



DOWNTOWN MANAGEMENT BOARD

August 18, 2015

A regular meeting of the City of Petoskey Downtown Management Board was held in the City Hall Community Room, Petoskey, Michigan, on Tuesday, August 18, 2015. The meeting was called to order at 7:00 P.M., and the following were

Present: Lawrence Rochon, Chairperson
Doug Buck
David Carlson
Jason Keiswetter
James M. Reid Jr., Vice Chairperson
S. Reginald Smith

Absent: William J. Fraser, Mayor, Jessilynn Norcross and Jennifer Shorter

Also in attendance were the Downtown Director Becky Goodman, City Manager Robert Straebel and Downtown Promotions Coordinator Kate Manthei.

Approve Consent Agenda Items

Downtown Management Board members discussed the first item of routine business, the May 19, 2015 regular session meeting minutes; acknowledgement of bills since May 19, 2015; and acceptance of the May, June and July expense and income reports as prepared by the Downtown Director.

Upon motions made and seconded, the May 19, 2015 regular session meeting minutes were approved, acknowledgement of bills since May 19, that totaled \$147,839.90 and expense and income reports for May, June and July were approved. Said motions were unanimously approved as submitted.

Recommend BRKP Cigar Group, LLC
for a Redevelopment Liquor License

Chairperson Rochon reviewed that applicant William Tribble, of BRKP Cigar Group, LLC, was present to discuss application request. Mr. Tribble gave a brief presentation on business plan; that the smoking exemption was transferred from a company down in Lansing to BRKP Cigar Group, LLC; that regulations are being followed; that there will be liquor, fine cigars, a billiard table, televisions and occasional live music; that the business will be an upscale establishment, open to the public; and that there will be no food.

Board members inquired on the licensing exemption for smoking; what the staffing levels would be; and ventilation requirements. Mr. Tribble reviewed that after the May 2010 law prohibiting smoking, there were 90 exemption licenses in the state; that one was for sale and BRKP Cigar Group, LLC, bought for \$30,000 and can be transferred at any time; that there will be minimal staff with owners working most of the time; and that BRKP Cigar Group, LLC, is working with health department regarding ventilation requirements.

The City Manager reviewed that on August 3, 2015, the City received an application for a Redevelopment Liquor License from BRKP Cigar Group, LLC, for 446 East Mitchell Street. The DMB in accordance with the local control ordinance adopted by City Council has 30 days from the date of submission to review and make a recommendation to City Council on the granting of a Redevelopment Liquor License. The City Manager reviewed the legal requirements of Ordinance 727 and local criteria and that the applicant was in compliance except for Section 4-3(7) which states: *"The applicant and subject property owner shall not have any current or outstanding code violations, tax delinquencies, other outstanding City fees or in any way be in default to the City."* The City Manager reviewed that Chris Redding, property owner of 446 East Mitchell Street, has excessive fees on numerous properties in the City for delinquent taxes and unpaid special assessments.

Board members inquired if the license could be recommended to City Council based on the condition that the property owner pays all outstanding fees in a timely manner; if the owner was delinquent on the subject property or all properties that he owned; what the outstanding fees totaled; concerns with approving when criteria has not been met; heard from those in favor of the unique business plan for downtown, but encouraged Mr. Redding to pay delinquent taxes and fees promptly; how many Redevelopment Licenses can be granted; and that a time frame should be enforced on Mr. Redding to pay unpaid fees.

The City Manager responded that the ordinance applies to all properties owned; that Mr. Redding owes \$133,000 in delinquent taxes and special assessments; and that the City Council can approve 6 Redevelopment Liquor Licenses and this application would be the third license granted.

Chairperson Rochon asked for public comments and heard from those in favor of the unique factor to downtown especially on upper Mitchell Street; if Emmet County had any anti-smoking laws; that the City should look into regulations regarding smoking in proximity to businesses; and that the City should work with Mr. Redding to be in compliance.

Upon motion made by Mr. Smith, seconded by Mr. Buck to recommend to City Council a Redevelopment Liquor License to BRKP Cigar Group, LLC, subject to condition that Chris Redding, property owner, satisfies all requirements of ordinance with respect to unpaid fees, taxes and special assessments.

Said motion was approved by the following vote:

AYES: Buck, Carlson, Keiswetter, Smith, Rochon (5)

NAYS: Reid (1)

Discuss City's 2015 Draft Action Plan Chairperson Rochon reviewed that on June 26 and 27, City Council and Department Heads met with Dr. Joe Ohren to establish future goals and strategies for the City. The goals and strategies have been compiled into a chart designating who is responsible and an estimated timeline in which the goals can be completed. The verbiage for the goals and strategies were exactly what Dr. Ohren developed, with staff completing the responsibility and timeline categories. Board members also reviewed four comments that the City Manager's office received regarding the draft Action Plan.

Board members commented on the goal to increase parking and that the DMB worked for a year and a half on a parking plan and City Council did not consider some aspects and picked plan apart; commended City Council for creating a strategic plan and cohesive strategy; that there needs to be more open communication between DMB and City Council; that there needs to be more economic development possibilities besides just creating more parking; inquiries on the difference between a DDA and DMB and each Boards' responsibilities; concerns that City Council is not supporting DMB on various matters; that a joint meeting should be scheduled with DMB and City Council; and how might TIF be used to help goals for downtown.

The City Manager responded that the parking goal is for long-range infrastructure and that it may be worthy to bring City Council and DMB together.

Chairperson Rochon reviewed the responsibilities of DMB and DDA and that the DMB manages downtown and parking system; and the DDA handles funding for larger projects and in charge of setting TIF dollars.

Chairperson Rochon asked for public comments and heard comments that the DMB does not represent downtown merchants; that the Board needs to seek public opinion on matters; and that the DDA hasn't done much because waiting on the undeveloped 200 East Lake Street property for tax base.

Discuss 2016 Downtown Programs & Services and Parking Fund Budgets

Board members then reviewed and discussed the proposed 2016 Downtown Programs and Services and Parking Fund budgets. Following the Downtown Management Board's routine procedure, the Downtown Director reviewed recommendations for the DMB's programs-and-services budget for 2016, which would be included in the City's proposed 2016 Annual Budget to be presented to the City Council in November, based upon experience of previous fiscal years and recent reviews. Funding for these programs and services would be derived through proceeds from the Board-requested annual special assessment levies.

The Downtown Director reviewed that the Programs and Services budget has a negative revenue over expenditures amount forecasted for the end of 2016; that a joint meeting occurred between the Events, Marketing and Petoskey Rocks! Committees with a consensus to eliminate only the Mardi Paddy Gras and Haunted Halloween Progressive Dinner events; determined to grow the remainder of events; that funding for Petoskey Rocks! is proposed to come less than half from the budget and more than half from sponsorships; Winter Carnival has \$10,000 above the revenue that it takes in from the Wine and Dine progressive dinner with attempt to obtain a major area sponsor for this event; and that more money is included in Moveable Feast event for growth potential.

Board members inquired if funds have been cut back on certain events; concerns that budget was presented in a deficit and what are priorities; that assessments should be increased or find solutions to increase sponsorships to fund events; heard from those that would like to see some events cut back or eliminated; that budget discussions should be discussed at another meeting to hear from Board members that were absent; heard from those opposed to going outside of area for major sponsorships; that events should be focused on downtown shopping experiences and getting people downtown; that Petoskey Rocks! events are questionable whether they enhance the downtown experience; discussed the purpose of events; and commented on Gallery Walk and Concerts in the Park and how these events could be changed.

The Downtown Promotions Coordinator reviewed that at the joint meeting there was a consensus that there is a need for more funds to cover events; did not want to ask merchants for more money; and that events should not be eliminated, but rather ask more outside businesses for sponsorships.

Chairperson Rochon asked for public comments and heard from those that agreed to get opinion of missing Board members; that funding sources come from two groups; that galleries should be asked for more funding for Gallery Walk; that it is the Board's job to get people downtown; that a car show would be a huge opportunity for a self-promoting event; and that committees have budgets to work with and have to stay within those boundaries as should the DMB.

The Downtown Director thanked the Board for their input and confirmed that she would prepare a second draft with a positive figure for the September meeting.

Hear Committee Reports

The Downtown Promotions Coordinator reported on behalf of Petoskey Rocks! Committee and reviewed the weekly events; that the weekend after the 4th of July was quiet due to other events in the area; that trivia night was a good turnout; that Murder Mystery was a successful night; that merchants had higher than average sales this year at Sidewalk Sales and that the majority of respondents want to keep the sale to two days; and that August 21 is the last Petoskey Rocks! event. The Downtown Promotions Coordinator also reported that the new movie screen has been a big hit with improved visibility and sound and that the Events Committee's next event is the Moveable Feast in October.

The Downtown Director reported on behalf of the Marketing Committee and that there was a joint meeting with Petoskey Rocks! and Event Committees; that there was a consensus not to eliminate any major events; that Mardi Paddy Gras and Haunted Halloween Progressive dinners would be eliminated; that Winter Carnival and Moveable Feast events need growth; that the Committee discussed major sponsorships and the possibility of seeking outside the district; that Concerts in the Park need discussion; and that the Petoskey Rocks! and Events Committees should be combined. The Downtown Director also reported that when the Committee meets in the fall discussion will be on winter destination ideas; potential Open Friday Nights campaign; potential development of niche market rack cards; developing a customer loyalty card; surveys and data analysis; and the necessity of a brand and/or logo update.

In economic enhancement, the Downtown Director reported that two buildings on upper Mitchell may be leased with cheese and pasties businesses; that North Country Cycle Sports closed; that the Committee met and reviewed activities that are primarily performed by staff; and will begin regular Committee meetings in the fall.

In beautification, the Downtown Director reported that planters look nice and sponsors are doing a great job maintaining.

The Downtown Director reported on behalf of the public art plan and that it is almost finalized and would be discussed at a near-future meeting.

The Downtown Director reported on behalf of the Parking Committee and handed out the parking recommendations that City Council approved and did not approve; and that City Council was interested in measures that would encourage people to pay their fines and that would deter chronic abusers.

The Downtown Director also reported that the bike corrals were installed and the Design Committee will look at additional locations for the two extra racks; and supplied the Board with comment sheets from the Greenway Corridor review meetings.

Hear City Staff Report

The City Manager reviewed that the 2015-2021 Capital Improvements Plan would be going to City Council and Planning Commission for review totaling \$35M in expenses; that he met with Elias Amash, owner of 200 East Lake Street property, and there may be a possible zoning change to CBD; and that Council adopted a resolution supporting a CDBG grant to renovate upper floors of 316 and 318 East Lake Street.

There being no further business to come before the Downtown Management Board, the meeting was adjourned at 10:10 P.M.