



DOWNTOWN MANAGEMENT BOARD

November 17, 2015

A regular meeting of the City of Petoskey Downtown Management Board was held in the City Hall Community Room, Petoskey, Michigan, on Tuesday, November 17, 2015. The meeting was called to order at 7:00 P.M., and the following were

Present: Lawrence Rochon, Chairperson
Robin Bennett
Doug Buck
David Carlson
James M. Reid Jr., Vice Chairperson
Jennifer Shorter
S. Reginald Smith

Absent: William J. Fraser, Mayor and Jason Keiswetter

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

Approve Consent Agenda Items Downtown Management Board members discussed the first item of routine business, the October 20, 2015 regular session meeting minutes; acknowledgement of bills since October 20, 2015; and acceptance of the October expense and income reports as prepared by the Downtown Director.

Upon motion made and seconded, the October 20, 2015 regular session meeting minutes were approved; acknowledgement of bills since October 20, that totaled \$34,752.86; and expense and income reports for October were approved.

Said motion was adopted by the following vote:

AYES: Bennett, Buck, Carlson, Rochon, Shorter, Smith (6)
NAYS: None (0)
ABSTAIN: Reid (1)

Discuss Brownfield TIF & Position Statement for 200 East Lake St. Property The Downtown Director reviewed that as discussed at the September meeting it is the desire of City staff to attempt to spur development at the 200 East Lake Street development site. Goal three of the City's 2015 Strategic Plan is "Diversify and Strengthen the City's Economic Base"; a strategy of that goal is, "Articulate a policy, even a general framework if necessary, governing the City's position on supporting development/redevelopment efforts through incentives of various kinds." Mac McClelland, Otwell Mawby, gave an informational presentation at the September meeting regarding the use of Brownfield TIF for improvements at the development site. The subject was referred to the Parking Committee for further discussion. Upon meeting with the Parking Committee and in conference with the City Manager, staff proposed the following position statement:

The Downtown Management Board (DMB) and Petoskey City Council recognize that development of the 200 East Lake Street site is a very complex and expensive undertaking requiring a strong private/public partnership. To this end, development of the site will likely involve implementing a Brownfield Redevelopment Tax Increment Finance plan to fund certain aspects of the project. Currently, the site has a Tax Increment Financing (TIF) mechanism in place that was adopted by the City of Petoskey's City Council and DMB. The existing TIF would need to be waived by the DMB and the City Council as part of establishing a new Brownfield Redevelopment TIF for any proposed development.

To provide guidance and to encourage development, the DMB and City Council present the following position statement regarding development of the site.

The DMB and City Council will examine all aspects of the development plans in making their decisions on whether to revoke the current TIF in consideration of adopting a Brownfield Redevelopment TIF. However, strong consideration for support of a Brownfield Redevelopment TIF will be given to a plan that incorporates the following items:

1. Development to provide sufficient parking to meet all of the private parking needs necessitated by the proposed uses at 200 East Lake Street.*
2. Development to provide sufficient public parking in an amount agreeable to both the DMB and City Council.*
3. A minimum investment of \$30 million.
4. A funding mechanism for providing additional public parking off-site.
5. A strategy for shared maintenance and enforcement of the on-site parking area.
6. A variety of mixed uses such as a hotel/conference center, residential units and commercial and retail space.

*Shared parking may be considered to satisfy both private and public parking needs.

The Downtown Director reviewed that it was the second discussion of this matter and that at the October meeting, Board discussion was centered on the necessity of a position statement; how specific a statement should be; the concept that the statement would serve as a marketing piece to prospective developers; and that no changes were made to the draft Position Statement.

Staff requested that the Board move on a decision whether or not to adopt the proposed position statement; and that because there is an existing DDA TIF plan for the development site, in the case that a potential developer would request the use of Brownfield TIF, support for that request would begin at the DDA level where the first action would be to eliminate the DDA TIF in favor of a Brownfield TIF. The DDA would then recommend to City Council and Council could choose to support or not support the request.

Board members reviewed the position statement; inquired if the plan was changed to Brownfield TIF if it would have to go to the DDA for approval; if the statement was geared toward private developers; inquired if the minimum investment of \$30M was initial or total investment; discussed and had concerns on #4 as a place maker and that perhaps not all 100% of funds will go into 200 East Lake Street project, but could be used for additional off-site parking; that the statement should not scare away potential developers; and suggested removing "however" in the third paragraph to read "The following will be given strong consideration for support of a Brownfield Redevelopment TIF plan."

In response to inquiries, the Downtown Director reviewed that if the DDA TIF plan changed to a Brownfield TIF, then it would have to go to the DDA for approval. The City Manager also reviewed that the statement further defines that the City is serious about development and see project as a public and private partnership; that the position statement is a useful tool; that to get tax increments a minimum of \$30M needs to be invested; and that the funding mechanism in #4 could be better defined.

Chairperson Rochon asked for public comments and heard from someone in favor of the position statement and that the Board should indicate specifics in the statement.

Ms. Shorter moved that, seconded by Mr. Reid to approve the position statement with changes indicated above to read "The following will be given strong consideration for support of a Brownfield Redevelopment TIF plan." Said motion was unanimously approved as submitted. (See attached approved position statement.)

Discuss Event Sponsorship Policy

The Downtown Director reviewed that in planning for the 2016 Budget the Board discussed the possibility of including major sponsors for certain downtown events. The Winter Carnival was the primary candidate for consideration in recent Downtown Events Committee meetings for the desire to increase revenue to produce higher quality events. Currently there is one event that has a title sponsor, Stafford's Downtown Petoskey Holiday Parade. The decision to accept this generous sponsorship was made by a vote of the Board in 2006. The Downtown Office also accepts money for support of the parade.

The Downtown Director also reviewed that the history of the DMB and the creation of the Programs and Services assessment was initially to avoid "passing the hat" to support downtown marketing and events. Rising costs, the addition of events to the event calendar and a resistance to raising the special assessment has led to the need for sponsorship opportunities to be considered. Approaching sponsorships on a case by case basis is not practical and could lead to misunderstandings. Staff recommended that a formal policy be adopted.

Board members inquired on how many outside organizations have approached downtown to offer sponsorships; that the downtown office doesn't solicit sponsorships and has not worked in the past; heard from those in favor of keeping sponsorships within downtown to help control image; concerns with offending downtown merchants if ask for outside sponsorships; who will define direct competition and other specifics in the policy; who will make final determination on selecting sponsorships; that the idea is to get people downtown with events and if don't accept sponsorships then why have a full-time Promotions Coordinator; concerns with how downtown will be preserved if accept outside sponsorships; limit scope to one event and provide Promotions Coordinator with more resources to see how successful; if there will be a specific dollar amount for sponsorships; concerns that some events aren't performing and should be eliminated and then put that money into a better event; and an inquiry on currently how much is raised with sponsorships and special assessments for events.

In response to Board comments, the Downtown Director reviewed that one outside organization has approached to sponsor an event; that the Events Committee is ready to begin asking for sponsorships especially for the upcoming Winter Carnival event; that specific details and determinations will be part of the guidelines; and that she will provide the Board with financial information at the next meeting concerning events. The Promotions Coordinator commented that events always seem to need more money so it is positive to try something new, otherwise the Board will need to look into making cuts.

Chairperson Rochon asked for public comments and heard from those in favor of the proposed policy; the need for more money for events; that the Events Committee should review sponsorship first; and ask downtown merchants opinion on asking for outside sponsorships.

This matter was tabled for further discussion at the next scheduled DMB meeting.

Approve Brand Update

The Downtown Director reviewed that the Marketing Committee has been discussing the issue of updating the downtown brand that was created in 2007. At the request of the Committee, the Promotions Coordinator spent time putting ideas together around the concept of "Sunsets, Gaslights, Holiday Lights, Seasonal Lights. Brighten your Up North experience with shopping, dining, and entertainment in Downtown Petoskey, the Light of the North." The Committee unanimously approved it and believes it is a modernization of a traditional downtown Petoskey brand and suitable for a premier, resort community that is home to a loyal, local population.

Current plans are to launch the new brand when the new downtown website is launched at the beginning of January 2016. Marketing materials will reflect the changes as they are produced. The brand will be used in conjunction with changeable postcard style photos of downtown scenes and events.

The Downtown Director reviewed that the brand update includes the same Petoskey "P" and incorporates the idea of downtown branding by connecting with history and starting a new story.

Board members commented that the brand is iconic and commended Promotions Coordinator, Kate Manthei, for her design efforts.

Ms. Shorter moved that, seconded by Mr. Carlson to approve the brand update of "Light of the North" combined with seasonal post cards and the original Petoskey P. Said motion was unanimously approved as submitted.

Hear City Staff Report

The City Manager reviewed that City Council approved the assessment roll at last night's meeting and invoices were mailed today; that City Council was discussing the proposed 2016 Annual Budget and that the 1% Property Tax Administration Fee was not included in lieu of a mill levy vote in 2016 for firefighting equipment; that staff was asked to cut approximately \$155,000 in the General Fund to balance budget and not use cash reserves; and that City staff continues to work with Mr. Dau and his daughter on an agreeable location for a Hemingway statue.

Hear Committee Reports

The Downtown Director reported on behalf of the Marketing Committee and that the Committee continues to work on website and mobile friendly updates; that installation has been completed of updated shopping podium maps; that the Holiday Catalog will be available in digital or print form; that ornament sales have begun; and window decorating contest began with judging being done on Facebook.

In economic enhancement, the Downtown Director reported that Glass Lake Photography Gallery and Studio opened on Howard Street in the old Baker Metalworks building; that the sale of Ben Franklin is complete with plans to add two additional residential stories; that Tap 30 is working on second floor office space that should be ready by January 1; and that second story residential is being pursued from Items on East Lake Street.

In beautification, the Downtown Director reported that holiday decorations are in place throughout the downtown; that the Garden Club donated daffodil bulbs that were planted in concrete beds; and crocus was added to the berm in the park for spring.

The Promotions Coordinator reported on behalf of the Events Committee and that the Progressive Dinner, Halloween weekend festivities and Ladies Opening Night were successful; that the Stafford's Downtown Holiday Parade was coming up with Bill and Jutta Cutler as the Grand Marshals celebrating 50 years of business this year; that the Holiday Open House is December 4; that the Events Committee is working on the Winter Carnival scheduled for President's Day Weekend in February with potential new attractions; and that the reindeer company canceled and reindeer will not be in the Holiday parade.

The Downtown Director reported on behalf of Parking and that the Luke Pay Station demo was at the downtown office until December 4; that tiered permits are being phased into the system; that free parking for SCORE has been discontinued; that the Parking Committee discussed closing the east end of Reid's Alley and that it was not favored; that Barry Cole, long-time Parking Ambassador, is retiring in February and the job opening has been advertised; and that Holiday Meter sponsorship program is again being offered which includes ads in the News-Review.

The Downtown Director also reported that she has attended all City Council meetings involving special assessments and budget discussions and there have been no comments.

There being no further business to come before the Downtown Management Board, the meeting was adjourned at 8:30 P.M.

Position Statement

200 East Lake Street

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Downtown Management Board approved 11/17/15.