

CITY OF HARBOR SPRINGS

DOWNTOWN DEVELOPMENT AUTHORITY
AND PRINCIPAL SHOPPING DISTRICT
BOARD MEETING MINUTES
February 4, 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, Matt Clarke, Jeff Graham, Mary Ellen Hughes, Jeff James, Cece Johnston, Rob Mossburg and Pringle Pfeifer

Absent: Kathie Breighner, Andy Bultman 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

Several corrections were noted to the January 7, 2016 minutes. They are:

- Item 3, page 1, third paragraph reads, "...money making operation, though was not sure..." It should read, "...money making operation, though he was not sure..."
- Item 5, page 2, first paragraph, first sentence reads, "Smolinski reviewed..." It should read, "Rachel Smolinski reviewed..."
- Item 5, page 2, first paragraph, third dot, first sentence reads, "...would be a standing committee..." It should read, "...would be a project committee..."
- Item 5, page 3, first dot, second sentence reads, "...Chairperson Mossburg..." It should read, "...Chairperson Rob Mossburg..."
- Item 5, page 3, first paragraph, second sentence reads, "...proposed committee was..." It should read, "...proposed committee structure was..."
- Item 8E, page 4, reads, "...to be appointed. Then the committee..." It should read, "...to be appointed and then the committee..."
- Item 9, page 4 reads, "...business for the..." It should read, "...business from the..."
- Item 10, page 5, first sentence reads, "...February 4, 2015." It should read, "...February 4, 2016."

Motion by Hughes, second by Clarke, to approve the January 7, 2016 regular DDA / PSD Board Meeting minutes, as amended.

Ayes – 8

Nays – 0

Motion carried.

3. Public Comment

Susan Johnson, 451 East Bay Street, representing the Young Americans, stated the Young Americans raise monies each year through music camp and benefit performances. After the costs are met, the additional money is given to various organizations that support the arts and the community. She discussed her goal of a donation of a portion of those funds (approximately \$7,000) in 2016 to help support the DDA and its efforts. Johnson stated that she would like to get some help in contacting sponsors who could contribute approximately \$1,000. The benefit fund raiser performance is planned for June 26, 2016

[Enter Rachel Smolinski 8:15 a.m.)

4. Old Business

A. Tax Increment Financing Legislation

City Manager Richards stated that he had met with Representative Chatfield. He noted that Becky Goodman representing the Petoskey Downtown Management Board was also in that meeting. One of the items discussed was proposed new Tax Increment Financing ("TIF") legislation. City Manager Richards stated that his impression was that Representative Chatfield was supporting new legislation that would undermine local control and impose broad new State regulation over local issues. He discussed a bill that would impose new and sweeping State restrictions on TIF communities and disregard the existing regulations that some communities were apparently not adequately enforcing.

City Manager Richards stated Representative Chatfield was also apparently supporting new regulations requiring local taxing authorities to opt in to a TIF capture instead of their current ability to opt out. Further, he believed Representative Chatfield was supporting a new mandatory "Sunset" restricting the local ability to extend a TIF capture. Lastly, he believed that Representative Chatfield was in support of new legislation that would weaken local authority over Historic Districts.

City Manager Richards suggested that Board members may want to review the proposed new legislation and consider how it could adversely affect Harbor Springs and the DDA.

B. DDA / PSD and Downtown Management Board

City Manager Richards introduced Becky Goodman, the Director of the City of Petoskey's Downtown Management Board. Goodman discussed the structure of the DDA. Goodman stated that the DDA usually has one meeting each year. The PSD is the structure that the Downtown Management Board uses to raise its funds.

Goodman discussed the Petoskey special assessment and the revenues raised through the parking meter program. Goodman stated that the parking meter revenues are approximately \$425,000 per year. The special assessment is based on a rate per square foot. The rates per square foot are different depending on which floor is assessed. No residential premises are special assessed.

C. Joint "Parking Policy" Committee Proposal

City Manager Richards stated that the Planning Commission considered the DDA / PSD Board Resolution to study the parking policies and to come up with a way to generate revenues to create more parking downtown. The Planning Commissioners suggested a Joint Committee to review and study the City's parking policies and discuss alternatives that increase the amount of available parking as the demand increases.

City Manager Richards stated that he would facilitate the Committee Meetings, but would not serve on the Committee. The Planning Commissioners suggested that the Joint Committee be composed of two members of the Planning Commission, two members of the City Council and two members of the DDA / PSD Board. After some discussion, Joshua Baker and Mary Ellen Hughes stated that they would volunteer to serve on the Joint Committee.

5. Administrator's Report

Administrator Smolinski reviewed her efforts and her work with the committees that she has attended.

A. DDA / PSD Activity Update

Administrator Smolinski stated that she has reviewed the Wayfinding signage process with Corbin. She explained that fundraising is ongoing for the \$7,000 needed for the documentation phase. Administrator Smolinski estimated that the implementation phase of the project could require an additional \$100,000.

Administrator Smolinski stated that the DDA website is up and running.

Administrator Smolinski stated that in order to pursue fundraising through a downtown assessment, the DDA / PSD Board will need to solidify and prioritize its projects. Discussion followed that the Third Street Committee's input should be considered. Further, the DDA / PSD Board has approved the change of the Committee Structure and implemented Project Committees.

B. Third Street Project Committee

The Third Street Committee has proposed a survey to get input from the East Third Street businesses and residents. City Manager Richards suggested the addition of a question, to determine the willingness to help fund the proposed improvements or services they might want.

C. Downtown Enhancement Committee

Administrator Smolinski stated she met with Mike Naturkas, the Downtown Enhancement Committee chairperson. They discussed the Committee membership. Administrator Smolinski stated that she was working to help the Committee be constructive in their goals and to avoid the potential for focusing on complaints.

D. Wayfinding Committee

Administrator Smolinski stated that she is still working on raising funds for the Wayfinding Project. Administrator Smolinski stated that she was invited to submit an application for funding from the Frey Foundation. The next Wayfinding Committee meeting is scheduled for March 3, 2016.

E. District Projects

Administrator Smolinski stated that she was still looking to prioritize the district projects for the costs to be offset by the special assessments. The Wayfinding Project takes in a broader area than just the DDA District. Administrator Smolinski estimates approximately 80% of the Wayfinding Project will be in the PSD.

Discussion followed about the need to identify specific projects as the first step to starting the process for a downtown special assessment. After further discussion, there was Board consensus that the priority projects should be identified as:

1. The Wayfinding Project
2. Waterfront Enhancement

With that determined, it would now be possible to start the next steps toward possible Council approval of the proposed downtown assessment.

6. Next Meeting

The next regular DDA/PSD Board Meeting shall be at 8:00 a.m., Thursday, March 3, 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 9:10 a.m.

Thomas C. Richards, Secretary

Approved: March 3, 2016

Rob Mossburg, Chairperson