

CITY OF HARBOR SPRINGS

DOWNTOWN DEVELOPMENT AUTHORITY  
AND PRINCIPAL SHOPPING DISTRICT  
BOARD MEETING MINUTES

January 7, 2016

Chairperson Mossburg called the Board Meeting of the Downtown Development Authority (DDA) and Principal Shopping District (PSD) to order at 8:00 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, Jeff Graham, Mary Ellen Hughes, Cece Johnston, Rob Mossburg and Pringle Pfeifer

Absent: Jeff James and Pam Pfeifle

City Clerk McRae acknowledged that a quorum was present.

Also present: City Manager Tom Richards, DDA/PSD Administrator Rachel Smolinski, Harbor Springs Area Chamber of Commerce Executive Director Daniel DeWindt and City Clerk Ron McRae

2. Approval of Minutes

Motion by Breighner, second by Hughes, to approve the December 3, 2015 regular DDA/PSD Board Meeting minutes, as read.

Ayes – 8

Nays – 0

Motion carried.

3. Harbor Trolley

Bill Brown, 629 E. Main St., discussed a transit system for the City of Harbor Springs. Brown reviewed a proposed route. The route would take approximately twenty (20) minutes to complete. Brown stated that the Trolley would start about 10:00 a.m. and close down about 10:00 p.m.

[Enter Joshua Baker at 8:04 a.m.]

Brown stated that many of the county transit options started at 7:00 a.m. and ended at 5:00 p.m., such as the Straits Regional Ride. Brown stated that electric trolleys were considered, but the limited availability of electric vehicles and charging stations was an obstacle.

Brown stated that this venture would be a money making<sup>making</sup> operation, though<sup>he</sup> was not sure if it would be considered “Not-for-Profit”.

Mark Rondel, 598 E. Main St., stated that there were senior living locations, the Village of Hillside, the Village of Perry Farm and Bay Bluffs with residents needing rides to go to various places. They could help to support a year round operation. Further, perhaps periodic trips into Petoskey for groceries could be built into the schedule.

The "Harbor Trolley" proposal was discussed. Several Board members asked questions and voiced concerns. Both Brown and Rondel discussed and clarified those items.

After the discussion the consensus of the DDA/PSD Board was to encourage Brown and Rondel to continue their planning and to return when the proposal was more complete. There was no further action taken on this issue.

#### 4. Public Comments

City Assessor Jeff Grimm discussed the personal property tax exemption and the need to file the forms. Grimm reviewed the requirements for the exemptions.

#### 5. Administrator's Report

*Rachel* Smolinski reviewed structure that she has developed for the DDA/PSD Boards. Smolinski stated that she would like to keep some of the basic committee structure of the Main Street Program, but revise some of the committees and their responsibilities. The proposed committees are:

- The Organizational and Administrative Committee would be a standing committee which would provide financial review, policy, promotions and events, communications, agendas and minutes, and provide committee organization and facilitation. This committee would be co-chaired by Administrator Smolinski and City manager Richards. The members of this committee would be City Clerk McRae, Chamber of Commerce Executive Director DeWindt, Jody Ewbank, Cyndi Kramer and Tawna Naturkas.
- The Economic Restructuring Committee would be a standing committee. The committee would plan and hold activities to attract businesses, strengthen the Community's existing economic assets, diversify its economic base and raise funds for economic restructuring activities. This committee would be chaired by Kathie Breighner and currently has one member, Mary Catherine Hannah. More members should be recruited.
- The Third Street Committee would be a project committee which would plan and carry out Third Street activities and fundraise for those activities. The Third Street Committee will be chaired by Tim Knapp. The Committee members will include Margaret Tvedten, Sara Smith, Dick Elliott and Ed Wagar.
- The Downtown Enhancement Committee would be a standing committee to plan and carry out Main St., Bay St., Spring St. and State Street Projects and events and to fundraise for those projects and events. This committee will be chaired by Mike Naturkas and the members will be determined and appointed later.

- The Waterfront Committee would be a project committee to plan projects such as the Harbormaster Building Project, any waterfront development projects and to participate or lead the fundraising activities for those projects. This committee will be chaired by DDA/PSD Board Chairperson Mossburg and his committee members shall be the Harbor Commission. *Rob*
- The Wayfinding Project committee shall be a project committee to plan and fundraise for the Wayfinding Project. This committee will be chaired by DDA/PSD Administrator Smolinski. The members of this committee will be City Manager Richards, School Superintendent Tompkins, DDA/PSD Board Chairperson Mossburg, DDA/PSD Board Vice-Chairperson Breighner Police Chief Branson, Donna Weber, Tim Knapp, Amelie Dawson and Harbor Springs Area Historical Commission (HSAHC) Executive Director Cummings.

*structure*  
Administrator Smolinski asked if there were any comments concerning the committee structure proposed. The proposed committee was discussed briefly. It was the consensus of the DDA/PSD Board that Administrator Smolinski's proposed committee Structure should be tried.

Administrator Smolinski also stated that she had been in contact with the Frey Foundation for a grant to help fund the Phase II and Phase III portions of the Wayfinding Project. Administrator Smolinski stated that she estimates the Wayfinding Project will cost \$130,490 to complete. Administrator Smolinski stated that she has requested a grant of \$17,740. The Phase II portion has been quoted by Corbin Design, Inc. to cost \$7,070.

There was no further action taken.

#### 6. Special Assessment and TIF Funding

Chairperson Mossburg asked City Manager Richards to report on the Tax Increment Financing (TIF) Funding and the Special Assessment.

City Manager Richards stated the TIF is being funded as the City collects the taxes. Only the School District and the State of Michigan are not participating. City Manager Richards stated that the last year for the TIF will be 2017, unless it is renewed.

City Manager Richards stated the Special Assessment has to be approved in specific steps. Once those required steps are completed, the special assessment may be placed on the property taxes. City Manager Richards stated that the revenues from the Special Assessment must be used for defined projects which could include administrative activities, market research, promotions and special events. When City Council approves a Special Assessment for the PSD, all of the projects, market research or promotions and special events should be detailed. City Clerk McRae was asked when this process should be completed. City Clerk McRae stated that the complete process should be done on or before May 16, 2016. However, if something needs to be amended at the last minute, June 6, 2016 was the last City Council Meeting to get the special assessment on the July 1, 2016 property tax billings.

7. Financial Report

Chairperson Mossburg asked the City Clerk to review the financial report provided.

City Clerk McRae stated that there was very little change in the last month. City Clerk McRae stated that the unaudited December 31, 2015 financial report still shows a \$3,000 plus operating surplus. The surplus will become the fund balance for 2015.

City Clerk McRae stated that the trial balance will be prepared for audit. There may still be some revenues or expenses that will need to be recognized in 2015. If that happens, that may change the operating surplus or loss for the year.

8. Committee Reports

A. Waterfront Committee

Chairperson Mossburg stated that there are no new projects to work on. However, Next-Terrane is working on the Harbormaster Building Design to get the design ready to use for submitting for a grant. The Waterways Grant requirements have a deadline in early April.

B. Wayfinding Project Committee

DDA/PSD Administrator Smolinski stated that the Wayfinding Project (the "Project") has already been discussed.

C. Economic Restructuring and Development Committee

Vice-Chairperson Breighner stated that the Economic Restructuring and Development Committee is getting ready to begin looking at the downtown area to determine what can be promoted and to determine the downtown occupancy rate for the summer season.

D. Third Street Committee

Knapp stated that he will be meeting with the committee members to review some of the needs on East Third Street and to prioritize those needs. Some of the items to be reviewed are sidewalk conditions, lighting and to get input on goals on concerns of the Third Street owners and tenants.

E. Downtown Enhancement Committee

Administrator Smolinski stated that the committee members will need to be appointed <sup>and then</sup> ~~then~~ the committee will start looking at policies. Snow removal was mentioned as an area for discussion.

9. New Business

Smolinski asked if there was any new business <sup>from</sup> ~~for~~ the Board Members.

Smolinski stated that a mailing was being considered to raise funds for the DDA/PSD needs for the New Year. City Clerk McRae stated that as long as the funds are used for a public purpose, the contributions are tax exempt under the IRS Code Section 170.

Further, there was discussion to formulate an annual report on the activities of the DDA/PSD Board and their accomplishments. The report could be made available to the residents, property owners and business owners in the DDA/PSD District.

10. Next Meeting

The next regular DDA/PSD Board Meeting shall be at 8:00 a.m., Thursday, February 4, 2016. The meeting will be held in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

11. Adjournment

With no further business, Chairperson Mossburg adjourned the meeting at 9:25 a.m.

---

Thomas C. Richards, Secretary

Approved: February 4, 2016

---

Rob Mossburg, Chairperson