

**MAIN STREET/DOWNTOWN DEVELOPMENT AUTHORITY
WEDNESDAY, FEBRUARY 9, 2022 – 8:00 A.M.
MEETING HELD AT CITY HALL – CITY COMMISSION CHAMBERS
City of Sault Ste. Marie, Michigan**

MEETING MINUTES

Present: Ray Bauer
Brian Chapman
Craig Cooper
Samantha Hale
Cathy Howell
Debbie Jones
Tara Kelgar
Allison Youngs

Absent: Tom Fornicola, Larry Jacques and Les Townsend.

1. CALL TO ORDER.

2. ROLL CALL. Attendance was taken as noted.

3. APPROVAL OF MINUTES.

- January Minutes
- November Minutes

Moved by Debbie Jones, supported by Tara Kelgar, to approve the January 2022 and November 2021, DDA Board meeting Minutes. The motion passed unanimously.

4. APPROVAL OF AGENDA.

Moved by Tara Kelgar, supported by Debbie Jones, to approve the February 9, 2022, Main Street/Downtown Development Authority Agenda. The motion passed unanimously.

5. DECLARATION OF CONFLICTS OF INTEREST.

There were no conflicts of interest declared at this time.

6. COMMITTEE REPORTS.

A. Economic Vitality Committee Report.

B. Promotions / Organization Committee Report.

Cathy reported that this committee met two times in January and they're working on putting a policy in place for events; specifically, that a 'Champion' be named to spearhead each event. She also indicated that the DDA's website very much needs to be updated.

C. Design Committee Report.

Currently, the Design Committee does not have a Chair. The DDA Board discussed the need for volunteers to serve on the Main Street committees, and ways in which to recruit.

7. FINANCIALS.

A. Kristin Collins Here for Questions.

Finance Director Kristin Collins went over the revenue and expenditure report for the period ending December 31, 2021.

TIFA 1 Fund 245. Year-to-date revenues are \$56,194.44 which is 28.13% of budget used for fiscal year 2021-2022; total budget in the amount of \$199,800.00. Year-to-date expenditures are \$99,992.50 which is 50.05% of budget used for fiscal year 2021-2022; total budget in the amount of \$199,800.

TIFA 2 Fund 246. Year-to-date revenues are \$106,920.35 which is 86.44% of budget used for fiscal year 2021-2022; total budget in the amount of \$123,700. Year-to-date expenditures are \$63,573.07 which is 50.06% of budget used for fiscal year 2021-2022; total budget in the amount of \$127,000.

DDA Operating Fund 248. Year-to-date revenues are \$45,124.36 which is 22.51% of budget used for fiscal year 2021-2022; total budget in the amount of \$200,500.00. Year-to-date expenditures are \$55,670.02 which is 27.36% of budget used for fiscal year 2021-2022; total budget in the amount of \$203,500.

B. Corrective Action Plan (CAP) in Response to 2021 Audit.

1) Uniform Budgeting Act

- **Expenditures Exceeded Revenues**

**Financial Guarantee Expense – Parking Garage
Projected Revenues Less than Budgeted**

- **Expenditures have Exceeded Revenue for the Last Three Years**

The City / DDA received a letter from the MI Department of Treasury titled *Request for Improvement of Deficiencies – Corrective Action Plan* regarding an audit deficiency. The State is requesting that the DDA describe actions being taken to prevent budget variances and provide an explanation for the three-year trend of expenditures exceeding revenues. As a result, Director Cutler responded in writing on behalf of the DDA. This letter dated January 28, 2022, was included in the DDA agenda packet.

Moved by Tara Kelgar, supported by Debbie Jones, to approve the letter dated January 28, 2022, to the MI Department of Treasury from DDA Director Tony Cutler. The motion passed unanimously.

8. UNFINISHED BUSINESS.

A. Downtown Dollars – Check vs Gift Card.

Director Cutler reported that in researching the difference between checks and gift cards there were a few issues to consider; Mesa, AZ and Port Huron, MI use the same company to provide with a gift card program. The cards only cost \$1, which could be subsidized with a sponsor, however, it would require the DDA to visit every single business and register their POS to accept the cards. Merchants would pay the standard CC processing fee they currently use with their POS. There were a number of concerns that Port Huron had about the program, despite Mesa's positive reviews.

Director Cutler is recommending going with the checks at this time to pilot the program and get it going. The DDA can re-look at gift cards in the future.

9. NEW BUSINESS.

A. Training and Goal Session – Wednesday, March 9th.

Director Cutler has planned for the MEDC team to be here at the DDA's March 9, 2022, monthly meeting for training at 8:00 a.m. The DDA Board will break at 9:30 a.m. and reconvene at noon for lunch and a panel discussion with other Main Street programs in the State followed by our goal-setting session, concluding at 4:00 p.m. that day. The Director will update the schedule as he confirms the schedule.

B. National Main Street Conference.

- **May 16-May 18**
- **Richmond, VA**
- **MEDC Pays one Registration Fee @ \$440**

After discussion, the DDA Board recommended that Director Cutler should attend the National Main Street Conference; DDA Board member Craig Cooper tentatively agreed to go, as well. Registrations are due on March 15th.

C. Vibrancy Grant Suggestion.

The Main Street Vibrancy Program is intended to provide grants of \$20,000 (15% match) to Select or Master level Michigan Main Street communities for projects that enhance the vibrancy and economic vitality of Michigan Main Street downtowns.

Director Cutler would like to apply for this grant for signage to draw people to the DDA District. He provided an average daily travel log that compares downtown areas to Three Mile Road and the round-about; showing downtown numbers much lower than out on the Spur and Three Mile Road. The DDA Board suggested that the grant include updating the downtown way-finding kiosks. The deadline to apply for this grant is March 11, 2022, Director Cutler will be applying for this next week.

D. MEDC Match on Main Round 2.

The new Soo Locks Children's Museum, located at 223 West Portage Avenue, has submitted an application to the DDA for the MOM grant.

Match on Main is a reimbursement grant program, provided by the MEDC, that serves as a tool to support new or expanding place-based businesses by providing up to \$25,000 in funding to support an eligible small business through an application submitted, administered, and managed by the local unit of government, downtown development authority, or other downtown management or community development organization where the business is located. Applicants may submit no more than two applications per funding round.

After discussion it was determined that the deadline of February 24th for new and existing small businesses located in the DDA's traditional downtown to apply for the MOM Grant which will allow time for the Ad Hoc Committee to review applications and move forward with the on-line process before the March 9, 2022, deadline.

Moved by Debbie Jones, supported by Allison Youngs, to establish an Ad Hoc Committee to review applications for the MOM Grant, with businesses application deadline of February 24, 2022, and move forward with the DDA's application process. The motion passed unanimously.

10. DIRECTOR'S REPORT.

A. I-500 Pub Crawl Success.

The Pub Crawl was a success; the DDA ordered 498 t-shirts from Allstar Graphics and 576 light up shot glasses and nearly sold out. Director Cutler spent the evening of the Pub Crawl walking around downtown and taking pictures.

B. Additional Funding Request to City.

A letter to City Manager Brian Chapman from Director Cutler was included in the DDA Board meeting packet. The letter was a request for additional one-time funding to help support the DDA's efforts to build a robust DDA.

C. Mini Façade Grant Program.

- **Budget Amendment**

The DDA would like to amend the DDA Mini Façade Improvement Private Business fund to a sign improvement / Replacement 50% match grant up to \$2,000 program utilizing monies that have not been used in several years. The Sault DDA Main Street would like to create this program with guidelines that applicants will follow to apply for a 50% matching grant of a maximum \$2,000 for the purpose of replacing or creating new signage for their business in the Principal Shopping District.

Moved by Craig Cooper, supported by Tara Kelgar, to approve the budget amendment, and recommend to the City Commission approval, as follows:

GL Account 401-901-986.000 Mini Façade Improvement Private Business has a balance of \$5,318.60. Account 402-901-986.000 Brick Paver Cross Walk Repairs has a balance of

\$7,700. Director Cutler would like to zero out the Brick Paver account and combine it with the Façade program as well as move \$981.40 from the promotions budget, to create \$14,000 in funds for the purpose of replacing or creating new signage for businesses in the Principal Shopping District. The DDA would choose seven businesses for a \$2,000 matching grant.

The motion passed unanimously.

D. Work in Progress.

- Sponsorship Program
- Advertising Campaign
- Downtown Dollars

E. Goal Setting.

11. PUBLIC COMMENTS AND ANNOUNCEMENTS.

None at this time.

12. BOARD COMMENTS AND ANNOUNCEMENTS.

None at this time.

13. ADJOURN.

Moved by Tara Kelgar, supported by Craig Cooper, to adjourn the meeting at approximately 9:35 a.m. The motion passed unanimously.

Respectfully submitted,

ALLISON YOUNGS, DDA Chair

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