



DOWNTOWN MANAGEMENT BOARD

April 20, 2010

1. Call to Order - 7:00 P.M. - City Hall Community Room
2. Consent Agenda:
 - (a) Approval of the regular meeting minutes of March 16, 2010
 - (b) Payment of bills
 - (c) Acceptance of expense and income reports
3. New Business:
 - (a) Reports by Downtown Management Board committees
 - (b) Report by the Petoskey Regional Chamber of Commerce
 - (c) Report by the City staff that will include a request that the Downtown Management Board contribute \$80,000 from its Downtown Parking Operations Fund reserves towards the acquisition of railroad right-of-way between Emmet Street and Rosedale Avenue that would permit the development of a linear park
4. Miscellaneous
5. Adjournment

MISSION STATEMENT

A self-governing board dedicated to planning, promoting, and preserving the downtown business district - the hub of our community - for the greater good of the business, professional, social, cultural and service activities located within the defined downtown area.

Purposes of the Downtown Development Authority Board of Directors and Downtown Management Board are to: (1) Provide leadership for the implementation of improvements as outlined in the Downtown Master Plan as adopted by the City of Petoskey in 1987; (2) Promote public and private development and physical improvements in the downtown business district as initiated by individuals and organizations; (3) Serve as an advisory body to the City of Petoskey in matters pertaining to the downtown business district; and (4) Cooperate/coordinate appropriate downtown programs and projects with the Petoskey Gaslight-Downtown Association and the Petoskey Regional Chamber of Commerce.



BOARD: Downtown Management Board

MEETING DATE: April 20, 2010 **PREPARED:** April 7, 2010

AGENDA SUBJECT: Consent Agenda

RECOMMENDATION: That the Downtown Management Board approve items and administrative transactions that have been included on the Consent Agenda

The Downtown Management Board will be asked to approve the April 20 consent agenda that includes: (1) Enclosed minutes of the Downtown Management Board meeting of March 16, 2010; (2) Acknowledgement of bills since March 16, 2010; and (3) Acceptance of the April, 2010, expense and income reports as prepared by the Petoskey Regional Chamber of Commerce staff.

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Enclosures

(The enclosures for payment of bills since March 16 and the April, 2010, expense and income reports will be emailed separately from the Downtown Director on or before April 16, 2010).



DOWNTOWN MANAGEMENT BOARD

March 16, 2010

A regular meeting of the City of Petoskey Downtown Management Board was held in the City Hall Community Room, Petoskey, Michigan, on Tuesday, March 16, 2010. The meeting was called to order at 7:00 P.M., and the following were

Present: Lawrence Rochon, Chairperson
James M. Reid, Jr., Vice Chairperson
David Carlson
Liz Gowans-Ahrens
David Marvin
Rodney Phillips
Jennifer Shorter
Michael Teska
H. Ted Pall, Jr., M.D., Mayor

Absent: None

Also in attendance were Petoskey Regional Chamber of Commerce Downtown Director Becky Goodman and City Manager Dan Ralley.

Approve Consent Agenda Items

As the first item of routine business, upon motion made and seconded, draft minutes of the February 16, 2009, meeting of the Downtown Management Board were approved as submitted. Then, upon motions made and seconded, acknowledgement of bills since February 16, 2010, that totaled \$17,268.36, and acceptance of the March, 2010, expense and income reports, were approved.

Recommend Sign Ordinance
Provision Changes for Downtown

The Downtown Director next reported that, at the direction of the Downtown Management Board, the Design Committee further reviewed three of the nine points of City Sign Ordinance provision recommendations, and the Downtown Director provided a memorandum to Downtown Management Board members that reviewed the Design Committee's conclusions concerning these three points that included: (1) Digital readouts/television versus sign with the Design Committee remaining unchanged from its recommendation at the Board's February 16, 2010, meeting but clarified the 36" specification; (2) Sandwich Boards with the Design Committee's recommendation remaining unchanged from its February 16 findings that ordinance provisions remain unchanged; and (3) Signage on awnings with the Committee reporting that its recommendation was that a logo could be included as acceptable lettering on the awning.

Downtown Management Board members then discussed the Design Committee's recommendations that included whether all businesses should be able to use sandwich boards under the current provisions.

Mr. Reid then moved that, seconded by Mr. Carlson, the Design Committee's recommendations be approved with the exception of its sandwich board recommendation, which the Downtown Management Board recommends instead that sandwich boards be permitted for all downtown businesses for a trial period of 12 months.

Further discussion was held and Mr. Reid then asked that each of the sign ordinance recommendations be reviewed point-by-point. Discussion then followed on each recommendation of the Design Committee.

Chairperson Rochon asked for public comment at this time and the Downtown Management Board heard Mark Engle, a sign salesman, report that he believed that signs were used as tools to attract customers; that they represented a great benefit from a cost standpoint; and reported that he believed that signage requirements in a 25-mph district should be 50 square feet.

Mr. Reid then amended his motion, which was seconded by Mr. Phillips, that the Downtown Management Board accept the Design Committee's recommendations with the exception of: (1) All downtown merchants be allowed to use sandwich boards subject to current ordinance provisions; and that going-out-of-business signs be permitted up to eight (8) weeks. Said motion was adopted unanimously.

Approve Façade Improvement Grants

The Downtown Director also reported in behalf of the Design Committee concerning its recommendations for award of \$15,000 in façade improvement grant applications that would invest \$72,808 in downtown façade improvements and upon motion made and seconded, the Downtown Management Board approved grants to Mclean & Eakin Booksellers, 307 East Lake Street; Leo's Lounge, 434 East Mitchell Street; J.W. Shorter & Son Mercantile Company, 311 East Lake Street; Stafford's Gallery of Art and History, 401 Rose Street; Jack VanTreese, 107 Howard Street; and Jolly's Cookies and Café, 440 East Mitchell Street, with a unanimous vote.

Hear Committee Reports;
Restructure Marking Committee

The Downtown Director reported in behalf of the Parking Commission meeting concerning the possible use of shared dumpster sites within the downtown and that Ms. Shorter had completed a survey concerning the collection of trash in the downtown; that the City Park Grill, 432 East Lake Street, had requested permission to operate an outdoor dining area on the public sidewalk that would require the use of parking spaces for pedestrian passage; discussed concerns regarding handicap parking permits that permitted parking anywhere; status of a civil infraction fee schedule; that letters had been sent to violators with significant amounts of uncollected tickets that the process would proceed to court action; and considered a request to close the Saville Lot to permit users year-round rather than just summer months.

Chairperson Rochon then asked for public comment and heard Marty Scott, Northern Michigan Artists Market, East Mitchell Street, report that he believed that the cell-phone parking system should be adjusted so that charges would automatically stop at 5:00 P.M. without the need for users to call in to stop such charges.

The Downtown Director next reported in behalf of the Marketing Committee that the Committee had been discussing downtown branding and the shortage of funds to develop a "Martin Family" series of ads; reviewed the downtown business map and ability to place more ads on the map by removing the block-by-block directory; and the Downtown Management Board then reviewed a February 8 memorandum from the Marketing Committee that requested its restructuring that would keep the group smaller, eliminate media reps as voting members, and cut down on the number of meetings, making the program more staff directed as had been recommended in the HyettPalma Blueprint.

The Downtown Management Board then accepted the Marketing Committee's recommendation to restructure the Marketing Committee guidelines as presented.

The Downtown Director further reported for the Economic Enhancement Committee that two new stores were opening in the downtown area that included a Bead Harbor store and a Sand and Snow monogrammed clothing store.

The Downtown Director also reported that a Winter Blues Festival report would be emailed to Downtown Board members soon.

Hear Chamber Staff Report

The Downtown Director reported that the Petoskey Regional Chamber of Commerce remodeling project was complete with funding for the project coming from property sold in Gaylord for highway right-of-way use; and that the Chamber would be hosting an open-house program February 25 to view the project.

Hear City Staff Report

The City Manager and Director of Parks and Recreation reported that the City's acquisition of the railroad right-of-way from Emmet Street to Arlington Avenue was nearing completion following more than 25-years of efforts to do so, and reviewed proposed plans for a linear park corridor project that would include this acquired railroad right-of-way for trolley service in the downtown area.

The City Manager asked the Downtown Management Board to begin consideration of a contribution towards the railroad right-of-way acquisition; that the Board should consider its parking-lot life expectancies and cost of repaving, as well as debt amortization for the East Mitchell Street parking lot next to the Grain Train; and the Downtown management Board deferred this matter to the April 20 Downtown Management Board meeting at which time the City staff would formally present this request to the Board.

There being no further business to come before the Downtown Management Board, the meeting was adjourned at 8:50 P.M.



BOARD: Downtown Management Board

MEETING DATE: April 20, 2010 **DATE PREPARED:** April 7, 2010

AGENDA SUBJECT: Downtown Management Board Committee Reports

RECOMMENDATION: That the Downtown Management Board hear these reports

Reports could be received from Downtown Management Board committees.

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City of Petoskey

Agenda Memo

BOARD: Downtown Management Board

MEETING DATE: April 20, 2010 **DATE PREPARED:** April 7, 2010

AGENDA SUBJECT: Regional Chamber of Commerce Report

RECOMMENDATION: That the Downtown Management Board receive this report

The Petoskey Regional Chamber of Commerce staff will report about downtown activities.

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BOARD: Downtown Management Board

MEETING DATE: April 20, 2010 **DATE PREPARED:** April 7, 2010

AGENDA SUBJECT: City Staff Report and Request for Railroad Acquisition Funding

RECOMMENDATION: That the Downtown Management Board consider this request

Summary. At the March 16, 2010, Downtown Management Board (DMB) meeting, the City Manager and Director of Parks and Recreation requested that the DMB consider using \$82,850 in Parking Fund cash reserves to help facilitate the purchase of the downtown rail corridor. Due to grant and purchase commitments, the City is requesting that the DMB decide at its April 20 meeting whether to participate in the purchase of the railroad corridor.

Background. For more than 25 years, the City of Petoskey has attempted to acquire the downtown rail corridor from the Michigan Department of Transportation Rail Division (MDOT). This corridor, which bisects the downtown commercial business district, forms a linear parkway through the downtown area that has the potential to tie both the Emmet Street and Bay View neighborhoods to the downtown.

The legal steps and negotiations necessary to facilitate the potential purchase have been arduous. First, after many years of discussions, in 2008, Michigan law was changed to allow a portion of a rail corridor (rather than its entirety) to be sold by MDOT. Since this change in State law, the City staff has been working on securing an agreed upon appraisal for this unique property.

In early 2010, appraisers contracted by the City reached a tentative agreement with MDOT for the purchase of the 11.85-acre corridor using an appraised price of \$670,000. In parallel, the Highway Division of MDOT was negotiating with the Rail Division for the acquisition of 27 feet of additional right-of-way (85,559 square feet) near Sunset Park in order to relocate the highway further south away from the steep embankment which is deteriorating.

During the final stages of these negotiations, in early 2010, the City staff received notice that it had been conditionally awarded a Transportation Enhancement grant from MDOT that would pay for 70% of the non-motorized portions (389,873 square feet) of the land acquisition. Thus, the City's final acquisition price for 430,620 square feet of the rail corridor would be \$204,705.

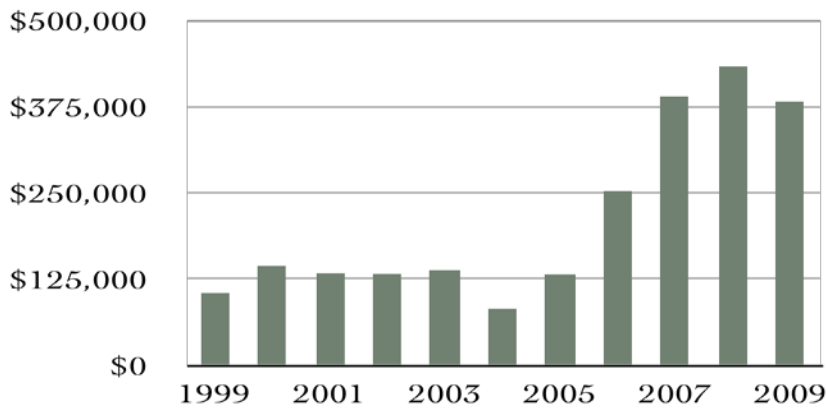
DMB Involvement. At the March 16 DMB meeting, the City Manager asked the DMB to consider using \$82,850 in cash reserves from the Parking Fund toward the purchase of the rail corridor. These funds would be used to acquire eight railway parcels between Emmet Street and the extension of Bay Street, which are most central to the downtown area.

Under this proposal, the City would in turn pay \$121,856 for two larger railway-corridor parcels located between the City corporation limits near Bay View and the Bay Street extension.

	Square Ft	City Cost	Non-City Cost	Total
MDOT ROW	85,559		\$111,052	
City Acquisition	430,620	\$558,945		
<u>TOTAL</u>	516,179	\$558,945	\$111,052	\$669,997
<u>GRANT</u>				
City Acquisition (Total Non-MDOT)	430,620			\$558,945
Motorized, not grant eligible	40,747	\$52,890		
Conditional 70/30 Transportation Enhancement Grant Commitment		\$151,815	\$354,238	
<u>TOTAL</u>		\$204,705	\$354,238	\$558,945

Parking Fund: Additional Capital Repair and Maintenance Costs. At the request of the DMB, the City staff examined all parking lots maintained and operated by the DMB to try and project the capital repair costs associated with each parking lot for the next five years.

It should be noted that the Parking Fund cash balance has risen significantly since 2004 when it contained \$82,364, as compared to \$382,396 at the end of 2009. This increase is depicted in the graph below which shows the Parking Fund cash balance for the last ten years:



Under an agreement with the Building Authority, the DMB is responsible for the debt-service payments associated with the acquisition and development of the Clifton and Livery parking lots. \$80,000 in Parking Fund revenues are annually dedicated to the repayment of this debt, which will be extinguished in 2014.

The table below depicts the projected five-year capital maintenance expenses for parking lots that the DMB maintains and operates. The Clifton, Livery, and Petrie lots are not projected to need maintenance until 2018-2020. Also included in the table are debt payments for the two parking lots mentioned above, as well as the projected cost of the railway corridor acquisition.

Adequate cash reserves exist to cover the maintenance expenses associated with each parking lot, which between 2012 and 2014 are projected to range between \$35,000 to \$44,000 per year. Repair expenses associated with the Darling Lot are more considerable at \$85,105, but are possible to defer until 2015 after the annual \$80,000 debt payments expire.

	Parking Lots					
	2010	2011	2012	2013	2014	2015
Clifton Lot						
Darling Lot						\$85,105
Elks Lot			\$37,870			
Livery Lot						
Park Garden Lot				\$43,778		
Petrie Lot						
Saville Lot					\$35,502	
Parking Lot Debt	\$80,000	\$80,000	\$80,000	\$80,000	\$80,000	
Railroad Corridor	\$82,850					