

Cheboygan Main Street DDA Regular Meeting – February 2, 2021

The meeting was called to order via Zoom at 6:01pm

Roll Call:

Present: Costin, Crongeyer, Eckhart, Hillesheim, Khan-King, Mallory, Schneider, Stempky, Tebo, Weir

Absent: Lindeman

Consent Agenda:

Motion by Costin, seconded by Crongeyer to approve the consent agenda. Motion passed unanimously.

New Business

- a. Thank you to Dennis Lindeman and Scott Herceg

Dennis Lindeman submitted a resignation letter to the Main Street DDA board. After 36 years he is stepping away to dedicate more time to other areas of his life. Dennis has expressed that he will continue to be available as a resource.

Scott Herceg has resigned from his position as executive director of the Cheboygan Area Chamber of Commerce. He is pursuing further education starting his own consulting firm.

The board thanked both Dennis and Scott for their time and dedication to Cheboygan.

- b. Welcome New Board Member Polly Schneider

Polly Schneider has been promoted to the executive director of the Cheboygan Area Chamber of Commerce. With this promotion she will also be joining the Main Street DDA board. The board welcomed Polly and looks forward to working with her.

- c. Consideration to allocate up to \$1,000 for a Façade Grant to Beau Est Beau, located at 220 N Main St.

Much discussion was had regarding the façade improvements presented for 220 N Main St.

Costin: Pleased that this building is being renovated. Would like to see some additional information including how the building will be signed.

Crongeyer: Nice that a new business is going in downtown. Would like to see additional information. Will the bench take up with full length of the front of the building?

Eckhart: Thought the Façade Grant was supposed to be for architectural renderings. More detail would be nice. Excited to see another building getting redone. Maybe this project would be a better fit for the Vibrancy Grant.

Hillesheim: Over the past 30+ years the board has struggled with this grant. The original idea was to use the grant for architectural renderings. As time went on some projects with more detailed drawings that weren't architectural renderings were approved for funding. This submission is light on detail. We should address the wording of the Façade Grant. Excited to see progress.

Khan-King: Great that there is movement on this building. Would like to ask for additional information.

Mallory: Agree that we need additional information.

Schneider: Agree that we should ask for additional detail including plans for signage.

Stempky: Agree with what has been said. More information needed.

Tebo: Agree with what has been said. Would like to see more information on how the completed project will look.

Weir: We should approve contingent on additional information being provided.

Costin: Volunteered to meet with the building owner to further discuss the Façade Grant and plans for the building. Suggested option could be given to building owner to submit additional information for the \$1000 Façade Grant or resubmit information provided for the \$500 Vibrancy Microgrant.

Motion tabled for further discussion with the building owner.

d. Recommendation for the Commercial Rehabilitation Act Tax Abatement for 409 N Main St.

City Manager Tom Eustice explained that the job of the Main Street DDA is to determine how many years the Commercial Rehabilitation Act tax abatement should be awarded based on the investment in the building. This recommendation will be given to City Council. There is approximately \$900,000 being invested in this property. The property owners will likely receive as much as 50% grant funding from the MEDC.

City Manager Eustice walked through the tax abatement criteria worksheet explaining the five categories of investment, City master plan, building, jobs, and other. The maximum number of years that can be recommended is 10 years.

The next step would be a public hearing at the Council level. This would likely occur at the second meeting in February. It is a requirement of the MEDC Commercial Rehabilitation Grant that the City and/or DDA make some kind of monetary contribution to the project. The form provided is what the MEDC typically recommends to show that local contribution. This step must be completed within 6 months of the start of construction.

There was much discussion among Board Members.

Costin: Supports recommendation for 10 years.

Crongeyer: Supports recommendation for 10 years.

Eckhart: Supports recommendation for 10 years

Hillesheim: Supports recommendation for 10 years

Khan-King: Supports recommendation for 10 years

Mallory: Supports recommendation for 10 years

Schneider: Supports recommendation for 10 years

Stempky: Supports recommendation for 10 years

Tebo: Supports recommendation for 10 years

Weir: Supports recommendation for 10 years

Motion by Khan-King, seconded by Tebo to recommend to City Council a 10-year tax abatement for the property located at 409 N Main St. Motion passed unanimously.

e. Discussion of the Bunny Wall

Much discussion was had by board members.

Chairperson Eckhart noted that the owners of the wall requested 3 inches of the wall currently owned by the DDA as well as \$25,000 to assist with repair of the wall.

One quote was provided by Drake Masonry and another was provided by Matt Barber Masonry.

City Manager Tom Eustice gave the building owners permission to cut holes in the bunny wall that will become windows and doors.

Katie Duczkowski noted that she reached out to City attorney Stephen Lindsay and he recommended obtaining multiple quotes for repairs to the wall.

City Manager Eustice noted that during prior discussion with the building owners he had agreed to help them repair the wall. He recommended that the Main Street DDA not exceed the \$8,500 quote received if they agree to provide financial assistance at all. Regardless, we need to deed the wall to the building owners.

Chairperson Eckhart asked about the statement hold harmless. City Manager Eustice explained that the DDA has some liability because they would be transferring a damaged product. A hold harmless agreement would limit that liability.

Councilman Mallory asked about fixing the wall and then transferring it. City Manager Eustice responded that would be an option but the building owners likely have a different fix in mind.

Board Member Hillesheim noted that the recommended 10-year tax abatement is worth a lot of money.

City Manager Eustice commented that the DDA could pay for title work which would cost approximately \$500.

Board Member Crongeyer asked about the MEDC requirement of contribution by the City or Main Street DDA. City Manager Eustice responded that a 10-year tax abatement more than satisfies that requirement.

Motion made by Hillesheim, seconded by Tebo, to deed the wall to the owners of 409 N Main Street with no financial contribution. Motion passed 9 to 1 with Councilman Mallory voting no

f. Discussion of MSU Sustainable Built Environment Initiative

Katie Duczkowski explained the MSU Sustainable Build Environment Initiative looks for sustainable ways to improve a community. This program has been successfully utilized by other Michigan Main Street communities. It would act as a way to unify the vision of the City Council, Main Street DDA, and other organizations in our community, with one document that everyone could work from.

Board Member Crongeyer commented that the Main Street DDA is working to align with the Realize 2035 City Master Plan.

Discussion was had among Board Members.

The next step will be to make a presentation and recommendation to City Council.

g. Consideration to contract with a consulting service to extend the Downtown Development Authority Plan and Tax Increment Financing Plan

The DDA TIF plan is coming up for renewal in June 2022. The TIF Committee would like to work with a consulting firm to prepare and facilitate approval of the DDA TIF plan to identify projects proposed to be undertaken by the Main Street DDA and to extend TIF capture to provide project funding. Two quotes have been provided by consultants who were recommended by other Michigan Main Street communities.

Motion by Khan-King, seconded by Mallory, to allow Katie Duczkowski to spend up to \$20,000 to hire a consulting firm for service to extend the DDA and TIF plan. Motion passed unanimously.

Treasurer's Report – Bobie Crongeyer

Board Member Crongeyer reported that both December and January reports were included in the packet. Katie Duczkowski also included the Excel spreadsheet that has been created to show a running total of revenues and expenses per month. This spreadsheet helps to track project revenues and expenses and plan for the following budget year.

Committee Reports

- Outreach Committee – Bobie Crongeyer

Board Member Crongeyer reported that the Outreach Committee is working on a total of 8 projects including a mobile app, holiday catalog, merchandise sales, Tribune articles, Main Street DDA website, and direct mail fundraiser.

- Placemaking Committee – Christy Stempky

Board Member Stempky reported that Placemaking did not meet as a full committee in January. Subcommittees have been working on project work plans.

- Events Committee – Brandon Weir

Board Member Weir reported that the first Events Committee meeting had great turnout. Committee members discussed ideas for upcoming events and what is required of volunteers.

- Business Development Committee – Polly Schneider

Board Member Schneider reported that she has taken over the Business Development Committee as it aligns with the work of the Chamber of Commerce. There will be a quarterly webinar series with Google that will be available to all Main Street DDA businesses.

- TIF Renewal Committee – Katie Duczkowski / Bobie Crongeyer

Katie Duczkowski had nothing additional to report.

City Council Report – Councilman Mallory

Councilman Mallory reported that there has been an offer extended for a new City Manager.

Councilman Mallory reported that several council members have toured the water plant. The facility needs a great deal of repair.

Councilman Mallory reported that the City Council purchased additional land near the Crib Light for \$50,000.

City Manager's Report – Tom Eustice

City Manager Eustice reported that City Council approved the purchase of 450 feet of riverfront property between the County Marina and Crib Light. MEDC grant funding to could be used to improve not only that property but all of Gordon Turner Park. The City will now have a place that cruise ships could dock in the future.

City Manager Eustice reported multiple buildings downtown are going through large renovations with the help of programs from MSHDA and the MEDC.

City Manger Eustice reported that the waste treatment plan improvements, a \$16 million project, and the water plant improvements, a \$5.5 million project, are in the process of getting funding. These are both significant developments for the City of Cheboygan. The waste treatment plant was built in 1978 with a 25-year life. These improvements are long overdue.

City Manager Eustice reported that the Cheboygan Estates project on Western Ave is a go. Three houses will go up this spring.

Public Comments

Connie Rieger thanked the board for all of their hard work.

Pat Gildner commented that she was pleased to hear that the City has approved the purchase of the property near the Crib Light. Pat was speaking on behalf of Art Vision Cheboygan and would like Art Vision Cheboygan to be included in the SBEI project.

Board Member Comments

Board Member Costin commented that a letter should be written to Dennis Lindeman to thank him for his many years of service to the DDA.

Board Member Stempky commented that the next Placemaking Committee meeting was scheduled for February 15, 2021 at 6pm.

Adjournment

Motion by Mallory, seconded by Tebo, to adjourn the meeting. Meeting was adjourned at 7:57pm.

Chairperson Emily Eckhart