

CITY OF HARBOR SPRINGS

DOWNTOWN DEVELOPMENT AUTHORITY  
AND PRINCIPAL SHOPPING DISTRICT  
BOARD MEETING MINUTES

April 19, 2016

Chairperson Mossburg called the Board Meeting of the Downtown Development Authority (DDA) and Principal Shopping District (PSD) to order at 8:03 a.m. in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

1. Roll Call and Verification of Quorum

Present: Joshua Baker, Kathie Breighner, Andy Bultman, Matt Clarke, Mary Ellen Hughes, Jeff James, Cece Johnston, Rob Mossburg and Pringle Pfeifer

Absent: Jeff Graham and Pam Pfeifle

City Clerk McRae acknowledged that a quorum was present.

Also present: City Manager Tom Richards, DDA/PSD Administrator Rachel Smolinski, Third St. Committee Chairman Tim Knapp and City Clerk Ron McRae

2. Approval of Minutes

Chairperson Mossburg requested a motion to approve the minutes of the February 4, 2016 minutes and the March 3, 2016 meeting minutes. City Clerk McRae stated that the March 3, 2016 DDA/PSD Board Meeting did not have quorum present. Therefore, the "meeting notes" could be acted upon by "Receiving and Filing" the notes.

Motion by Hughes, second by James, to approve the February 4, 2016 meeting minutes of the DDA/PSD Board, as read.

Ayes – 9

Nays – 0

Motion carried.

Chairperson Mossburg asked that the March 3, 2016 meeting notes be amended to reflect a more thorough and easier understanding of the "Gag Order", could be more clearly understood. City Clerk McRae stated that he would take care of the request.

Item 5B, page 2, of the March 3, 2016 DDA/PSD Board meeting notes discussed the "Gag Order" legislation. The "Gag Order" legislation was approved by the State Legislature. This law required the local boards from explaining or selling the voters on ballot questions being proposed. The only side that could discuss the ballot question issues was someone against the ballot question to be considered by the voters. The local units that submitted the ballot question could not say anything for a thirty-day period. This information went to Court and an injunction was granted on the "Gag Order" legislation.

The second issue with the meeting notes was in Item 5C, page 3, third sentence, which read, "...property tax pr a PiLoT." It should read, "...property tax or a PiLoT."

Motion by Pfeifer, second by Breighner, to receive and file the March 3, 2016 meeting minutes notes with the "Gag Order" legislation being defined more clearly, as above, and the spelling of "or" being corrected.

Ayes – 9  
Nays – 0

Motion carried.

### 3. Public Comment

None

### 4. Administrator's Report

#### A. Administrative Committee

DDA/PSD Administrator Smolinski stated that she is looking for grants. Smolinski reviewed the types of Michigan Department of Natural Resources Water Ways Commission grants available and grants from some foundations.

DDA/PSD Administrator Smolinski reviewed the activities of the Committees. They were:

#### Administrative Committee:

- Administrator Smolinski stated that she attended a Regional DDA meeting on March 28, 2016;
- Administrator Smolinski stated that she has a draft prepared of the DDA Community Report;
- Administrator Smolinski stated she met with the City Manager and the City Clerk regarding DDA Accountability items;
- Administrator Smolinski stated that she has been developing e-mail lists for the committees, the Board and for general distribution;
- Administrator Smolinski stated that she has managed the Facebook page for the Harbor Springs DDA at <https://www.facebook.com/harborspringsdda/>;
- Administrator Smolinski stated that she has assisted the City Manager with agendas and preparation for the DDA/PSD Board Meeting;
- Administrator Smolinski stated that she has coordinated and facilitated Committee meetings, as needed; and,
- Administrator Smolinski stated that she has been working on the action item of the completed DDA Community Report.

B. Downtown Enhancement Committee

Administrator Smolinski stated that she had a Downtown Enhancement Committee meeting scheduled for Wednesday, April 20, 2016. Mike Naturkas is the Chairman.

C. Economic Restructuring Committee

Committee Chairperson Breighner stated that they are on hold, waiting for the draft survey to be completed. Breighner stated that she would like her committee members to go personally to the various businesses to complete the survey.

D. Third Street Committee

Administrator Smolinski stated that the Third Street Committee met on April 4, 2016 at Tim Knapp's office. The committee did discuss several items, such as:

- The survey for the downtown being implemented by the Economic Restructuring Committee;
- The special assessment and related projects;
- The DDA e-mail list being formulated;
- The Wayfinding update;
- The Parking Committee update, which had no interest in "pay for parking" concept; and,
- Discussions on how other cities pay for services.

Administrator Smolinski stated that the Third Street Committee also discussed the utility line replacement by the City in the summer and fall of 2016. One issue that the Third Street Committee wants to review is adequate street lighting for Third Street. The Third Street Committee would like to see Christmas lighting on Third Street.

Administrator Smolinski stated that sidewalk replacement was reviewed. The City can provide one-third of the cost or the City can pay for the removal and excavation and the property owners and or the business owners could pay the balance. If there are any sidewalks needing replacement, Director of the DPW Lucas VanderZee should be contacted.

Administrator Smolinski stated that the condition of the Boardwalk and promotion of the Third Street corridor to the downtown was discussed, as well as additional parking.

Administrator Smolinski stated that Chamber activities, such as Street Musique, were discussed. The timeline on presentation of these Third Street priorities to the DDA/PSD Board would happen in either May or June. At the same time, the Committee will be looking at funding sources. The next meeting for the Third Street Committee will be May 10, 2016 at Edward Jones.

5. Old and New Business

A. DDA/PSD Assessment

City Manager Richards stated that the DDA/PSD Board should present City Council with a list of proposed projects to be funded by the Special Assessment. Further, the Tax Increment Financing (TIF) capture is a negative \$144,000. Due to the negative taxable value growth, there will be no capture for 2016.

Assessor Grimm stated that the negative growth was due to the Lyric Theater being tax exempt for 2016 and the Juilleret Restaurant building having its taxable value being reduced due to construction. City Clerk McRae stated that the best thing that can happen is to have a special assessment in place for 2016.

Board member Josh Baker stated that the assessment of \$365 or \$1 per day still seems reasonable. Following the discussion, Chairperson Mossburg offered the following motion:

Motion by Mossburg, second by Hughes, to recommend to City council to approve a special assessment on each non-residential (commercial) parcel a special assessment of \$1 per day or \$365 for a two-year period.

City Assessor Grimm calculated that approximately \$42,000 would be raised by the proposed assessment. Chairperson Mossburg called the question.

Ayes – 9

Nays – 0

Motion carried.

B. DDA/PSD Activities

Administrator Smolinski stated that there are activities planned. She requested to hold an evening meeting to bring the up to date on the DDA/PSD activities and accomplishments. She stated that an evening meeting would be best scheduled for late July or early August. Administrator Smolinski recommended scheduling the evening of August 4, 2016 from 5:30 p.m. to 7:00 p.m. on the waterfront near the Harbormaster building. Cupps stated that he would see if the American Legion sound system was available. The consensus was to proceed with the evening meeting as recommended.

C. Legislative Update

City Manager Richards stated that his meeting with Representative Chatfield was not very uplifting. City Manager Richards stated that he believed that Representative Chatfield did not have a good grasp on issues by the why Representative Chatfield talked.

City Manager Richards briefly discussed his meeting with State Senator Wayne Schmidt. City Manager Richards did not seem very hopeful about Senator Schmidt being helpful either. Senator Schmidt did not appear to support the approval of a TIF.

City Manager Richards stated that the public libraries would like to be able to opt out of having their property taxes captured. It appears that the public libraries will have the same right as the public school systems to opt out of a TIF Program. City Manager Richards reminded everyone of the City of Harbor Springs requirement that the other taxing agencies need to approve participating in the TIF program.

D. Parking Committee Meeting Report

City Manager Richards discussed the joint parking committee met on March 21, 2016 to review the direction that the parking requirements should head. City Manager Richards stated that the joint parking committee came to a consensus that they did not want to have the customers pay for parking. There was no support for users pay.

It was suggested that \$15,000 per parking space was too expensive. The price should be reduced. Further, owners of businesses and their employees should be encouraged to park out of the downtown area. Also, Police should vary the times that they mark the tires and recheck them.

Further, City Manager Richards stated that the joint parking committee could not concur on an allocation method to charge the downtown businesses to pay for additional parking when it became necessary.

No action was taken on this issue.

6. Next Meeting

The next regular DDA/PSD Board Meeting shall be at 8:00 a.m., Thursday, May 5, 2016. The meeting will be held in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

7. Adjournment

With no further business, Chairperson Mossburg adjourned the meeting at 9:40 a.m.

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Thomas C. Richards, Secretary

Approved: May 5, 2016

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Rob Mossburg, Chairperson