

REVISED AGENDA



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BOARD MEETING

June 4, 2015 – 8:30 A.M. Commission Chambers – City Hall

1. CALL MEETING TO ORDER AND ROLL CALL
2. READING AND APPROVAL OF MINUTES - May 7, 2015 regular meeting
4. HEARING CITIZENS PRESENT (ON NON-AGENDA ITEMS)
5. CORRESPONDENCE
6. MAIN STREET COMMITTEE REPORTS
7. MAIN STREET MANAGER'S REPORT
8. UNFINISHED BUSINESS
 - a. Building Redevelopment Incentives Program Review and Approval
 - b. Dilworth Hotel Reimbursement Agreement Review and Discussion
9. NEW BUSINESS
 - c. Stroll the Streets
 - d. Volunteer Appreciation Event
 - e. Organization Chart Review
 - f. Crowd Funding Campaign
10. GOOD OF THE ORDER
11. ANNOUNCEMENTS
 - Next Boyne City Main Street board meeting, Thursday, July 15, 2015, 8:30 a.m.?? at City Hall
12. ADJOURNMENT

Individuals with disabilities requiring auxiliary aids or services in order to participate in municipal meetings may contact Boyne City Hall for assistance: Cindy Grice, Clerk/Treasurer, 319 North Lake St., Boyne City, MI 49712; 231-582-0334

Approved: _____

**Meeting of
 May 7, 2015**

MINUTES OF THE BOYNE CITY MAIN STREET BOARD REGULAR MEETING HELD ON THURSDAY MAY 7, 2015 AT 8:30 AM. CITY HALL, 319 NORTH LAKE STREET

Call to Order

Chair O'Brien called the meeting to order at 8:30 a.m.

Roll Call

Present: Jodie Adams, Michelle Cortright, Pat O'Brien, Rob Swartz, Ben Van Dam, Jim Jenson and Larry Lenhart

Absent: Michael Cain and Robin Berry Williams (arrived 8:36)

**Meeting
 Attendance**

City Staff: Main Street Director Lori Meeder, Planning/Zoning Administrator Scott McPherson and Recording Secretary Karen Seeley

Public: One

**Excused Absences
 MOTION**

Cortright moved Swartz second PASSED UNANIMOUSLY to excuse Michael Cain from today's meeting.

**Approval of Minutes
 MOTION**

VanDam moved Swartz second PASSED UNANIMOUSLY to approve the April 9, 2015 regular minutes as presented.

**Citizens
 Comments**

None

**Manager's Report and
 Main Street Committee
 Reports**

Main Street Director Meeder gave the Manager's Report along with the Committee reports.

- We are requesting applications for our local façade program. We have budgeted \$15,000 toward small façade projects. \$10,000 of this is earmarked for Bill Noblett's building. He had one year to complete his project, which is mid June. The design committee will decide if they want to extend that or reallocate it.
- Northern Table and the Boyne Pub are slated to open later this month. Peninsula Boutique is signing a lease with Dennis Kirkby to go into his building (formally Dunigan's). Smitten Design & Studio and One Water Art are having their ribbon cutting Friday evening.
- Buff-Up Boyne was a great success again this year.
- The Red Mesa teamed up with Boyne Avenue Greenhouse to do a fundraiser for the Pavilion. They raised over \$700.
- The Mushroom Festival is only a week away with the inaugural craft beer and food tent on Thursday night. The Chamber and Morel Festival committee are working hard to make this a success.
- Stroll the Streets will begin June 12th we are making a final push for sponsors and are making good progress. Also on the 12th and that weekend through Monday, we will be rolling out our Stroll through History Walking tour. We are in the process of coming up with some additional events throughout the weekend.
- The Walkabout Sculpture Show is set to kick off in June as well. There will be six sculptures around the downtown area for the year long show and people are encouraged to vote for their favorite piece, a "People's Choice" award of \$1000 will be presented to the winning artist at the

culmination of the show in June 2016.

- Boyne on the Water (the Place Planning event) is hosting a vision session for community input at the Boyne City High School Cafeteria May 19, 2015 5:30-7:30 pm

Unfinished Business

DDA Development/TIF Amendment

The Main Street board began discussion and review of an Amendment to the Boyne City DDA Development Plan and Tax Increment Financing Plan to provide for reimbursement of additional eligible activities from future tax increment revenue of future projects. We have two very important redevelopment projects moving forward in 2015-restoration of The Dilworth Hotel and the re-development of South Lake Street by Catt Development into a mixed use facility that will include affordable housing, a restaurant and retail space. The projects are both significant in terms of scope of investment, and will be extremely positive not only for our downtown, but for our community as a whole. At its April 14, 2015 meeting, the City Commission reviewed the draft plan Amendment/Ordinance and approved the scheduling of a public hearing. The Organization committee met and reviewed the plan amendment and ordinance in detail and made suggested changes. They were reviewed and approved by Mac McClelland. A copy of the draft, marked-up version was included in the agenda packet to show the changes that were made. Board discussion that it is important to finish this and move forward. There were not a lot of changes, just verifying what was changed. **VanDam moved Adams seconded PASSED UNANIMOUSLY** The DDA/Main Street Board approve and recommend to the City Commission an ordinance amending the 2010 Amended and Restated Downtown Development Plan and Tax Increment Financing Plan authorizing the DDA to use tax increment revenues for reimbursement of additional eligible activities on selected and approved and provide for additional inter-local agreements with the Charlevoix County Brownfield.

MOTION

New Business

Building Redevelopment Incentives Program Review and Discussion

The board reviewed the draft Redevelopment Incentives Program with Mac McClelland of Otwell Mawby, PC. They had some questions, suggestions and recommended changes that Mac will incorporate into the document and present to the board for adoption at its next meeting.

Dilworth Hotel reimbursement Agreement Review and Discussion

The board reviewed the Dilworth Hotel reimbursement Agreement with Mac McClelland of Otwell Mawby, PC. They had some suggestions and recommended changes that Mac will incorporate into the document and present to the board for adoption at its next meeting.

Main Street Director stated that when both of these documents are complete, she will have the City attorney review The Dilworth Hotel Reimbursement Agreement per the boards suggestion before it comes to the board for adoption.

Good of the Order

Suggestion for a Main Street booth for Stroll the Streets this summer, in front of Harbor House.

MOTION

O'Brien asked if the Main Street Board had taken a position with a letter of support for the Pavilion project. **Cortright moved, O'Brien seconded PASSED UNANIMOUSLY** to provide a letter of support for the Veterans Park Community Pavilion.

ADJOURNMENT

MOTION

Adams moved Swartz seconded PASSED UNANIMOUSLY to adjourn the May 7, 2015 meeting of the Boyne City Main Street Board at 10:00a.m.

Building Redevelopment Incentives Program

Boyer City Downtown Development Authority
May 7, 2015

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A: Purpose:

The purpose of the Building Redevelopment Incentives Program is to support the reuse and redevelopment of older buildings in downtown Boyer City by providing financial assistance to property owners or business owners contemplating the rehabilitation of an older building.

Program objectives include:

1. To encourage the full utilization of existing downtown buildings and storefronts.
2. To reduce the rate of vacancy and blight in the downtown.
3. To provide financial assistance to property owners and business owners in overcoming the unique and challenging barriers associated with reusing older buildings.
4. To preserve and maintain existing buildings, resulting in a diverse and unique downtown environment that's economically viable.
5. To encourage continued growth and expansion of business and residential activities, and to support the purpose of the Downtown Development Authority.

B: Assistance to be provided:

To meet the objectives of the Building Redevelopment Incentives Program, the Downtown Development Authority (DDA) will consider approving reimbursement of certain eligible activity costs to those property owner or business owners eligible for assistance as established by the following program guidelines.

C. Building Eligibility:

The program offers assistance to property owners and business owners within the DDA Development Area boundaries as shown on Map 1. Although all buildings and storefronts are eligible for assistance, the DDA may upon the recommendation of the advisory board, establish a program target area. Older buildings shall generally be defined as a building constructed prior to 1950.

D. Project Eligibility:

The source of funding for reimbursement of Eligible Activities is based on the future incremental taxes generated by each individual project participating in the Program. As a result, there must be a substantial private investment that would result in adequate increased taxable value and resultant tax increment revenues that would fully reimburse the Eligible Activities with a maximum of 10 years or within the DDA/TIF Plan Duration, whichever is less.

D. Eligible Expenses:

The DDA is permitted by law to allocate funds for certain activities related to the renovation and rehabilitation of existing buildings. The following Eligible Activities will be considered for reimbursement from the tax increment revenue generated from each project.

1. Facade Improvement: The exterior appearance of downtown buildings is a key factor in maintaining and increasing property values. The renovation and restoration of building facades increases property values of the renovated property as well as surrounding structures and improves marketability of improved property and the downtown district. Eligible activities may include, but not be limited professional design assistance related to facade renovation and restoration; removing inappropriate siding to reveal original building facades; restoring facades, consistent with the Secretary of Interior's Standards for Building Rehabilitation; and improving the transparency of any building wall that faces an urban open space, or public right-of-way.
2. Barrier-Free Access: The American with Disabilities ACT (ADA) requires commercial buildings and some residential units to be accessible by physically challenged individuals. Eligible activities may include, but not be limited ramp construction to a required means of entry/egress; barrier free accessible toilet facilities; and sidewalk improvements to include barrier free ramps and grade elevations that align with floor levels.
3. Fire Suppression: Installing of fire suppression systems is one of the most beneficial measures to increase the safety of a building. Installation of these systems in existing and historic structures is often challenging and expensive. Eligible activities may include, but not be limited to design and installation of adequate fire service lines (water laterals) from the water main into the building; design and installation of new or upgraded fire suppression systems in buildings; and installation of other life safety systems, including alarms, emergency lighting, smoke or heat detectors, knox key boxes and other systems.

C. Application Procedure:

Applicants may wish to discuss their project informally with DDA staff prior to completing a formal application. Applications will be received and reviewed by the program advisory board. The advisory board will meet periodically as necessary to review applications and forward recommendation to the DDA. The DDA has final authority to approve or deny participation of each application. A non-refundable application fee of \$150.00 is required with the Building Redevelopment Incentives Program. ~~If the application is accepted by the DDA for the process to continue, an additional \$850 non-refundable fee will be due from developer.~~

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D. Program Advisory Board:

An Advisory Board is established to oversee the administration of the Building Redevelopment Incentives Program. The advisory board consists of five members

appointed by the DDA. The advisory board has the following responsibilities:

1. To develop and publish evaluation criteria to be used to evaluate applications for assistance. The proposed evaluation criteria and subsequent changes to them must be submitted to the DDA for review and approval.
2. To evaluate requests for assistance under the Building Redevelopment Incentives Program, and forward recommendation to the DDA for final consideration.
3. To report periodically to the DDA and City Commission on the status of projects assisted through the program and to evaluate the effectiveness of the program.

E. Conditions for Financial Assistance:

The use of public funds made available through the Building Redevelopment Incentives Program is limited to specific public purposes. Private funds must be available before TIF reimbursement commitments can be made. In order to ensure that the program achieves these purposes, applications are required to meet the following minimum conditions:

General Conditions (Threshold Criteria):

1. Project must renovate an existing building constructed prior before 1950, or an existing ground floor storefront (exceptions for newer buildings may be approved by the DDA).
2. Project must be located in the DDA Development Area Boundaries.
3. Exterior renovation must be generally consistent with the Secretary of Interior’s Standards for Rehabilitation, with input and approval from the BRIP Program Advisory Board and the Main Street Design Committee.
4. Applicants must demonstrate that the project will provide increased taxable values in an amount to fully reimburse Eligible Activity costs within a period not to exceed 10 years or within the DDA/TIF Plan Duration, whichever is less
5. Project must meet long term goals of the DDA including but not limited to historic renovation and restoration, blight elimination, vacancy reduction, affordable housing,
6. Development must prove there is a significant funding gap to complete the project.
7. The project will have a minimum total project cost of \$1,000,000.

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Administrative Conditions:

1. The chain of title must show the property owner’s legitimate ownership interest in the property. All outstanding mortgage loans, land contracts, deeds, etc. must be recorded with the Charlevoix County Register of Deeds.

2. Financial assistance will not be permitted if taxes, special assessment, liens or other debts are in arrears.
3. In the case of façade renovation projects, the owner must dedicate a façade easement to the DDA for a period of time to be agreed upon by both parties. The façade easement will limit changes to the façade during the period covered by the easement.
4. All work must be carried out in compliance with applicable building codes and zoning requirements.
5. An agreement in a form prepared by the DDA must be executed between the applicant and the DDA. Any offer of assistance will only be effective upon execution of the agreement by both the applicant and by the DDA.
6. Any expenses incurred prior to an application being received for review will not be eligible expenses under the program.

Distribution of funds:

Funds will be distributed on an annual basis by December of each year, based on the incremental taxes generated by the project from the initial taxable value at the time of project approval, as either by the most recent assessment roll or by the next assessment roll for which equalization has been completed, at the discretion of the DDA.

MAP I

DDA Development Area 1



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Building Redevelopment Incentives Program

Boyer City Downtown Development Authority
June 4, 2015

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MAP I

DDA Development Area 1



BOYNE CITY
2009 DDA DISTRICT DEVELOPMENT PLAN

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REIMBURSEMENT AGREEMENT

This Building Improvement Reimbursement Agreement (“**Agreement**”) is made as of _____, 2015, between the Boyne City Downtown Development Authority (the “**Authority**”), a public body corporate, with offices at 319 North Lake Street, Boyne City, MI 49712; and Tall Pines Partners, LLC, with offices located at 8833 Gibbons Drive, Charlevoix, MI 49720 (the “**Developer**”).

RECITALS

- A. The City of Boyne City, a Michigan municipal corporation, with offices at 319 North Lake Street, Boyne City, MI 49712 (the “**City**”), created the Authority pursuant to 1975 PA 197 (“**Act 197**”), and, pursuant to Act 197, the Authority has adopted a development plan and tax increment financing plan to capture ad valorem real and personal property taxes and specific taxes in the downtown development area.
- B. The Developer owns a parcel in the downtown development area at Water Street E., Boyne City, MI 49712 (Tax ID No. 051-320-000-00) that is the site of the historic Dilworth Hotel (the “**Property**”).
- D. The Developer plans to completely renovate the interior and exterior of the Dilworth Hotel to facilitate its continued operation (the “**Project**”).
- F. The Project will preserve a historic resource, increase the tax base for the City, and otherwise enhance the economic vitality of the City.
- G. The Authority’s development plan, as amended, authorizes the Authority to reimburse a developer for the costs of qualified façade, barrier-free access, and fire suppression improvements (the “**Eligible Costs**”).
- H. In undertaking the Project, the Developer will incur Eligible Costs on the Property not to exceed \$_____, as described in the attached **Exhibit A**.
- I. The Authority has agreed to reimburse the Developer for the Eligible Costs described in Exhibit A with a portion of the tax increment revenues collected under its development plan that are generated from the increase in captured assessed value of the Property that is attributable solely to the Project (the “Tax Increment Revenues”).
- J. The parties are entering into this Agreement to establish the conditions and the procedure for such reimbursement from Tax Increment Revenues.

TERMS AND CONDITIONS

In exchange for the consideration in and referred to by this Agreement, the parties agree as follows:

1. Redevelopment Project. The Developer shall proceed with due care and diligence to complete the Project in accordance with this Agreement and all applicable laws, rules, regulations, permits, orders, and directives of any official or agency of competent jurisdiction. The Developer shall make reasonable efforts to minimize Eligible Costs incurred.
2. Acknowledgments.
 - (a) The parties acknowledge that the Authority is entering into this Agreement only to provide incentives for the completion of the Project.
 - (b) The parties acknowledge that the City and the Authority have relied on the Developer’s promise to construct the proposed Project as consideration for the benefits extended under this Agreement.
 - (c) The parties acknowledge that this Agreement and the Tax Increment Revenues collected and distributed pursuant to it are intended to fund only the Eligible Costs.
3. Authority to Retain Ten Percent. The Authority shall retain ___% of the Tax Increment Revenues attributable to the increase in captured assessed value of the Property, and the Authority’s obligation to reimburse the Developer for Eligible Costs shall be limited to the remaining ___% share of such revenues (the “Available Tax Increment Revenues”). The Initial taxable value will be the taxable

values at the time of project approval, which for this project will be the taxable value as of December 31, 2014.

4. Submission of Costs. The Developer shall submit the following items to the Authority for each of the Eligible Costs for which the Developer seeks reimbursement:

- (a) A written statement detailing the costs;
- (b) Copies of invoices from any consultants, contractors, engineers, attorneys or others who provided services relating to the Eligible Costs;
- (c) Detailed time records showing costs of labor by the Developer's personnel;
- (d) Copies of the contract with the contractor or supplier providing the services or supplies for which reimbursement is sought;
- (e) Any other information which may be reasonably required by the Authority in order to verify the nature of the costs.

5. Payments. Payments to the Developer shall be made as follows:

- (a) Within 60 days of its receipt of the materials identified in paragraph 4 above, the Authority shall decide whether the payment request is for Eligible Costs and whether such costs are accurate. If the Authority determines all or a portion of the requested payment is for Eligible Costs and is accurate, it will establish the Eligible Costs Obligation for payment will be processed as provided in subparagraph (b) below. If the Authority disputes the accuracy of any portion of any payment request, it shall notify the Developer in writing of its determination and the reasons for its determination. The Developer shall have 28 days to address the reasons given by the Authority and shall have an opportunity to meet with the Authority's representatives or, if the Authority Board consents, to meet with the Authority's Board to discuss and resolve any remaining dispute. In doing so, the Developer shall provide the Authority a written response to the Authority's decision and the reasons given by the Authority. If the parties do not resolve the dispute in such a manner, it shall be resolved as provided in paragraph 7 below.
- (b) Once it approves any request for payment, the Authority shall pay to the Developer the amounts for which submissions have been made pursuant to paragraph 4 of this Agreement within 30 days after the Authority receives Tax Increment Revenues from which the submission may be wholly or partially paid. If a partial payment is made by the Authority because of insufficient Tax Increment Revenues, the Authority shall make additional payments toward the remaining amount within 30 days of its receipt of additional Tax Increment Revenues until all of the amounts for which submissions have been made have been fully paid to the Developer, or the repayment obligation expires, whichever occurs first.
- (c) The reimbursement obligation under this Agreement shall expire upon the payment by the Authority to the Developer of all amounts due the Developer under this Agreement or on December 31, 2025, whichever comes first. (Capture timeframe should be limited to the current expiration of the TIF Plan or a certain amount of years).
- (d) The maximum amount to be reimbursed under this Agreement, including contingencies, is \$_____.

6. Shortfall in Captured Taxes. Notwithstanding the reimbursement process set forth in this Agreement, neither the Authority nor the City shall be responsible for reimbursing any Eligible Costs in excess of the Available Tax Increment Revenues.

7. Dispute as to Reimbursement Amounts. If there is a dispute over whether a cost submitted by the Developer is eligible for reimbursement under this Agreement, the dispute shall be resolved by an independent knowledgeable professional chosen by mutual agreement of the parties. If the parties are unable to agree upon a knowledgeable professional, then the Authority shall choose an independent knowledgeable professional and the Developer shall choose an independent knowledgeable professional to review the Authority's decision. If and to the extent that the two knowledgeable professionals so selected agree that costs submitted are eligible, then the Developer shall be reimbursed those costs in

accordance with this Agreement. The fees for the professionals contemplated by this paragraph shall be reimbursed with Tax Increment Revenues.

8. Obligation to Fund Project. The Developer shall pay for the Eligible Costs with its own funds and receive reimbursement for the Eligible Costs from the Authority by Available Tax Increment Revenues. It is anticipated that there will be sufficient Available Tax Increment Revenues to pay for all Eligible Costs under this Agreement. However, if for any reason Tax Increment Revenues generated from the Project do not result in sufficient revenues to satisfy such obligations, the Developer agrees and understands that it will have no claim or further recourse of any kind or nature against the City or the Authority, and the Developer shall assume full responsibility for any such loss or costs.

9. Indemnification. The Developer shall defend, indemnify, and hold the City and the Authority, and their agents, representatives, and employees (hereinafter "**Indemnified Persons**") harmless from any loss, expense (including reasonable legal counsel fees) or liability of any nature due to any and all suits, actions, legal or administrative proceedings, or claims arising or resulting from injuries to persons or property as a result of the ownership, operation, use or maintenance of the Project from and after the date of this Agreement.

10. Miscellaneous.

(a) This is the entire agreement between the parties as to its subject matter. It shall not be amended or modified except in writing signed by all the parties. It shall not be affected by any course of dealing and the waiver of any breach shall not constitute a waiver of any subsequent breach of the same or any other provision.

(b) This Agreement and the rights and obligations under this Agreement are unassignable and non-transferable without the consent of the other parties. It shall, however, be binding upon any successors or permitted assigns of the parties.

(c) This Agreement shall terminate when all reimbursements required under this Agreement have been made or upon the expiration of the obligation to make such reimbursements, whichever occurs first.

(d) To the extent permitted by law, the jurisdiction and venue for any action brought pursuant to, arising from or to enforce any provision of this Agreement shall be solely in the state courts in Charlevoix County, Michigan and the prevailing party in any such action shall, in addition to any other remedy, be entitled to recover its costs, including, without limitation, actual, reasonable filing fees, legal fees, expert fees, discovery expenses and other costs incurred to investigate, bring, maintain or defend any such action for its first accrual or first notice thereof through all appellate and collection proceedings.

The parties have signed this Agreement as of the date first written above.

**BOYNE CITY DOWNTOWN DEVELOPMENT
AUTHORITY**

By: _____
_____, Chair

By: _____
_____, Secretary

Date signed: _____, 2015

TALL PINES PARTNERS, LLC

By: _____
Robert Grove, Member

Date signed: _____, 2015

**EXHIBIT A
ESTIMATED ELIGIBLE COSTS***

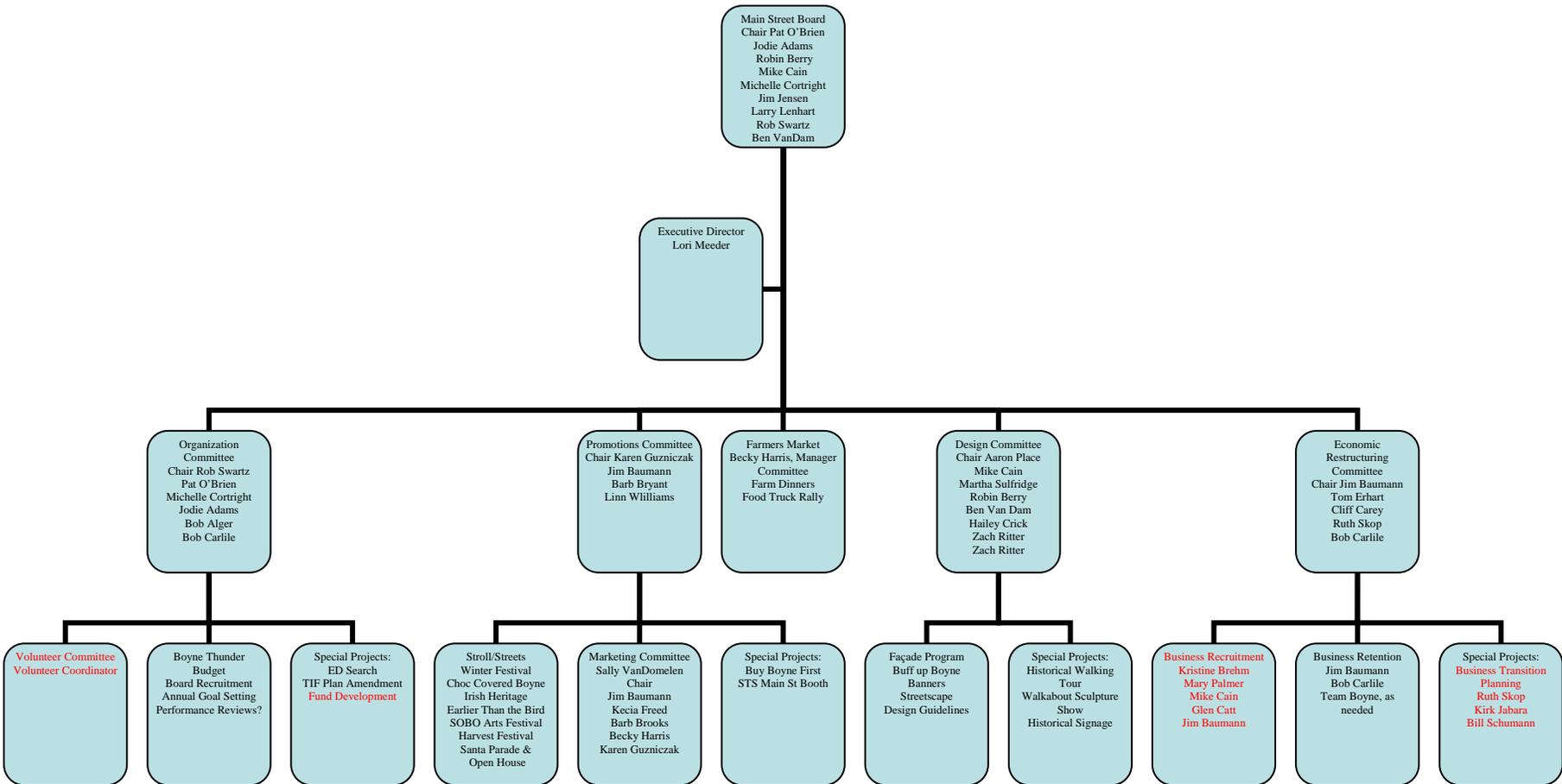
*Reimbursement for Eligible Costs shall be based on costs actually incurred.

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DRAFT



Visitors posed for pictures against Table Mountain at a viewing site in Cape Town, South Africa, in April.





Date: June 3, 2015
To: Pat O'Brien and Main Street Board Members
From: Lori J. Meeder, Main Street
RE: Crowd Funding Opportunity

Overview

We have been encouraged by Dan Leonard our CAT representative with the MEDC to consider a project that would be a good fit for their crowdfunding incentive program. With the incentive of a funding match from the MEDC if the financial goal is reached, the crowdfunding mechanism known as Patronicity is used to mobilize community members to make individual contributions toward the project. Potential projects must focus on the "activation of public spaces and community places." Patronicity uses donation crowdfunding exclusively within Michigan's vibrant communities. Projects in our traditional downtowns are aided by Public Spaces and Community Places, which assists the fundraising efforts of patrons.

Eligible projects include Streetscape Beautification & Walkability, Public Plaza Development, Access to Public Amenities (Riverwalks, Canoe Livery, Pier Enhancements), Farmer's Markets, Community Kitchens, Pop-Up Retail/Incubator Space, Alley Rehabilitation, Park Enhancements, Bike Paths & Non-Motorized Infrastructure, Bandshells & Amphitheaters, Community Theater Rehabilitation (non-profit), Public Wi-Fi, Place Branding & Event Implementation. The project must have a minimum total cost of \$5,000. MEDC matching grant funds will be available up to \$50,000 per project.

Discussion

The design committee would like to pursue a project and discussed the possibility of engaging Martha Sulfridge to create a sculpture related to our logging heritage. Several potential designs have previously been created by Martha. The design committee approved a recommendation to the Main Street Board to authorize the committee to move forward with a crowdfunding campaign not to exceed a total project cost of \$50,000.

Recommendation

That DDA/Main Street Board approve the recommendation by the design committee to authorize them to move forward with a crowdfunding campaign not to exceed a total project cost of \$50,000.