good faith effort in obtaining a Class C liquor license at a reasonable cost through other means.

The Board discussed the difference in value of an existing license versus the cost of a re-development license. Member Whitney shared that her license was recently valued at \$50,000. A re-development license can be purchased for \$20,000 if a \$70,000 building improvement is made.

Director Carey clarified for the Board and Mr. Haggard that the Board would not take any action – this item would be taken to Council. Chair Mason stated that Council would probably ask for the Board's opinion, but that would not happen until after the item was presented to Council.

- B. Member Dipert reported that the Farmer's Market wants to be able to take credit cards and requires a phone line to do so. Ms. Valerie Meyerson, a member of the board that oversees the Farmer's Market, reported that they want to be able to take *Bridge* cards, which are essentially food stamps. While there are applications that would allow credit cards to be used with smart phones, the *Bridge* card requires a phone line. Member Dipert asked Director Carey to look into options to provide a phone line to vendors at the Farmer's Market.
- C. Member Yaroch remarked that the tree-lighting project is not working as well as hoped, due to the age and type of trees in the downtown area. Member Yaroch suggested that funds for the tree-lighting project be redirected to a Round Lake lighting project. The use of LED lighting makes the concept affordable, and the lighting would draw people into downtown when we most need it – in the "dark" months. While many communities use tree lighting, lighting around the Lake would be unique to Charlevoix. The Board generally agreed that Member Yaroch, Member Wyett, and Director Carey should meet to work out the details of the concept and report back to the Board.

XI. Future Agenda Items

Chair Mason noted that the Board's by-laws call for an annual meeting on the first Tuesday of April at 6:00 p.m. This is not the "normal" day and time of their meeting. The Chair directed the DDA Director and the Deputy Clerk to review the by-laws and present recommended changes at the next regular meeting.

XII. Adjournment

Motion by Member Yaroch, second by Member Whitney, to adjourn.
Motion passed by unanimous voice vote. Meeting adjourned at 6:58 p.m.

Stephanie C. Brown

Deputy City Clerk

Hugh Mason

Chair

Carol A. Ochs

City Clerk