

CITY OF HARBOR SPRINGS  
DOWNTOWN DEVELOPMENT AUTHORITY  
AND PRINCIPAL SHOPPING DISTRICT  
BOARD MEETING MINUTES  
June 4, 2015

Chairperson Mossburg called the Board Meeting of the Downtown Development Authority (DDA) and Principal Shopping District (PSD) to order at 8:01 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 Clark, Jeff Graham, Rob Mossburg and Pringle Pfeifer

Absent: Stephanie Baker, Mary Ellen Hughes, Jeff James, Cece Johnston and Pam Pfeifle

City Clerk McRae acknowledged that there were at least five members present, the quorum.

Also present: City Manager Tom Richards, Daniel DeWindt, Executive Director of the Harbor Springs Area Chamber of Commerce, Rachel Smolinski, Executive Director of H.A.R.B.O.R., Inc., and City Clerk Ron McRae

2. Approval of Minutes

Several corrections and changes were offered to the previous meeting's minutes. They were:

- a. Page 2, Item 3B, the first sentence reads, "...some private Foundations." It should read, "...some private individuals."
- b. Page 2, Item 3C, the second sentence reads, "...the City has..." It should read, "...the DDA has..."
- c. Page 4, Item 5C, the third sentence begins, "However,..." It should read, "Additionally,..."

[Enter Matt Clark at 8:08 a.m.]

Motion by Breighner, second by Bultman, to approve the April 2, 2015 regular DDA Board Meeting minutes as amended.

Ayes – 7

Nays – 0

Motion carried.

3. Public Comments

Chairman Mossburg asked if anyone in the public had any comments on any items not on the agenda.

There were none.

#### 4. Old Business

##### A. Outdoor Dining Downtown

City Manager Richards stated that the Planning Commission referred this issue to the DDA for their input and comments. City Manager Richards reviewed some of the issues that the Planning Commission has with the draft outdoor dining ordinance proposed by Planner Nix and his staff at Williams & Works. One area of concern was the amount of room desired for pedestrian traffic on the sidewalk.

Breighner stated that she believes the DDA should encourage outdoor dining. Further, she stated that she believes that the area for the outdoor dining should be closer to the building. She believes the curb location for dining is not a good location.

Baker stated that he agrees with Breighner. Baker also pointed out that the area to be used for pedestrian traffic should be wider than four feet. The consensus was for a six-foot wide area for pedestrians..

After the discussion of outdoor dining, the consensus of the Board members present was to have Mossburg, Breighner and City Manager Richards meet and draft a supportive statement which would address some the issues that were brought up.

##### B. Food Truck

A discussion was held on Food Trucks. The discussion centered on the legal use and location and regular hours. Smolinski stated that the "Committee on Food Trucks or Portable Vending" discussed these items. A proposed location was on the south side of East Bay Street in the last four parking spaces.

Smolinski stated that the truck would be parked to serve out of the curb side of the truck. If the truck was larger than one parking space or there was a trailer with the truck, the proposed permit fee would be for the number of parking spaces used by the food truck vendor.

There was no action taken on this issue.

C. Wayfinding Status Report

Smolinski stated that all of the funding is in place. There is a meeting planned for 10:00 a.m., June 16, 2015 to consider a list of signs that should be considered and where the locations are proposed to be. The meeting will be at City Hall in the City Council Chambers.

D. TIF Plan Status

City Manager Richards stated that the Harbor Springs School Board turned down the participation in the Tax Increment Financing (TIF) Plan. It was noted that the School Board Members really didn't know much about the TIF Program. The meeting did appear to open lines of communication with what is happening in the downtown with the School District and how they may be affected. It appears that all of the other taxing agencies are approving participation in the TIF Program. The Lakeview Cemetery still has to make their final decision at their August 2015 Board meeting.

Further, the Board had a discussion on looking at assessments. City Clerk McRae stated that it would appear that approximately \$9,700 would be raised through the TIF in 2015. The DDA Board did not believe that was enough funds to pay for administration of the DDA/PSD. The assessments have to be reviewed. City Clerk McRae stated that the DDA/PSD Board was reminded that an assessment could be an ad valorem tax or an assessment on another basis, such as so much per square foot of space.

Board Members questioned how the monies are being accounted. City Clerk McRae stated that currently, all monies of the DDA/PSD Board are a zero balance, except for the Wayfinding Project monies received. The last three years the DDA/PSD Board has incurred expenses of approximately \$15,000 for administrative purposes. These expenses were covered by transfers from the General Fund.

City Clerk McRae stated that once the DDA/PSD is on its own, a separate account would be set up for them and the DDA/PSD Board's Executive Director would control the bank account for the Board and account for the monies. At that point the DDA/PSD would be a "Component Agency" of the City.

The DDA/PSD Board authorized, by consensus, the City Manager to resume the process of establishing a special assessment and to bring the issue back to the July 2, 2015 Board Meeting.

E. DDA District Project Consideration

Chairman Mossburg stated that the Board should consider other projects for the DDA District. Mossburg would like everyone to consider this question and offer some suggestions for Board consideration. Chairman Mossburg is not sure that the DDA/PSD Board has completed enough projects to draw the attention of the taxpayer to support the DDA/PSD.

5. Committee Reports

A. Design Committee

Chairperson Mossburg stated that the City Council has received enough negative feedback on the Harbormaster Building Conceptual Design that they have referred the project back to the DDA/PSD Board. The Design Committee will be meeting soon to review the comments received from City Council.

Chairperson Mossburg stated that City Council comments were to review the design to have one building, which could have a little larger footprint. The proposed Harbormaster Building Design should still have the amenities for the boaters and still have public restrooms for the public. Chairperson Mossburg passed out a site plan for the Board to review. The footprint of the proposed building was larger than the original building. The shape of the building still ran north and south with a green space on the east side of the proposed structure. The parking lot still had most of the parking spaces available at this time.

No action was taken on this issue. Chairman Mossburg stated that the Design Committee will be meeting again on this issue.

B. Economic Restructuring and Development Committee

Breighner discussed the Cool House Labs location, now owned by the Theater Group. She noted that the building may need a similar reconstruction project that the Juilleret Restaurant needed.

C. Administrative Committee

Smolinski stated that the Administrative Committee should be working more with the Promotions Committee to provide more attention for the accomplishments of the DDA/PSD Board.

Smolinski requested a list of the committees and their membership. She will work with Breighner to either obtain the list or put one together.

D. Public Restroom Committee

Graham stated that from the meetings with the City Manager and the Mayor, it was clear that there was no support for using taxpayer funds to build public restrooms downtown. Further, the cost of land in the downtown is not cost effective to have public restrooms.

Graham believes that if the public restrooms are going to become a reality, they will need to be funded through the DDA/PSD. This issue should probably be revisited in another five (5) years.

5. New Business

A. Downtown Parking Perspectives

City Manager Richards discussed the history of the parking issues in the downtown area. Changes were made in the mid 1990s. Basically, all of the businesses were given parking credits for their parking requirements. If new businesses were to locate in the downtown, their use would be reviewed and the parking requirements established according to the City's Zoning Code. Therefore, new businesses would be responsible for developing their own parking.

City Manager Richards stated that the Depot Restaurant approvals were the impetus for modifying the parking requirements for the downtown. New ordinances were approved and the required parking off-street parking requirements were changed for new businesses. One of the changes was the ability of a new business to meet its off-street parking requirements by purchasing parking spaces. The monies would be reserved in the newly created "municipal parking fund". The purchasing of the off-street parking spaces through the "municipal Parking fund" is referred to as "a payment in lieu of parking".

City Manager Richards stated that City Council has just approved the cost of \$15,000 per parking space as the purchase price of a parking space through the payment in lieu of parking. It is believed that that cost is too high according to the Planning Commission. The Planning Commission has referred this issue to the DDA/PSD Board for their input. City Manager Richards pointed out that based on the cost of the Spring Street property and the engineer's estimate for construction, the actual cost of a parking spot would be \$18,000.

Breighner stated that she believes that for a new business to pay \$15,000 per parking space is too much. She believes that a price should be set that can be affordable to a new business. Further, she pointed out that the Theater was given a variance that the Theater Group would not have to pay for any off-street parking. City Manager Richards discussed the determination of the Zoning Board of Appeals on that issue.

[Breighner left at 9:30 a.m.]

Graham stated that the City has provided a lot of parking through the DDA. He discussed the Legion lot, the parking lot behind the New York Restaurant and the parking lot behind Gurney's Bottle Shop and Kelbel's Pharmacy.

[Bultman left at 9:40 a.m.]

Chairperson Mossburg stated that people look at parking here as part of the downtown amenities and the costs should be shared between businesses generating "the parking need" and the Community. City Manager Richards discussed the use of private parking spots leased, such as those behind the Fisher Building.

[Pfeifer left at 9:47 a.m.]

6. Next Meeting

City Manager Richards announced that the next DDA Meeting is scheduled for 8:00 a.m., Thursday, July 2, 2015, in the City Council Chambers, City Hall, 160 Zoll Street, Harbor Springs, MI 49740.

Chairperson Mossburg stated that there may not be a quorum. If the meeting needs to be cancelled, the decision can be made between now and July 2<sup>nd</sup>.

7. Adjournment

With no further business, Chairperson Mossburg adjourned the meeting at 9:55 a.m.

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Thomas C. Richards, Secretary

Approved: August 6, 2015

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Rob Mossburg, Chairperson