

**DOWNTOWN DEVELOPMENT AUTHORITY
WEDNESDAY, FEBRUARY 14, 2018 – 8:00 A.M.
Meeting Held at 559 Ashmun Street
Sault Ste. Marie, Michigan 49783**

MEETING MINUTES

Present: Abby Baker
Debbie Jones
Michelle LaJoie
Scott Parker
Les Townsend
Allison Youngs
Justin Knepper

Also Present: Nick Nolan, Soo News
Josh Billington, SBDC
Mary Jo DuVall, Soo Events
Tony Haller, Chamber
Lindsay Ellis, DDA
Dane Wallis
Abby VanSloten
Craig Cooper
Julie Wiater

Absent: Raymond Bell, Marla Bunker and Oliver Turner.

Moved by Debbie Jones, supported by Les Townsend, to excuse the absent DDA Board members. The motion carried unanimously.

1. CALL TO ORDER.

Due to DDA Board Chair Raymond Bell's absence, Michelle LaJoie, DDA Co-Chair, called the DDA Board meeting to order and presided over the meeting.

2. ROLL CALL.

3. APPROVAL OF MINUTES.

- January 10, 2018 Regular Meeting Minutes.

Moved by Scott Parker, supported by Allison Youngs, to approve the January 10, 2018 Regular DDA Meeting Minutes. The motion passed unanimously.

4. APPROVAL OF AGENDA.

Moved by Debbie Jones supported by Les Townsend, to approve the Agenda of the February 14, 2018 DDA Board meeting. The motion passed unanimously.

5. DECLARATION OF CONFLICT OF INTEREST.

There were no conflicts of interest declared at this time.

6. COMMITTEE REPORTS.

- A. **Promotion Committee.** Allison Youngs, Chair of the Promotion Committee indicated that this committee has met five times and currently has thirteen event work plans in place. Using Michigan Main Street marketing tools will be helpful in promoting these events, with an anticipated goal of generating income for the DDA.
- B. **Retail Committee.** This committee is still compiling their work plans and will submit them when complete. Kelli Jarvis-Townsend is spearheading *Ladies Night Out* in May.
- C. **Design Committee.** Debbie Jones, Chair of the Design Committee informed the DDA Board of the Building Basics Workshop on Tuesday, February 20th at Three-One-Three. Kelly from Michigan Main Street will be here for the workshop.

Debbie indicated that Danna Sanderson will be spearheading a program to promote recycling old household items for flower planters to be placed downtown. Ideas for planters can be old dresser drawers, tires, etc. Sault High School art students will refurbish the planters. Meijer may be donating \$1,000 to go towards flowers for the DDA district, and Danna Sanderson suggested that perennials can be purchased at the end of the season when they go on sale.

Scott Nason of Northern Transitions, Inc. is looking for opportunities for NTI employees to gain work skills and the DDA could possibly utilize NTI employees to work on downtown cleanliness.

The Design Committee is working on revitalizing empty storefronts in the DDA district. Local businessman Pat Cleary has agreed to participate in cleaning up his downtown vacant storefronts.

- D. **Economic Vitality Committee.** Josh Billington discussed the Committee's three work plans: economic gardening, business recruitment and real estate. This committee will be working on the creation of a survey for downtown businesses in regard to which resources they find valuable and what they lack, working together in collecting data that will build the case for a business to locate or re-locate in the downtown district, and improve upon the current property improvement program by working with local vendors to offer discounts to downtown property owners to incentivize them to improve their property.
- E. **Organization Committee.** This committee's focus is the DDA Newsletter, i.e. solicit advertising and sources of funding, and promote merchandise with Michigan Main Street logo.

Detail: *Each Main Street committee has prepared a number of work plans for inclusion in the 2018/19 DDA/Main Street budget. Due to the volume of work plans and the substantial changes that will be required in the budget to accommodate the projects, a work session should be scheduled. This work session will include Main Street committee members, DDA board members, and other interested parties.*

Recommendation: *Schedule a work session to review Main Street committee work plans and prioritize each for inclusion in the 2018/19 FY budget.*

A work session to review Michigan Main Street committee work plans and prioritization for inclusion in the 2018-2019 fiscal year budget has been scheduled for Wednesday, February 21st at 8:00-10:00 a.m. at Avery Square.

7. MAIN STREET REPORTS.

Detail: *The report for January 2018 is included in the agenda packet.*

January Report: 1 building rehab (559 Ashmun Street) at a cost of \$10,000, North of Chicago opened with 6 full-time employees and 10 part-time employees, Gitche Gumees Fudge (416 Ashmun Street) closed with 1 full-time job lost, a total of approximately 131 hours volunteered by various Michigan Main Street committees, and 1 Board member change, with Ben Duff's resignation.

8. FINANCE REPORT.

A. Budget Preparation.

Detail: *Due to the substantial amount of changes proposed in the various committee work plans for FY 2018/19, a Finance Committee work session should be held to review the proposed budget and recommend changes to the Board.*

Recommendation: *Schedule a Finance Committee work session to review the proposed budget and recommend changes to the Board. All board members are invited to attend this work session.*

Department requested operational worksheets have to be completed and submitted to the Finance Department on Friday, February 16th.

The DDA finance committee will meet on Tuesday, February 20th at 9:00 a.m. at City Hall to review the proposed budget and recommend changes to the DDA Board.

B. Budget Adjustment.

Detail: *Financial statements for DDA funds are included in the agenda packet for review. Events revenues are at 122% of budget and increasing, but events expenses are projected to increase as well. The DDA general fund may need to*

be increased by \$10,000 to accommodate event expenses, but will be offset by increased revenues.

Recommendation: Request the City Commission to increase the DDA general fund by \$10,000, from \$201,700 to \$211,700 to close out FY 2017/18.

Detail of expenditures of the DDA general fund, with comparison to budget for the 7 months ending January 31, 2018 shows the covered event budget at \$19,500 with year to date actual at \$19,503.00 – over 100% of projected expenditures.

Detail of revenues of the DDA general fund, with comparison to budget for the 7 month ending January 31, 2018 shows event income budget at \$26,000 with year-to-date actual at \$31,789 – 122% of projected event income.

Moved by Scott Parker, supported by Allison Youngs, to request the City Commission to increase the DDA general fund by \$10,000, from \$201,700 to \$211,700 to close out fiscal year 2017-2018. The motion passed unanimously.

9. UNFINISHED BUSINESS.

The DDA Board discussed the United Way volunteer portal e-mail link that is up and running. Approximately 30-40 people have signed up to volunteer in the community.

10. NEW BUSINESS.

- A. Segway Business Presentation From Julie Wiater.** Ms. Wiater has started a new tour company called Soo Scenic Tours, LLC. She is proposing downtown historic tours, not just limiting the tour to the Soo Locks. The tours would be with individuals on Segways. Segways are 2-wheeled, self-balancing, battery powered electric scooters. The guided tour will include up to 8 people, with tour company employees in the front and back of the tour. Ms. Wiater provided maps of tour routes and is working on a location for the tour to begin and end, as well as a place to store the Segways.

The Segway scooters go approximately 12 miles per hour (the old Soo Tour Train went approximately 15 mph), and the age limit is 14 years old. There is also a weight limit, and waivers will be signed by all participants.

She came to the DDA Board meeting to propose her ideas for the Segway tours to the Board for their input and comments.

- B. “Tiny House” Honey Business Presentation From Dane Wallis.** Abbie VanSloten and Dane Wallis are proposing to construct a cottage-type shed to house a small retail store featuring honey products and local goods in a storefront owned by Carol McClellan, next to the Long Ship Motel on West

Portage Avenue. A rendering of the proposed 10' x 12' shed was provided to Board members for their review. The shed would not be fixed on the property but will be on skids during the tourist season and removed during the off-season.

Abby and Dane have investigated this with the City Building Department, and were told that there is no policy or rules on a 120 square foot structure. They have come before the DDA Board for their input and comments.

Moved by Allison Youngs, supported by Debbie Jones, to approve Abby VanSloten and Dane Wallis' proposed "Tiny House" honey business on West Portage Avenue. The motion passed unanimously.

C. **Austin Oak Cigar Bar Economic Redevelopment Liquor License.**

Craig Cooper recently purchased the Vanderhook building on Ashmun Street that previously housed Austin's Oak, as well as apartments on the second floor. Craig is proposing to renovate the former Austin's Oak space and open a new cigar bar-lounge. Craig will be applying for a Redevelopment Liquor License that includes a \$20,000 fee for the license when approved.

In order to receive a Redevelopment Liquor License in Michigan the applicant must commit a capital investment of at least \$75,000 that will be expended for the building before the license is issued, or, the applicant must expend at least \$75,000 for the rehabilitation or restoration of the building over a period of the preceding 5 years. Other restrictions apply, i.e., location of business must be in a DDA, TIFA, CIA or PSD, and at least \$200,000 public or private investment in the business for the preceding 5 years.

Craig indicated that he is investing approximately \$400,000 in renovations to the building; new air / heat system, fire barrier, tin ceiling, new windows, etc. He is requesting the DDA Board approve his application for a Redevelopment Liquor License and recommend that the City Commission pass a resolution approving the same.

Moved by Allison Youngs, supported by Scott Parker, to recommend to the City Commission to pass a resolution allowing Craig Cooper, owner of Austin's Cigar Lounge, LLC, to apply for a Michigan Redevelopment Liquor License. The motion carried unanimously.

D. **Food Truck Rally at Farmers Market.**

The United Way is requesting to use the Farmers Market to hold a food truck rally this summer. They have traditionally held the food truck rally on WMH property on the corner of Osborn and Spruce, but would like to expand the event.

Moved by Scott Parker, supported by Debbie Jones, to approve a food truck rally fundraiser event this summer at the Farmers Market corner. The motion passed unanimously.

E. Parking Garage Gate System Update.

The parking garage gate system must be replaced; bid documents were prepared by Director Knepper, and are being checked for technical specifications and distributed to potential vendors with support from Walker Parking of Kalamazoo, MI. Savings could be available by offering just one exit lane with coin, cash, and credit machinery, and one lane with a proximity card reader.

Recommendation: Discuss traffic patterns in the parking garage and whether one or two full-service exit lane machines should be installed.

The cost of two full-service exit lane machines in the parking garage will cost approximately \$50,000 each. With the entry lane broken, there was a \$1,200 loss this month of parking garage revenue; parking has essentially been free for the last month or so. Transient revenue for the parking deck budget is \$13,000, and year-to-date actual is \$5,058 at 38%.

11. DIRECTOR'S STATUS REPORT.

A. Main Street Building Basics Training.

Detail: *The Building Basics training will be held on February 20, 2018 at 5:00 p.m. The location will be at Three-One-Three on Ashmun Street.*

B. Events and Festivals.

- *I-500 Pub Crawl.* This year the Pub Crawl was a great success. With New Holland's sponsorship, and T-shirts sales, the DDA made money, and downtown businesses did very well.
- *Outhouse Race.* Big crowd gathered to watch the Outhouse Races and the Rail Jam.
- *Rail Jam.*

12. PUBLIC COMMENTS AND ANNOUNCEMENTS.

Tony Haller, Chamber of Commerce Executive Director, invited the DDA Board to attend Business-After-Five on Thursday, February 15th at 5:00-7:00 p.m. at the Gunslinger's Lounge adjacent to Pure Country.

Tony also reminded that the annual Chamber Awards Banquet is on Monday, February 26th at 6:00 p.m. at Kewadin Resort and Convention Center.

13. BOARD COMMENTS AND ANNOUNCEMENTS.

Debbie Jones, Chippewa County Community Foundation Executive Director, updated the DDA Board on the 2018 Soo Ultimate Paddle Day events on Saturday, August 18th on Rotary Island. New events have been added this year:

- Voyageur Island Biathlon
- Portaging Portage Race
- Island Race
- Bird's Eye Outfitters Guided Island Tours
- Lazy River Float
- Kid's Paddle-Powered Fishing Derby
- Rotary Island Rendezvous

14. ADJOURN.

Moved by Allison Youngs, supported by Les Townsend, to adjourn the meeting at approximately 10:00 a.m. The motion passed unanimously.

Respectfully submitted,

RAYMOND BELL, DDA Chair

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