



DOWNTOWN MANAGEMENT BOARD

April 20, 2010

A regular meeting of the City of Petoskey Downtown Management Board was held in the City Hall Community Room, Petoskey, Michigan, on Tuesday, April 20, 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
Liz Gowans-Ahrens
David Marvin
Jennifer Shorter
Michael Teska
H. Ted Pall, Jr., M.D., Mayor

Absent: David Carlson
Rodney Phillips

Also in attendance were Petoskey Regional Chamber of Commerce Downtown Director Becky Goodman, City Manager Dan Ralley, and Director of Parks and Recreation Allen Hansen.

Approve Consent Agenda Items

As the first item of routine business, upon motion made and seconded, draft minutes of the March 16, 2009, meeting of the Downtown Management Board were approved as submitted following the corrections of noting Ms. Shorter arriving following the voting process and a spelling correction of Mark Engel to Martin Engel. Then, upon motions made and seconded, acknowledgement of bills since March 16, 2010, that totaled \$21,006.71, and acceptance of the April, 2010, expense and income reports, were approved.

Hear Committee Reports:

The Downtown Director reported in behalf of the Parking Commission that included the review of recommended parking fines as part of the City's proposed municipal civil infractions ordinance, and the park-smart program brochure; reported for the Marketing Committee that the shopping map was at the designer with 12 adds at \$500 and one ad at \$1,000; the Event Committee was currently working on upcoming Spring Open House, Gallery Walk, and Art in the Park programs; reviewed newcomer businesses in town for the Economic Enhancement and Business Recruitment Committee.

Hear Chamber Staff Report

program; and upcoming business retention seminars.

The Downtown Director reported that the Petoskey Regional Chamber of Commerce Reported about the final Business After Hours

Hear City Staff Report; Approve
ROW Acquisition Contribution

consider using \$82,850 in Parking Fund cash reserves to help facilitate the purchase of the downtown rail corridor; that, due to grant and purchase commitments, the City was requesting that the DMB decide at its April 20 meeting whether to participate in the purchase of the railroad corridor.

The City Manager reported that, at the March 16, 2010, Downtown Management Board (DMB) meeting, the City Manager and Director of Parks and Recreation requested that the DMB

The City Manager also reported that, for more than 25 years, the City of Petoskey had attempted to acquire the downtown rail corridor from the Michigan Department of Transportation Rail Division (MDOT); that this corridor, which bisected the downtown commercial business district, formed a linear parkway through the downtown area that had the potential to tie both the Emmet Street and Bay View neighborhoods to the downtown; that the legal steps and negotiations necessary to facilitate the potential purchase had been arduous; that, first, after many years of discussions, in 2008, Michigan law had been changed to allow a portion of a rail corridor (rather than its entirety) to be sold by MDOT; and that, since this change in State law, the City staff had been working on securing an agreed upon appraisal for this unique property.

The City Manager also reported that, 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; and that, in parallel, the Highway Division of MDOT had been 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.

The City Manager also reported that, 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; and, thus, the City's final acquisition price for 430,620 square feet of the rail corridor would be \$204,705.

The City Manager also reported that, 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; that these funds would be used to acquire eight railway parcels between Emmet Street and the extension of Bay Street, which were most central to the downtown area; and that, 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.

The City Manager also reported that, at the request of the DMB, the City staff examined all of the 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.

The City Manager also reported that it should be noted that the Parking Fund cash balance had risen significantly since 2004 when it contained \$82,364, as compared to \$382,396 at the end of 2009; and reviewed this increase in a graph which showed the Parking Fund cash balance for the last 10 years.

The City Manager also reported that, under an agreement with the Building Authority, the DMB was responsible for the debt service payments associated with the acquisition and development of the Clifton and Livery parking lots; and that \$80,000 in Parking Fund revenues were annually dedicated to the repayment of this debt, which would be extinguished in 2014.

The City Manager also reviewed a table that depicted the projected five-year capital maintenance expenses for parking lots that the DMB maintained and operated; that the Clifton, Livery, and Petrie lots were not projected to need maintenance until 2018-2020; and that, also included in the table were debt payments for the two parking lots mentioned above, as well as the projected cost of the railway corridor acquisition.

The City Manager also reported that adequate cash reserves existed to cover the maintenance expenses associated with each parking lot, which between 2012 and 2014 were projected to range between \$35,000 – \$44,000 per year; and that the repair expenses associated with the Darling Lot were more considerable at \$85,105, but were possible to defer until 2015 after the annual \$80,000 debt payments expired.

The Director of Parks and Recreation also reviewed this acquisition proposal and answered inquiries of the Downtown Management Board concerning the proposed linear parkway.

Following discussion by the Board, Ms Shorter moved that, seconded by Mr. Reid, that the DMB contribute \$82,850 from its Downtown Parking Operations Fund reserves toward the acquisition of railroad right-of-way between Emmet Street and Rosedale Avenue that would permit the development of a linear park. Said resolution was unanimously adopted.

Sign Ordinance Recommendations;
Smoking Ban Information

Board members then discussed the recommendations that the Sign Committee would be making at the May 13, 2010, Planning Commission meeting; that they did not believe these recommendations included changes recommended by the Downtown Management Board; DMB members requested an additional letter be sent to the Planning Commission that included minutes of the DMB's March 18, 2010, meeting that would explain the Board's recommendations to the Sign Committee; and the Downtown Director recommended that DMB members be present at the May 13 Planning Commission meeting to voice their opinions concerning their recommended changes.

Board member Teska then advised DMB members that they could contact Erica VanDam at the Emmet County District Health Department for information concerning the recent smoking ban legislation.

There being no further business to come before the Downtown Management Board, the meeting was adjourned at 7:55 P.M.