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OUR MISSION

“Through community partnerships and a shared vision for the future, work to keep downtown Boyne City vibrant and successful while preserving its historic heritage and supporting sustainable projects.”

BOARD MEETING

November 5, 2015 – 1:00 P.M. One Water Street, #4 Boyne City MI

1. CALL MEETING TO ORDER AND ROLL CALL
2. READING AND APPROVAL OF MINUTES—October 1, 2015 regular meeting
3. HEARING CITIZENS PRESENT (ON NON-AGENDA ITEMS)
4. CORRESPONDENCE
5. MAIN STREET COMMITTEE REPORTS
6. MAIN STREET MANAGER’S REPORT
7. UNFINISHED BUSINESS
8. NEW BUSINESS
 - a. Boyne Thunder Financial Report, Distributions & 2016 Pro Rata
 - b. Final Goal Setting Document
 - c. Dilworth Hotel Reimbursement Agreement and Eligible Costs
 - d. Catt S. Lake Street Reimbursement Agreement and Eligible Costs
10. GOOD OF THE ORDER
11. ANNOUNCEMENTS
 - Fund Development Training November 5 and 6
 - Boyne on the Water Final Presentation November 17, 6:00 p.m. St. Matthews
 - Next Boyne City Main Street board meeting, Thursday, December 3, 2015, at 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
October 1, 2015**

MINUTES OF THE BOYNE CITY MAIN STREET BOARD REGULAR MEETING HELD ON THURSDAY OCTOBER 1, 2015 AT 8:30 AM. CITY HALL, 319 NORTH LAKE STREET

Call to Order

Vice-Chair Adams called the meeting to order at 8:30 a.m.

Roll Call

Present: Rob Swartz, Larry Lenhart, Michael Cain, Robin Berry-Williams, Jim Jenson, Jodie Adams, Ben Van Dam, and Michelle Cortright

**Meeting
Attendance**

Absent: Pat O'Brien

City Staff: Main Street Director Lori Meeder, Assistant Planning/Zoning Administrator Patrick Kilkenny, Executive Assistant Barb Brooks, Farmer's Market Manager Becky Harris and Recording Secretary Lisa Schrock

Public: Three

**Excused Absences
MOTION**

Swartz moved Cortright second PASSED UNANIMOUSLY to excuse Pat O'Brien from today's meeting.

**Approval of Minutes
MOTION**

Van Dam moved Cortright second PASSED UNANIMOUSLY to approve the September 3, 2015 regular minutes as presented.

**Citizens
Comments**

None

Correspondence

None

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

Main Street Director Meeder gave the Committee Reports along with the Manager's Report on the following topics:

- Cancelled business transition workshop, not enough RSVP's
- Harvest Festival is Saturday, October 3
- Boyne Appetit Promotion kick off
- Dilworth Hotel—Public hearing on October 13 at City Commission meeting
- Catt Development—redevelopment liquor license for 7 Monks Restaurant and they were approved for a 1/2 million dollars through CDBG grant
- The following are new businesses opening soon: Fustini's, 7 Monks Tap Room, Stigg's Brewery, Create Art Studio, BAC Move, Nine Yards Consignment, Smitten Designs and Shannon Pearce
- There may be an offer on Water Street Café—not official
- A lot of businesses interested in renting space in Catt's building

- Walkabout Sculpture photo contest
- Last River Draw Crowd Funding Campaign—submitted a small grant to Charlevoix Community Foundation
- Goal Setting Session—Set for Wednesday, October 7
- Meeting scheduled with second grade teachers interested in coordinating efforts with their students on the historical tours

Unfinished Business
Team Boyne Committee
Chair Appointment

Bob Carlile agreed to take over in a year.

New Business
Office Lease

MOTION

Cortright moved Cain second PASSED UNANIMOUSLY to approve the Main Street office lease as presented and to pay one half of the phone and Internet bill which is \$30 a month and authorize staff to execute the necessary documents. There was discussion on where the Main Street office will be housed long term.

Website bids for Main Street and Boyne Thunder

MOTION

Cortright moved Cain second PASSED UNANIMOUSLY to approve the Main Street bid award to WebUSAt.com at a price of \$4,790 with optional plug ins based on an ala carte basis to possibly include interactive map, e-commerce, and event registration/payment processing at an additional cost of up to \$1,000 and authorize staff to execute necessary contracts.

And approve the Boyne Thunder bid award to a company at the Main Street Manager's discretion at a price of \$ 4,500 with optional plug ins based on an ala carte basis to potentially include an interactive map, e-commerce, and event registration/payment processing at an additional cost of up to \$1,000 and authorize staff to execute necessary contracts.

There was discussion regarding references for the companies chosen.

Christmas Decorations
MOTION

Cortright moved Adams second PASSED UNANIMOUSLY to approve the holiday decoration cost estimate and allow staff discretion of up to \$11,500 in actual cost in the event actual costs are more than the estimates provided.

475 N Lake Street property
MOTION

Cortright moved Adams second PASSED UNANIMOUSLY to support the City acquiring the 475 N Lake Street property.

Fund Development Assessment and Training

Brittney Hoszkiw and Patrice Martin from the Michigan Main Street Board went over the survey that the board submitted. The survey was intended to assess the board's current tactics for fundraising and their readiness to undertake fundraising efforts and activities. The discussion resulted in them re-thinking how they might offer assistance and services and help establish long-term funding goals. There was discussion about setting priorities, fundraising strategies, activities, projects and goals. Brittany said she would like to give ideas of what other Main Streets are doing that would have value for Boyne City and figure out if current activities should continue.

ADJOURNMENT
MOTION

Cain moved Swartz seconded PASSED UNANIMOUSLY to adjourn the October 1, 2015 meeting of the Boyne City Main Street Board at 10:22 a.m.

BoyneThunder

Profit & Loss Prev Year Comparison

January through December 2015

	<u>Jan - Dec 15</u>	<u>Jan - Dec 14</u>
Ordinary Income/Expense		
Income		
50/50 Drawing	1,040.00	525.00
Auction	17,575.00	24,700.00
Friday Bar	1,270.00	1,240.00
Friday Dinner	1,740.00	490.00
Merchandise Sales		
Boyne	11,841.00	10,590.00
Charlevoix	2,803.00	918.00
Total Merchandise Sales	<u>14,644.00</u>	<u>11,508.00</u>
Poker Run Participant	79,236.00	98,625.00
Room Rental Precentage	0.00	2,387.90
Saturday Bar	4,522.00	5,804.00
Saturday Dinner	0.00	210.00
Sponsorship	138,932.90	89,150.00
Total Income	<u>258,959.90</u>	<u>234,639.90</u>
Gross Profit	258,959.90	234,639.90
Expense		
Advertising/Marketing Expense	4,365.50	4,696.00
Auction Expenses	4,092.00	2,681.00
Bank Service Charges		
Credit Card Fees	0.00	1,730.83
PayPal Fees	3,246.25	2,190.38
Total Bank Service Charges	<u>3,246.25</u>	<u>3,921.21</u>
Beer & Wine	7,961.61	6,293.20
Branded Merchandise		
Background BT	0.00	2,548.90
Merchandise Booth	13,143.00	5,763.25
Participant boat riders	5,392.50	275.65
Participant Gifting	10,625.00	15,984.00
Total Branded Merchandise	<u>29,160.50</u>	<u>24,571.80</u>
Camp Quality	56,652.28	52,448.89
Challenge Mountain	10,300.42	9,536.16
Contract Labor	620.00	860.00
DJ Expense	1,000.00	1,000.00
Insurance		
Liability Insurance	4,107.75	3,822.88
Total Insurance	<u>4,107.75</u>	<u>3,822.88</u>

BoyneThunder

Profit & Loss Prev Year Comparison

January through December 2015

	Jan - Dec 15	Jan - Dec 14
Licenses and Permits	175.00	200.00
Meals and Entertainment		
Bar Expense	0.00	838.04
Boyne Mountain Event	4,641.22	3,402.09
Friday Dinner Exp	16,436.87	13,371.00
Saturday Breakfast	7,882.50	6,232.80
Saturday Dinner Exp	25,900.00	21,332.50
Saturday Lunch	5,400.00	5,700.00
Meals and Entertainment - Other	608.50	620.17
Total Meals and Entertainment	60,869.09	51,496.60
Poker Run Refunds	0.00	6,225.00
Poker Run Winner	6,000.00	6,000.00
Printing and Reproduction		
Photography/DVD/ Production	13,714.55	12,422.81
Printing	0.00	368.00
Total Printing and Reproduction	13,714.55	12,790.81
Rent	660.00	0.00
Sales Tax	4,910.14	3,805.38
Slip rental	2,267.00	2,467.00
Supplies		
Office	160.87	19.60
Paper Products	0.00	1,233.56
Poker run supplies	160.50	245.00
Supplies - Other	0.00	649.00
Total Supplies	321.37	2,147.16
Tent Rental	5,500.00	4,907.50
Utilities		
Waste Removal	695.00	380.00
Utilities - Other	0.00	32.75
Total Utilities	695.00	412.75
Web design	6,290.00	980.00
Total Expense	222,908.46	201,263.34
Net Ordinary Income	36,051.44	33,376.56
Net Income	36,051.44	33,376.56



Date: November 5, 2015

To: Main Street Board
Cc: Cindy Grice
Michele Hewitt
Kim Striebel

From: Lori Meeder

Re: Camp Quality and Challenge Mountain Payment from Boyne Thunder 2015

Net Revenues from Boyne Thunder are divided between Camp Quality, Challenge Mountain and the Boyne City Main Street program. Under terms of a letter of understanding, Camp Quality receives 55 percent, Main Street receives 35 percent and Challenge Mountain receives 10% of the net profit after all expenses.

Total revenues for the 2015 event were \$258,959.90 and total expenses were \$155,955.76 resulting in a net profit of \$103,004.14. Based on the pro rata distribution agreements, Camp Quality will receive \$56,652.28 and Challenge Mountain will receive \$10,300.42. Main Street earned \$36,051.44.

Checks will be distributed upon receipt of signed letters of understanding for the 2016 event agreeing to the same distribution rates of 55% for Camp Quality and 10% for Challenge Mountain. We will also require copies of the financial results of the champagne cruise per the letter of understanding with Camp Quality.

Recommendation

Approve distribution of net funds in the following manner: Camp Quality - \$56,652.28, Challenge Mountain - \$10,300.42, and Main Street - \$36,051.44. Approve distribution rates of 55% for Camp Quality and 10% for Challenge Mountain for Boyne thunder 2016.

**Boyne City Main Street Program / Downtown Development Authority
&
Challenge Mountain**

Letter of Understanding

Boyne Thunder is a fund-raising event for the benefit of Camp Quality (CQ), Challenge Mountain (CM) and the Boyne City Main Street Program / Downtown Development Authority (MS). Boyne Thunder is a weekend-long event comprised of different activities which may include but not be limited to: the boat poker run, champagne cruise and auctions. The understanding between the parties on Boyne Thunder serves not only to protect but also to not disadvantage either party. The agreement is as states:

- This agreement is for one year and covers the 2016 event scheduled for July 8 and 9, 2016.
- Separate revenue and expenditure general ledger accounts will be used for Boyne Thunder under the Boyne City Main Street Program Budget. These accounts will be maintained and held by the City of Boyne City within the city's common cash bank account. All revenues and expenditures shall flow through this account.
- Challenge Mountain is responsible for assisting Main Street to plan and "execute" the event (participation at planning meetings) and providing volunteers to work during the event.
- Net Profits (defined as gross revenue less all expenses), excluding the Champagne Cruise which will be the responsibility of Camp Quality, will be split 55% for Camp Quality; 35% for Main Street, and 10% for Challenge Mountain.
- The parties will re-evaluate the agreement at the conclusion of the 2016 event and if both parties agree, the terms of the agreement will be renewed for a yet-to-be determined period of time.

Signed

Date

Boyne City Main Street Program, Board Chair

Challenge Mountain Representative

**Boyne City Main Street Program / Downtown Development Authority
&
Camp Quality**

Letter of Understanding

Boyne Thunder is a fund-raising event for the benefit of Camp Quality (CQ), Challenge Mountain (CM) and the Boyne City Main Street Program / Downtown Development Authority (MS). Boyne Thunder is a weekend-long event comprised of different activities including, but not limited to: the boat poker run, champagne cruise and auctions. The understanding between the parties on Boyne Thunder serves not only to protect but also to not disadvantage either party. The agreement is as states:

- This agreement is for one year and covers the 2016 event scheduled for July 8 and 9, 2016.
- Separate revenue and expenditure general ledger accounts will be used for Boyne Thunder under the Boyne City Main Street Program Budget. These accounts will be maintained and held by the City of Boyne City within the city's common cash bank account. All revenues and expenditures shall flow through this account.
- Camp Quality is responsible for all aspects of the Champagne Cruise and will receive all profit from the event after expenses. All revenue generated from the Cruise will flow through the Boyne Thunder account.
- Net Profits (defined as gross revenue less all expenses), excluding the Champagne Cruise, will be split 55% for Camp Quality; 35% for Main Street, and 10% for Challenge Mountain.
- The parties will re-evaluate the agreement at the conclusion of the 2016 event and if both parties agree, the terms of the agreement will be renewed for a yet-to-be determined period of time.
- In the case either party elects to opt-out, the right-of-first-refusal of the poker run events, including the name Boyne Thunder, go to MS and secondly to CQ.

Signed

Date

Boyne City Main Street Program, Board Chair

Camp Quality Representative

1. VOLUNTEER RECRUITMENT

Lead Committee: Organization

Support: Volunteer Coordinator

Actions Steps

- Recruit
 - Application
 - Interest
 - Targeted Strategy
 - Stroll the Streets
 - Social Media
 - Service Clubs
 - Schools
 - Develop volunteer job descriptions with specific dates, times, etc so people could commit to something tangible
 - Investigate whether we tap into United Ways Website
- Manage/Coach
 - Match Volunteers with Projects
 - Match Volunteers with Desires, Skill Sets and Interests
 - Progress Reports and communication
 - Offer volunteer information on website
- Reward
 - Project Completion
 - Recognition Volunteer Appreciation Day
 - Thank You
 - Gifts (shirts, hats, etc)

Desired State

- Diversified and Talented Volunteers
- Ability to track volunteer hours
- Surplus of available, passionate volunteers
- Ambassadors and Educators for Main Street
- Funding for manager and rewards
- Take pride in Main Street
- Feel part of a winning team
- Volunteers become leaders and doers

2. PAVILION COMPLETION

Lead Committee: Pavilion Committee

Secondary: Organization Committee

Further Support: Farmers Market Committee

Action Steps

- Funding:
 - Fundraising
 - Grants
 - Debt Financing – including investigating low interest loans through usda
 - Private Foundations
 - Crowd Funding – Annual Giving
 - Rental to provide sustainable income
 - Ensuring that dollars set aside in this year's budget roll over into next year with goal of earmarking additional funds to it – Parks & Rec, Farmers Market and Main Street
 - Revisiting existing funders in next fiscal year/grant cycles
 - Set meeting with city financial consultants to determine debt capacity of DDA and Marina
 - Continue to explore other opportunities including MEDC
 - Crowd-funding with patron levels
 - Advance deposits could be collected for wedding reception/event rental reservations.
 - Create a page on MS, chamber, farm market websites with updates and a means for online donations,
 - Consider asking businesses to have a donation option at store checkout — "would you like to donate \$1 for the pavilion fund?"
 - Charge a nominal fee to groups using the existing pavilion or park
 - Fundraising event or food/items during other events, specifically Boyne Thunder

- Final Plan & Engineering
 - Ray Kendra, architect for the city facilities and the pavilion will cost out options for a phased project

- Public Update/Communications
 - Upon updated information from architect, complete press release and letters to existing donors on project update
 - Post architectural drawings, seating capacities, contact info on Michigan wedding websites.
 - Include regular updates on MS/Chamber e-newsletter with a link for online donations

End Result: A year round multi-activity gathering place to house the winter farmers market, community events, family gatherings, class reunions and much more. The facility will include a commercial kitchen, storage, a fire place, and improved restrooms.

3. WATERFRONT/MARINA

Lead Committee: Organization Committee

Secondary Support: Parks and Recreation/Marina Commission

Action Steps

- Revisit Waterfront Master Plan
- Finalize Boyne on The Water Plans
- MAKE SURE THE TWO ARE COHESIVE
- This overall goal is too broad. Define Work group to further focus on and refine action steps and outcomes
- Main Street will act as the collaborative force for improvement, planning and implementation
- Identify funding opportunities with the help of MML and MSU
 - Investigate with city financial consultants capacity to borrow for marina and DDA and see if bonding completed with the city bonding will create economies and reduce cost
 - DEQ, MDNR, Waterways?
 - MEDC Infrastructure grants
 - Develop an "I Love Boyne City Waterfront" Campaign to generate support and excitement – see "hearts in the sand" photos
- Complete draft of well thought out maintenance plan (parks and marina)
- Stay mindful of environmental impact of waterfront development

End Desired Result

Our waterfront is an amazing asset that we live or die by its health and the development and growth that Boyne City has enjoyed is because of this and we must take care of it to continue to thrive in the future. Knowing that this is a real catalyst to bring people to our downtown, develop a world class marina, with adequate resources to maintain it.

Parks and open spaces that offer diversity of use with connectivity to downtown and to each other.

4. ENCOURAGING ENTREPRENEURSHIP

Lead Committee: Team Boyne

Support: Partner Organizations such as SCORE, NLEA,
Library

Action Steps

- Behind the scenes succession planning
- Concerted effort to recruit businesses
- Identify business gaps/needs
- Develop quantifiable reasons for businesses to come here (cheaper rent, better business)
- Develop 'expertise' resource list with specific areas of expertise
- Help businesses recruit workers
- Create business pipeline
- Encourage high school students to come home to Boyne City after college.
Report on success stories like Michael Cortright and the bike shop and Chris at the newspaper.
- Within Team Boyne, define sub-committees to handle business recruitment, business retention and support, list of resource partners, marketing, worker recruitment

Desired State

Team Boyne will be the economic development engine that helps attract and retain businesses with the capability to readily identify and connect our businesses with the necessary resources and expertise when a need arises. Maintain a regular calling program with our existing businesses to ensure they have what they need to be successful.

5. DOWNTOWN HOUSING

Lead Committee: Economic Restructuring

Support: Housing Commission

Action Steps

- Inventory location opportunities for potential development
- Inventory existing availability
- Identify information and financial resources and tools to help developers
- Identify information and financial resources to help potential tenants
- Identify partners– Housing Commission, Northern Homes – and set up meeting
- Identify potential tenants
- Reach out to potential tenants to assess needs
- Educate community of the need and desire for this
- Market the opportunity
- Create marketing materials and incentives
- Find willing developers
- Work with MEDC and RRC program to help market development opportunities statewide
- Encourage multi-use property in our downtown

End Desired Result

A varied and adequate supply of affordable housing downtown and surrounding area to provide necessary housing for those wanting to live and work in Boyne City, including those that have seasonal needs.

6. THEATER

Lead Committee: Design Committee
Secondary: Original Theater Committee

Action Steps

- Resurrect Information from original due diligence and feasibility assessment
- Contact key people from original advisory committee to get background intelligence and interest in resurrecting group
- Arrange meeting with owners (if ownership of building has not transferred talk with both Mark and Paul)
- Express importance to community and our willingness to support in any way
- Brainstorm about options to create equitable agreement that is win/win
- Establish timelines
- Investigate splitting property into separate parcel and entity
- Investigate funding sources if potential to move forward

End Desired Result

A renovated community landmark and dinner theater that shows vintage films, live performances, guest speakers, indy films and workshops/conferences, award and community events, historic lectures, musical entertainment venue with a wide variety of appeal

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 300 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 10% 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 90% 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 to 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, 2024, whichever comes first.
- (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.

GRAPIDS 59971-1 343268v3

DRAFT

Exhibit A
Building Improvement Reimbursement Agreement
Dilworth Hotel Project

DDA TIF Eligible Activities			
Façade Improvement Eligible Activities		\$	569,556
Fire Suppression - Division 21		\$	102,038
Barrier Free Access - Refurbish Elevator		\$	55,000
Subtotal		\$	726,594
General Contractors OH&P	10%	\$	72,659
Design Contingency	10%	\$	79,925
Escalation	1.14%	\$	10,023
DDA TIF Eligible Activities Total		\$	889,201

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 Catt’s Realty Company, with offices located at 829 W. Main Street, Suite C, Gaylord, MI 49735 (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(s) in the downtown development area at 202 and 210 S. Lake Street, Boyne City, MI 49712 (Tax ID No. 051-445-090-00 & 051-445-089-00) that is the site of the former bus garage and Lakefront Square Mall (the “**Property**”).
- D. The Developer plans to completely renovate the interior and exterior of the proposed South Lake Street Re-Development to provide new retail space for future tenants (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 \$535,233, 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 10% 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 90% share of such revenues

(the "Available Tax Increment Revenues"). The Initial taxable value will be the taxable value 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) Documentation of the costs incurred shall include lien waivers, cancelled checks, or other acceptable proof of payment to third party suppliers and contractors.
- (d) Detailed time records showing costs of labor by the Developer's personnel;
- (e) Copies of the contract with the contractor or supplier providing the services or supplies for which reimbursement is sought;
- (f) 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 to 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, 2024, whichever comes first.
- (d) The maximum amount to be reimbursed under this Agreement, including contingencies, is \$535,233.

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

CATT'S REALTY COMPANY

By: _____
Glen Catt, President

Date signed: _____, 2015

EXHIBIT A
ESTIMATED ELIGIBLE COSTS*

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

202 S. Lake Street

New Façade – Brick and Lights	\$163,000	
Windows and Doors	60,000	
Overhead Door – Seven Monks	10,000	
Fire Suppression	35,469	
Barrier Free Access	<u>32,700</u>	
Sub Total		\$301,169

210 S. Lake Street

New Façade – Brick	\$ 48,600	
Windows and Doors	40,000	
Fire Suppression	8,890	
Barrier Free Access	<u>15,450</u>	
Sub Total		<u>\$112,940</u>

Total		\$414,909
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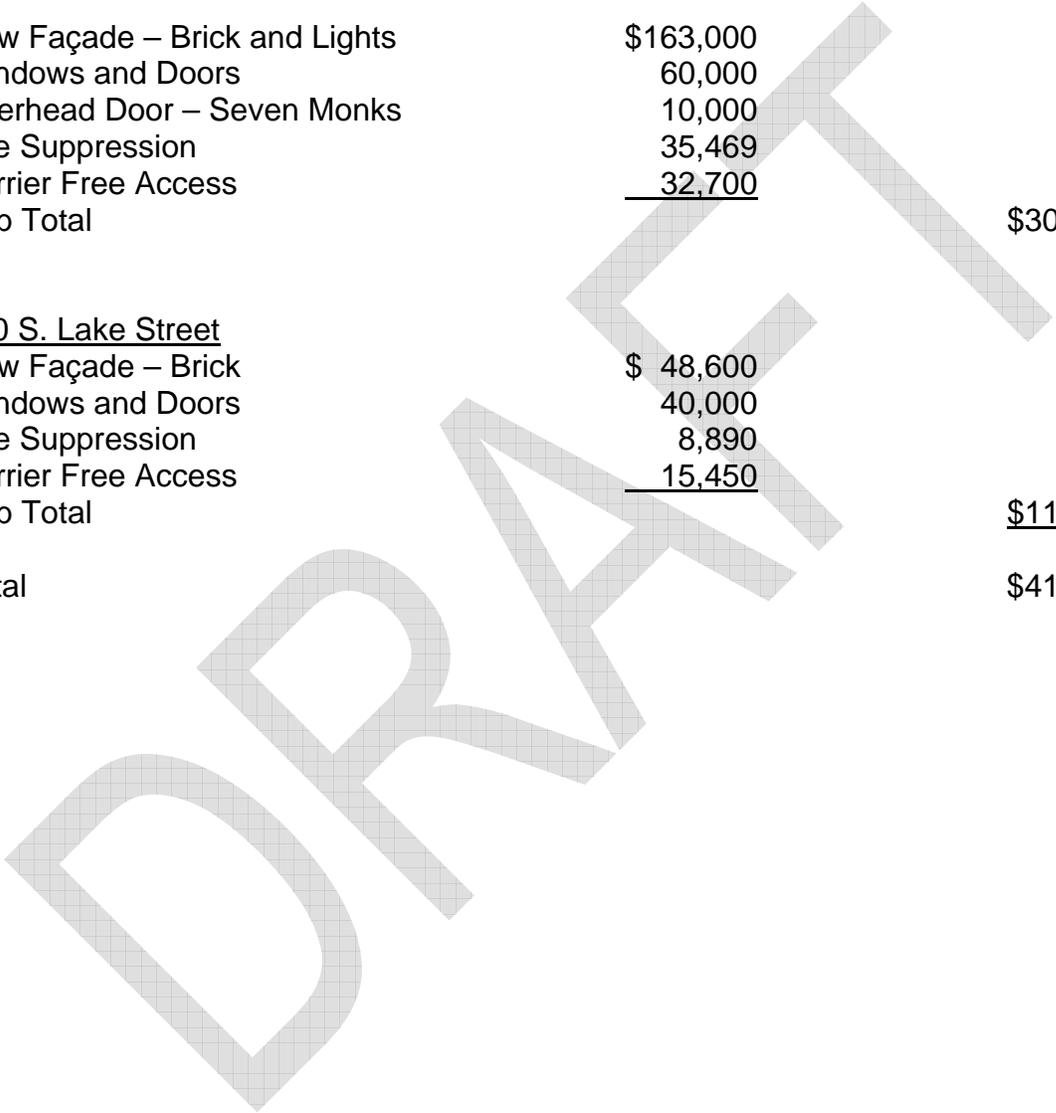


Exhibit A
Building Improvement Reimbursement Agreement
Lake Street Redevelopment Project

DDA TIF Eligible Activities			
Façade Improvement Eligible Activities			
New Façade- Brick & Lights (\$30.00 psf)		\$	212,400
Windows and Doors		\$	100,000
Overhead Door- 7 Monks		\$	10,000
Façade Improvement Eligible Activities Total		\$	322,400
Fire Suppression		\$	44,359
Barrier Free Access		\$	48,150
Subtotal		\$	414,909
General Contractors OH&P	10%	\$	41,491
Overhead and Profit	8%	\$	33,193
Design Contingency	10%	\$	45,640
DDA TIF Eligible Activities Total		\$	535,233