

**DOWNTOWN DEVELOPMENT AUTHORITY
WEDNESDAY, NOVEMBER 8, 2017 – 8:00 A.M.
Meeting Held at Avery Square – 2nd Floor Conference Room
Sault Ste. Marie, Michigan**

MEETING MINUTES

Present: Ray Bauer
Raymond Bell
Debbie Jones
Michelle LaJoie
Scott Parker
Les Townsend
Oliver Turner
Allison Youngs
Justin Knepper

Also Present: Nick Nolan, Soo News
Tony Haller, Chamber
Josh Billington, SBDC
Mary Jo DuVall, Sault Events
Lindsay Ellis, DDA Events

Absent: Marla Bunker and Ben Duff

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

1. CALL TO ORDER.

2. ROLL CALL.

3. APPROVAL OF MINUTES.

- October 11, 2017 regular meeting minutes.
- November 1, 2017 retail meeting minutes.

Moved by Les Townsend, supported by Debbie Jones, to approve the October 11, 2017 regular DDA meeting minutes, as amended to reflect that Allison Youngs served as the Chair at the October 11, 2017 DDA Board meeting. Also moved was approval of the November 1, 2017 retail meeting minutes. The motion passed unanimously.

4. APPROVAL OF AGENDA.

Moved by Michelle LaJoie, supported by Les Townsend, to approve the Agenda of the November 8, 2017 DDA Board meeting. The motion passed unanimously.

5. DECLARATION OF CONFLICT OF INTEREST.

There were no conflicts of interest declared at this time.

6. UNFINISHED BUSINESS.

A. Establishment of Michigan Main Street Committees.

Detail: *The Sault Ste. Marie Downtown Development Authority Board has scheduled a Main Street committee launch meeting to take place on the evening of November 8th at 6pm. All Board members are strongly encouraged to attend and prepare to serve on their preferred Main Street committee. The meeting will take place in the Ramada Ojibway conference room.*

Approximately thirty people will be attending the Michigan Main Street meeting tonight. The meeting will feature volunteers to sign up for one of four committees: Economic Vitality, Design, Promotion and Organization, and committee chairs will be appointed.

B. National Register Historic District Creation for Downtown Sault Ste. Marie.

Detail: *The State Historic Preservation Office met with community members and DDA staff on November 6th, 2017 along with consultant Bill Rutter of Trout Lake, to discuss the finalization of the historic district application for Downtown Sault Ste. Marie. Bill Rutter has successfully registered approximately five commercial districts around Michigan, with downtown Escanaba being his most recent accomplishment. The DDA successfully applied for a \$50,000 grant through SHPO that will cover his costs to complete the application process.*

The application for the National Register Historic District in downtown Sault Ste. Marie includes 104 historic buildings. Each building has been researched as to date of construction, original owner of the building, and any businesses that were located in the building. Numerous volunteers have been working on this including staff at Bayliss Library, the Historical Society, etc. A first draft of the application of approximately 350 pages will be completed in 2018.

C. Capital Improvement Projects Review.

Detail: *The DDA Board held a workshop in October to prioritize capital projects (projects that are estimated over \$10,000) for inclusion in the City's six year capital improvement plan. The following projects were chosen:*

- *Oaka Street reconstruction* – The DDA Board was in general agreement that with the new playground being planned, Oaka Street needs to be reconstructed and that other improvements need to be made quickly. Cost budgeted @ \$175,000.
- *Parking garage gate system replacement* – Parts are generally not available for the outdated parking garage gate, so replacement of the gate is the only alternative. Cost budgeted @ \$95,000-\$120,000.

- *Splash pad installation* – Not funded.
- *Parking Lot 4 reconstruction (behind Barish's)* - \$25,000 currently funded.
- *Fire Hall parking lot reconstruction.*
- *Court Street streetscape, road paving.*
- *Flag pole replacement on West Portage.*
- *Parking garage capital maintenance.*
- *City-wide wayfinding signage update* – Direct people to downtown. No current funding.
- *Farmers Market parking lot – Cleary lot acquisition* – How best to expand Farmers Market area.
- *Curb and gutter repairs on Ashmun & Portage* – No current funding.
- *Increase Downtown furniture –benches, chairs, tables, etc.* – No current funding.
- *Maintenance truck replacement* – No current funding.

7. NEW BUSINESS.

A. Financial Review.

Detail: The October 2017 financial statement for all DDA funds has been included with this agenda packet.

Recommendation: Review financial statement.

Director Knepper went through the detail revenues and expenditures with comparison to budget for the four months ending October 31, 2017 for the following DDA funds:

- Parking Deck Operating 577 – Expenditures are at 20% of budget amount of \$87,800.
- Parking 576 – Meter receipts at \$50,000; budget amount at \$80,000 will make up \$30,000 by June 2018.
- Capital Projects DDA 248.
- DDA Fund 244 – Total fund revenue at 61,672, event income at \$22,710, Music in the Park donations at \$6,098 Michigan Mainstreet donations at \$3,133, and Sault Tribe grants at \$2,500. Expenditures are \$10,000 over budget. Will have to adjust \$74,000 out of \$100,000.
- TIFA 1 Fund 245 and TIFA 2 Fund 246 – Will be at approximately 50% of the budget at the ½ year mark.

B. Launch of Power Canal Trail Patronicity Fundraiser.

Detail: *The City of Sault Ste. Marie is launching a \$50,000 fundraiser that will be matched by \$50,000 from the MEDC. War Memorial Hospital and the Sault Ste. Marie Convention & Visitors Bureau have both pledged \$10,000.*

Recommendation: Discuss ways the Downtown Development Authority can assist with fundraising.

The partnership to construct and improve a non-motorized trail on the south side of the Power Canal is ready to launch its Crowdfunding campaign through the Michigan-based crowdfunding platform Patronicity. The campaign will support the construction of a one-mile, multi-use trail connecting the community along Michigan's only hydroelectric canal. This project is an integral part of a long-range goal to develop a non-motorized route between two of the City's flagship recreational areas; Sherman Park on the west and Rotary Island Park on the east.

Donations in increments of \$10 - \$10,000 will include incentives of recognition on donor plaques, Power Canal decal, T-shirt, commemorative mug, and designation of 300'-1000' of dedicated trail.

Director Knepper, along with City Manager Oliver Turner, pushed the Patronicity *Go Live* button to officially kick-off the Power Canal fundraising campaign that runs from today through January 7, 2018.

The one-mile, multi-use trail will run along Peck Street and end at the bridge on Johnston Street. The primary goal of the Power Canal Trail is to enhance walkability and waterfront access in Sault Ste. Marie. Director Knepper encouraged DDA Board members to get the word out on their personal and business facebook page(s), and pass on to family friends and associates.

8. DIRECTOR'S STATUS REPORT.

A. City Finance Department Audit.

Staff at the City of Sault Ste. Marie Finance Department met with Director Knepper and Treasurer Youngs regarding financial controls in place at the DDA office. This review has not been done before, and was initiated by the Finance Department following the rapid increase of cash revenues being deposited by the DDA after a successful events season. The finance department report is attached.

An internal audit of financial Processes and Controls at the DDA was completed by the City Finance Department. The audit contained current practices and the Finance Department's recommendation in the following areas:

1. Billing for Services – Miscellaneous Accounts Receivable.
2. Music in the Park Donations and Other Events – Collections/Cash Handling.
3. Parking Deck Gate, Activity Tracking Software and WMH Agreement.
4. Budgetary Controls – Routine/Operational and Capital Projects.
5. Financial Reporting to the DDA Board and Transparency. Charts were included on DDA Revenue & Expense – Historical and Budgeted, and DDA Subsidies – Transfers – Who is Funding DDA Operations?

6. Parking Violations/Fines/Tickets, Write-Offs and Collections.
7. Meter Receipts and Parking Deck Collections. Chart included regarding Parking Revenue.
8. Payment of Bills – Routine/Operational.

It was determined that a DDA Board Finance Committee be formed to review the Finance Department's audit report.

Moved by Oliver Turner, supported by Allison Youngs, to form a DDA Board Finance Committee to review the Finance Department's audit report. The committee will consist of Oliver Turner, Kristin Collins, David Pawley, Justin Knepper, Allison Youngs and Debbie Jones. The motion passed unanimously.

B. Mural Project.

Detail: *Discussions are ongoing with the owner of the Fowler Building and her concerns regarding the finished mural located on Spruce Street.*

No resolution has been made between the owners of the building and the artist(s) that painted the mural. The DDA is currently holding \$750 until the issue is resolved, hopefully in the spring.

C. Sales Training Request from Capstone Leadership.

Detail: *Jane McLeod from Capstone Leadership has requested the Sault EDC consider partnering with various organizations, including the DDA to bring a sale's cycle training to Sault Ste. Marie. The cost is \$3,650.*

Basically an FYI to the Board, as the DDA has no budget to support this training. Perhaps it can be looked at in future with the EDC as a partner.

D. Events and Festivals.

- *Halloween Spectacular – review.* Although it was raining, it was still a success with 40 downtown businesses participating.
- *Sault Ste. Marie Restaurant Week – November 6th-12th.* Eight restaurants participated with fixed menu offerings.
- *Parker ACE Hardware Parade of Lights – November 24th.* Still looking for more float entries; currently at 8-10 floats.
- *Small Business Saturday – November 25th.* Small Business Saturday has been re-named; previously it was Black Friday.
- *Christmas Open House – December 9th.* The DDA is eliminating one Christmas Open House this year. Instead, a Friday night shopping event will be promoted on the night of December 15th. Businesses will be staying open late to accommodate Friday night shoppers.
- *Wish List Week – December 11th-15th*
- *Bright Lights Shopping Night – December 15th (evening hours)*

- *New Year's Eve Ball Drop – December 31st*. The Ball drop will be taking place on the corner of Portage and Ashmun Street. West Portage Avenue will be blocked off and there will be bonfires on The Alpha Bar corner, outside parties, fireworks, family/kid's games during the day, and a run through of the ball drop at 3:00 p.m. in the afternoon.

E. Downtown Newsletter.

The Downtown Newsletter is ready to be distributed, and includes ten advertisers. 200 hard copies will be distributed, and the newsletter is available on-line.

F. Christmas Catalog.

The Christmas catalogue was discussed at the Retail meeting. To put an item in the catalogue the cost will be \$30 per item. The DDA is hoping to get 60-70 items in the catalogue before printing. The DDA is also looking at having a smaller catalogue on-line for the first Christmas catalogue.

G. Façade Grant Application.

- *Arfstrom Pharmacy*
- *McClellan Building*
- *Alpha Bar*
- *Co-ed Flowers Building*
- *Second Childhood & Adults Too – rental rehab only*

The above Community Development Block Grant Façade applications were accepted and given a verbal go-ahead for a 50% match. The applicants must provide 50% of the funding to receive the grant.

9. PUBLIC COMMENT AND ANNOUNCEMENTS.

Chamber of Commerce Executive Director Tony Haller gave an update. Business After Five will be on Thursday, November 16th at State Farm Insurance on Ashmun Street, with State Farm Agent Leisa Mansfield hosting and will include Live United – United Way. And, the Chamber Buck Program is currently \$48,000.

10. BOARD COMMENTS AND ANNOUNCEMENTS.

Oliver Turner reminded the DDA Board of the City election taking place on Tuesday, November 8th and gave an overview of the November 6, 2017 City Commission Meeting.

- The City Commission authorized professional services for the Bingham Street Bridge Capital Preventative Maintenance Project.

- Also approved was the re-zoning of the former Soo Automotive Distribution building from RM-1 to B-3.
- The City Commission approved a reduction of the 6% special assessment interest rates; by utilizing prime rates plus 1% with a maximum special assessment interest rate of 6%, when utilizing this formula.

Mary Jo Duvall of Sault Events indicated that Sault Events is now selling 350th Anniversary Calendars for the 2018 Anniversary Celebration.

Ray Bauer, who will no longer be sitting on the DDA Board as the City Commission liaison, stated that after twelve years serving as a City Commissioner, he will continue to support the DDA.

11. ADJOURN.

Moved by Les Townsend, supported by Michelle LaJoie, to adjourn the meeting at approximately 9:10 a.m. The motion passed unanimously.

Respectfully submitted,

RAYMOND BELL, DDA Chair

sg