Chairperson Mossburg called the Board Meeting of the Downtown Development Authority (DDA) to order at 8:04 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, Stephanie Baker, Matt Clarke, Jeff Graham, Mary Ellen Hughes, Rob Mossburg and Pam Pfeifle

Absent: Kathie Breighner, Andy Bultman, Al Dika, Jeff James and Cece Johnston

City Clerk McRae acknowledged that there was a quorum present.

Also present: City Manager Tom Richards, Chamber of Commerce Executive Officer Daniel DeWindt, H.A.R.B.O.R., Inc. Executive Director Rachael Smolinski, City Council Member Pringle Pfeifer and City Clerk Ron McRae

2. Approval of Minutes

Motion by Hughes, second by Clarke, to approve the August 7, 2014 regular DDA Board Meeting minutes as read.

Ayes – 7
Nays – 0

Motion carried.

3. Old Business

A. Consideration of the Proposed DDA/PSD By-Laws

City Manager Richards explained the changes in the proposed Downtown Development Authority (DDA) / Principal Shopping District (PSD) By-Laws. Some of the changes in the proposed DDA/PSD By-Laws are:
1. The number of Board Members has been increased to twelve (12) members;
2. The DDA Board also serves as the PSD Board; and,
3. A quorum for the Board has been increased from five (5) to six (6) members.

After the discussion of the By-Law changes, the following motion was offered:

Motion by S. Baker, second by Hughes, to both approve and recommend approval of the proposed By-Laws, as presented, to the City Council.

Ayes – 7
Nays – 0

Motion carried.

B. Review of Financing Options

City manager Richards provided a comparison of two financing options open to the DDA/PSD Board to fund their operations and projects. The two (2) financing options presented were:

1. Tax Increment Financing (TIF); and,
2. A special assessment of two (2) mills on all commercial property in the DDA District, with a maximum and a minimum assessment.

City Manager Richards also discussed the fact that not every taxing authority could have their growth in taxable value captured, such as the school district and the State of Michigan. Whether or not the other taxing authorities will cooperate with the TIF will need to be seen.

The Board discussed this issue with City Manager Richards and City Clerk McRae. The discussion appeared to be clarifying what needs to be done as part of the process to be able to either levy the special assessment or capture the increase in property taxes.

Richards advised that he would be working on the next steps in pursuing both options.
C. Update of the Waterfront Plan

Chairman Mossburg requested City Manager Richards to update the DDA Board on the proposed Shoreline Expansion. City Manager Richards stated that the Mayor, the Chairman of the Harbor Commission, the Chairman of the DDA Board and the City Manager met with the City’s Environmental Consultant to discuss the course of action that the City should take with the proposed waterfront park expansion to the east of the Harbormaster Building. The consensus of the group was that the City could spend a lot of money to study and address concerns of the U. S. Army Corps of Engineers and may have to purchase land somewhere to convert to bottomland to mitigate the area requested. That cost would probably be prohibitively expensive. The consensus of the group was to withdraw the applications to permit the shoreline expansion. The DDA will have to plan on the improvements utilizing Alternative B.

City Manager Richards stated that Next / Terrain are working out the details of the Harbormaster Building Improvements. When the detail plans are complete, they will be taken to the Harbor Commission for approval.

4. Committee Reports

A. Design Committee

Chairman Mossburg stated that the Design Committee report has been given as part of the update on the Waterfront Design.

B. Economic Restructuring and Development Committee

No report was available due to the absence of Breighner.

C. Administrative Committee

Smolinski stated that the Administrative Committee has not met. The committee is continuing to pursue funding that would enable the DDA to hire an Executive Director.

D. Promotions Committee

DeWindt stated that the Promotions Committee is still working in conjunction with the Chamber of Commerce.
DeWindt stated that the Harbor Springs Area Chamber of Commerce (the "Chamber") is planning a survey to be taken of the downtown businesses. The survey will attempt to (1) gauge the current opinions about the DDA and the current downtown programs and promotion efforts and (2) help guide the future Downtown and DDA efforts that business owners feel they would benefit from.

5. New Business

A. Discussion on Free Parking

City Manager Richards advised that he had been researching alternative parking approaches to the current minimum requirements for off-street parking. He expects to be presenting some alternatives and best practice models in the future for consideration by the Planning Commission, DDA and City Council.

B. Comments on the Business Climate This past Summer

City Manager Richards and Chairman Mossburg asked if the businesses experienced a good business season. City Manager Richards stated that of the opinions he has heard, downtown retail traffic had increased over the summer, but the impression was that spending increases were more modest.

6. Next Meeting

City Manager Richards announced that the next DDA Meeting is scheduled for 8:00 a.m., Thursday, October 2, 2014, 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 8:59 a.m.

________________________
Ronald B. McRae, City Clerk

Approved: September 4, 2014

____________________________
Rob Mossburg, Chairperson