

**DOWNTOWN DEVELOPMENT AUTHORITY
WEDNESDAY, JUNE 14, 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
Greg Collins
Michelle LaJoie
Scott Parker
Les Townsend
Oliver Turner
Allison Youngs
Justin Knepper

Also Present: Nick Nolan, *Soo News*
Tony Haller, Chamber
Tracey Laitinen, EDC Specialist
Nicole Long

Absent: Marla Bunker

1. CALL TO ORDER.

2. ROLL CALL.

Moved by Oliver Turner, supported by Michelle LaJoie, to excuse Marla Bunker for her absence. The motion carried unanimously.

3. APPROVAL OF MINUTES.

- May 31, 2017 regular meeting minutes.

Moved by Les Townsend, supported by Michelle LaJoie, to approve the May 31, 2017 regular meeting minutes. The motion passed unanimously.

4. APPROVAL OF AGENDA.

Director Knepper provided an Addendum to the agenda to include discussion of an inquiry into sale of Parking Lot 5 to the Sault Tribe of Chippewa Indians and review of DDA/Main Street vision and mission statement. The addendum will go under agenda item no. 6 – Unfinished Business.

Moved by Les Townsend, supported by Scott Parker, to approve the agenda for the June 14, 2017, DDA Board meeting and add the addendum to agenda item no. 6 – Unfinished Business. The motion passed unanimously.

5. DECLARATION OF CONFLICT OF INTEREST.

There were no conflicts of interest declared at this time.

6. UNFINISHED BUSINESS.

A. Mural Project.

Background: *There are two property owners very interested in a mural. The Side Street Salon building is owned by Cindy Fowler and is very visible. I have offered an arrangement to her for \$1,000 toward wall preparations, and a goal of \$3,000 less for a mural. Other locations being considered include Tom Fornicola's Subway wall. Mr. Fornicola would like a mural featuring a pre-Locks ship being portaged on rolling logs. Kathy Dowd at Sault Realism would like to paint an interactive mural depicting a tree as well as pairs of wings that people could stand in front of for photo shoots.*

Recommendation: *Approve up to \$4,500 for a mural to be painted on the side of Side Street Salon building on East Spruce Street.*

Late yesterday, Director Knepper received from Jeanne Tubman a rendering of the proposed mural at Subway on Portage Avenue. The rendering depicts a ship being portaged on rolling logs. Tom Fornicola will be paying to prepare the wall for the mural, and the cost for Jeanne Tubman to paint the mural is \$5,000. \$10,000 is left in the mural fund and Director Knepper is recommending that \$5,000 out of the mural fund be paid to Jeanne Tubman.

The remaining \$5,000 will go towards other murals at Side Street Salon and/or Sault Realism. The Side Street Salon mural concept would include the Valley Camp going by the Country Club Golf Course at a cost of approximately \$4,500.

Discussion continued regarding the DDA costs for last year's murals at 1668 Winery and Lockside Brewery, Bird's Eye Outfitters, and Pingatore's Cleaners.

Moved by Scott Parker, supported by Les Townsend to approve \$5,000 to go towards the Subway mural and approve up to \$4,500 for the mural at Side Street Salon. The motion passed unanimously.

B. Addendum Item: Inquiry into Sale of Parking Lot 5 to the Sault Tribe of Chippewa Indians.

Background: *Joel Schultz, the Economic Development Director for the Sault Tribe of Chippewa Indians has requested consideration from the DDA and the City of Sault Ste. Marie for the purchase of the lot behind the Sault Tribe administrative offices. The DDA manages the parking fund and administers the parking lot behind the Tribal offices. The lot has been composed of*

metered parking since JC Penney was located in the building. Due to the meters in the lot, the Tribe has been purchasing large volumes of “Super Permits” for years.

Financial Details:

The Tribe purchases approximately 80 super and regular permits each year, amounting to nearly \$15,000 in revenue annually for the parking fund (\$300/permit).

In exchange, the Parking Fund pays for the Street Department to plow, patch potholes, and generally maintain the lot. The cost for maintenance and plowing amounts to approximately \$7,500/year (\$60,000 annually for all 13 public lots equals \$4,600/lot; I calculated \$2,900 additional due to the size of the lot being larger than average).

However, the lot has reached the end of its useful life, and is in terrible shape. This is one of the reasons the Tribe would like to purchase said lot. They are interested in purchasing it and reconstructing the lot.

Recommendation: Discuss the following:

- 1) *Sell the lot to the Sault Tribe of Chippewa Indians at a value recommended by the City Assessor (\$43,000).*
- 2) *Require the following conditions:*
 - *That the Tribe reconstructs the lot in a suitable manner to improve Downtown aesthetics along Court Street, including entry and edge treatment.*
 - *That the Tribe allow the parking lot to be used by the public after business hours, including Soo Theatre patrons and other evening parkers.*
 - *That the Tribe offer the City first right of refusal should they ever consider divesting themselves of the parking lot in the future.*
 - *That the Tribe commit to prioritizing the reuse of the former American Café space by either entering into a property management agreement with the Sault Ste. Marie Downtown Development Authority, or by actively promoting the space for lease via a commercial realty listing.*

Director Knepper stated that the Sault Tribe pays approximately \$14,700 per year for parking permits to use the lot exclusively for employee parking during business hours. In the past there were discussions regarding Sault Tribe

paying to reconstruct the parking lot and the City offering no charge for maintenance until the reconstruction cost is paid off.

The American Café space has been vacant for 10 years, and the DDA has provided 10-15 potential renters for the space, however potential renters were never actively pursued by the Tribe. Discussion ensued and the DDA Board agreed to two written agreements with the Tribe should this move forward; one for overall reconstruction of the lot and one agreement regarding the empty American Café space.

Approximate construction costs for a new parking lot with proper entry and edge treatments, sidewalks and landscaping would be \$100,000-\$150,000. For renovations similar to those done to the Penny's Kitchen lot would be approximately \$80,000. After discussion, the Board agreed that Director Knepper, City Manager Turner and Sault Tribe EDC Director Joel Schultz meet to discuss selling the parking lot and will report back to the DDA Board.

Moved by Greg Collins, supported by Oliver Turner, to move forward with the possible sale of the Sault Tribe Parking Lot and/or repair of the Sault Tribe Parking Lot. The motion carried unanimously.

C. Addendum Item: Review of DDA/Main Street Vision and Mission Statement.

Background: *Board members Michelle LaJoie, Allison Youngs, and Oliver Turner met to compile the multiple vision and mission statements from our DDA Board meeting in May. Below are the results of their compilation for discussion and approval.*

VISION STATEMENT

DOWNTOWN SAULT STE MARIE WILL BE A PLACE WHERE EVERYONE CAN GET INVOLVED AND EMBRACE A SENSE OF OWNERSHIP AND PRIDE IN OUR COMMUNITY.

WE WILL EMBRACE OUR RICH HISTORY, CULTURE, AND RESOURCES, AND BECOME THE NUMBER ONE UPPER PENINSULA DESTINATION FOR DIVERSE ENTERTAINMENT AND EXCITING EXPERIENCES.

WE WILL BE DRIVEN BY RESPONSIBLE STEWARDSHIP OF OUR RESOURCES AND A THIRST FOR EXCELLENCE THAT WILL PROPEL THE COMMUNITY TO ECONOMIC VIBRANCY, INNOVATION, AND ACHIEVEMENT.

MISSION

THE MISSION OF DOWNTOWN SAULT STE MARIE IS TO PROMOTE GROWTH, SUSTAINABILITY, AND A WELCOMING ENVIRONMENT FOR CREATIVITY.

DOWNTOWN SAULT STE MARIE WILL CHALLENGE ALL PARTNERS, PUBLIC AND PRIVATE, TO THIRST FOR EXCELLENCE AND STAKE A CLAIM IN ACHIEVING BOLD, IMPACTFUL CHANGE.

Moved by Oliver Turner, supported by Allison Youngs, to approve the DDA/Main Street Vision Statement and Mission Statement and send to Michigan Main Street for their review. The motion passed unanimously.

7. NEW BUSINESS.

D. Acceptance of EUP Regional Planning Grant.

Background: Director Knepper partnered with Larry Jacques at the Sault Tribe to submit a dual grant application to EUP Regional Planning, to add a path, a sculpture, and a small outdoor pavilion next to the Sault Tribe headquarters on Huntington Bank property along Ashmun Street. The grant was funded for \$2,000 to each entity. Huntington Bank is potentially willing to allow the upgrades otherwise the grant may be amended to choose a nearby location.

Recommendation: Accept a grant for \$2,000 from the EUP Regional Planning office to be used for stated purpose.

Proposed upgrades to the grassy area next to Sault Tribe offices include addition of a small trail, an atrium, picnic table and a sculpture. The DDA has one year to utilize the funds, and is currently seeking permission from Huntington Bank to move forward with this project. Director Knepper will update the Board at the next DDA Board meeting.

Moved by Scott Parker, supported by Les Townsend, to accept a \$2,000 grant from the EUP Regional Planning office to renovate the green area next to the Sault Tribe headquarters on Huntington Bank property along Ashmun Street. The motion passed unanimously.

E. Peddle Pub Discussion.

Background: Bar and restaurant owners are discussing a concept to purchase a peddle pub that would be financed by the various users, or be purchased by one entity and rented out. Peddle Pubs have gained popularity in many communities around Michigan and nationwide, allowing customers to enjoy a drink while peddling between destinations, along with traffic.

Recommendation: Request DDA staff and City administration to research liquor license requirements and possible City ordinances

alterations in order to accommodate a peddle pub for downtown Sault Ste. Marie.

The downtown bar owners committee has asked that the DDA look into a possible Peddle Pub in downtown Sault Ste. Marie. A Peddle Pub is a licensed peddle-powered bar used to tour City breweries, pubs and eateries.

Moved by Greg Collins, supported by Michelle LaJoie, to request DDA staff and City administration to research liquor license requirements, traffic concerns and possible City ordinance alterations in order to accommodate a peddle pub for downtown Sault Ste. Marie. The motion passed unanimously.

F. 2016/17 DDA Budget Amendments.

Background: *A variety of amendments are needed to balance line items within the DDA budget as we prepare to close out the fiscal year on June 30. Please refer to the June 2017 financial statement included with the agenda packet.*

- 1) Transfer \$3,000 from 244-56000-806 Sidewalk Snowplowing to 244-56000-901 Events, to cover overages in the events account (funding available due to snowplowing contract savings).
- 2) Transfer of \$4,000 from 245-56000-702 Salaries/Wages to 245-56000-726 Supplies to allow for increased repairs to TIF 1 areas Downtown (funding available due to maintenance staff being in National Guard Training for more than one month).
- 3) Transfer of \$1,500 from 245-56000-703 Seasonal Salaries/Wages to 245-56000-801 Contracted Services to allow for increased repairs to TIF 1 areas Downtown (funding available due to the late hire of seasonal staff).
- 4) Transfer of \$1,000 from 246-56000-702 Salaries/Wages to 246-56000-726 Supplies to allow for increased repairs to TIF 1 areas Downtown (funding available due to maintenance staff being in National Guard Training for more than one month).
- 5) Transfer of \$1,500 from 246-56000-703 Seasonal Salaries/Wages to 246-56000-801 Contracted Services to allow for increased repairs to TIF 1 areas Downtown (funding available due to the late hire of seasonal staff).
- 6) Transfer \$5,000 from 576-61000-801 Contracted Services to 576-67000-974 Capital Improvements, and \$5,000 from 576-61000-943 Equipment Rental to 576-67000-974 Capital Improvements, to cover the cost of approved parking lot upgrades.
- 7) Transfer \$38,614.04 from 576-61000-943 Equipment Rental to 576-61000-805 Street Dept. Internal Services to cover overages in the budget due to winter plowing and other Street Dept. expenses related to downtown parking lots.
- 8) Transfer \$3,000 from 576-67000-977 Equipment to 576-61000-726 Supplies to cover overages in the parking fund supplies budget, due to

- upgrades to meter decals, parking permit purchases, parking meter batteries, etc.
- 9) Transfer \$1,000 from 577-62000-702 Salaries/Wages to 577-62000-801 Contracted Services; transfer \$7,000 from 577-62000-863 Equipment Repairs & Maintenance to 577-62000-801 Contracted services. Transfers required due to overages in contracted services fees because of snow plowing and removal.
 - 10) Return \$15,000 from Capital Project 248-57595-801 Parking Capital Maintenance to cover parking fund contracted services overages of approximately \$14,500. Estimates from Walker Parking project less costs for capital maintenance than budgeted. The current capital maintenance budget holds approximately \$91,000; projected cost estimates for capital maintenance are approximately \$60,000.

Recommendation: Approve the transfers listed above.

Director Knepper went through the Detail Revenues with Comparison to Budget for the twelve months ending June 30, 2017.

Moved by Greg Collins, supported by Les Townsend, to agree to changes in the budget as list above. The DDA Board did not vote on this motion.

The motion was amended to approve budget amendments, without changes to the budget, as listed above in agenda item 7. E. 2016/17 Budget Amendments, 1)-10). The motion carried unanimously.

G. 2017/18 DDA Budget.

Review of Commission-approved financial statement for FY 2017/18.

Director Knepper went through the Commission-approved financial statement for the 2017/2018 fiscal year.

8. DIRECTOR'S STATUS REPORT.

A. Events and Festivals.

- 1) *Music in the Park.* Director Knepper indicated that new DDA Board member Allison Youngs has been a big help in kicking off the first Music in the Park taking place this evening, Wednesday June 14th. The DDA is still in need of volunteers to work the Music in the Park's weekly concerts during the summer.
- 2) *First Friday Event Concept.* Director Knepper is working on a monthly retail event, to include businesses staying open later on a Friday night and discounts at the various businesses.

3) *Upcoming Events.*

Soo Locks Engineers Day and Family Fun Fair: Friday, June 30th 9 a.m. – 4 p.m.

Third Annual Slashin' Ashmun Memory Ride: Friday, June 30th 7-9 p.m.

The Great Race: Saturday, July 1st – 4-8 p.m. (Volunteers needed.)

Downtown Days featuring Sidewalk Sales and Twin Sault Cruiser Car Show: Friday, August 4th-5th 10 a.m. – 7 p.m.

B. Michigan Main Street – Upcoming Trainings.

- 1) Main Street Quarterly Training
August 7th and 8th
Boyne City, MI
- 2) Main Street Quarterly Training
November 6th and 7th
Oakland County, MI

C. Michigan Main Street Program Next Steps.

Background: *Following the mission and vision session, as well as Board training taking place at this month's meeting, the DDA/Main Street board will hold the following meetings:*

Strategy Development – 5:30pm-8:30pm, Tuesday June 20th – City Commission Chambers

- 1) *Invite: All Board members and Committee Chairs*
- 2) *Work to define transformation strategies and identify goals and measures of success for implementing strategies*

Strategy Implementation – evening of Thursday July 27th Time: 3 hour session. Location TBA

- 1) *Invite: All Board Members and All Committee Members and interested volunteers*
- 2) *Identify projects and programming to implement transformation strategies*

D. Façade Grant Applications.

Director Knepper is working on recruiting businesses to apply for Façade Grants. Applications will go out in late summer/early fall for the 2018 construction season.

9. PUBLIC COMMENTS AND ANNOUNCEMENTS.

- A. Present at the meeting was Shannon Veum, owner of National Office Products, located on Ashmun Street. There is a tree encroaching on her storefront/awning that is also diseased with limbs falling off. The tree needs to be removed and at the May DDA Board meeting the Board voted unanimously that tree removal be taken care of by the business owner with an approximate cost of \$350 to the owner. Ms. Veum was unhappy that business owners are not getting any help from the City for tree removal. Further, National Office Products just went through a large interior/exterior renovation of their business that included upstairs apartments. Ms. Veum asked the DDA Board to reconsider their decision about tree removal. Director Knepper indicated he will put this on the July agenda for further discussion.

- B. Tony Haller, Director of the Sault Chamber of Commerce, updated Chamber events: Chamber golf outing this coming weekend on June 16th, Business After Five at the Valley Camp on Thursday, June 15th, and June 24th is the International Bridge Walk.

10. BOARD COMMENTS AND ANNOUNCEMENTS.

- A. Ray Bauer indicated that the 1668 Winery and Lockside Brewery will be starting their Friday night outdoor event with music on June 30th. Proceeds will go toward different charities.

- B. Ray Bauer asked Director Knepper if there has been any negative impact on downtown businesses since Meijer's opened. Director Knepper indicated that the Independent Produce store has closed due to 80% loss in sales. He has heard of declines in business at: Super Valu, Rite Aid, Harmothy Health Foods, and coffee shops, due to Starbucks.

Director Knepper explained that the Downtown Retail Committee is looking at a billboard campaign, which would feature a different business every month at a cost to the business owner of approximately \$500. He referred to billboards that are in Traverse City advertising Queen Street in Sault Ste. Marie, Ontario.

- C. The DDA Board further discussed re-inventing downtown walkability, obtaining market data that may be available through the Michigan Main Street Program and an at-par day for Canadian customers.

11.ADJOURN.

Moved by Les Townsend, supported by Greg Collins, to adjourn the meeting at approximately 9:50 a.m. The motion passed unanimously.

Respectfully submitted,

RAYMOND BELL, DDA Chair

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