



DOWNTOWN DEVELOPMENT AUTHORITY BOARD

January 18, 2022

A regular meeting of the City of Petoskey Downtown Development Authority was held in the City Hall Council Chambers on Tuesday, January 18, 2022. The meeting was called to order at 7:00 P.M. and the following were:

Present: Ben Slocum, Chairperson
Gary Albert
Robin Bennett, Vice Chairperson
Joe Keedy
Jennifer Shorter
John Murphy, Mayor

Absent: Marnie Duse and Drew Smith

Also in attendance were Downtown Director Becky Goodman and Executive Assistant Sarah Bek.

Organization of Board

Chairperson Slocum called for nominations for the Chairperson and Vice Chairperson positions for 2022 and reminded the board that the same people will serve as officers for the DMB. A motion was made by Bennett and supported by Albert to nominate Slocum for Chairperson and Bennett for Vice Chairperson and keep the same schedule, the third Tuesday of each month at 7:00 P.M., as needed. There were no other nominations. All were in favor.

Approval of Minutes

The minutes from the December 21, 2021 meeting were approved. Motion made by Shorter, seconded by Albert, approved unanimously.

Annual Synopsis of Petoskey Downtown Development Authority

Staff explained that Downtown Development Authorities (DDA's) are required to hold two public informational meetings per year, that these meetings must be publicly posted, and that any entities that are involved in the TIF capture are to be notified directly. Despite the fact that the City of Petoskey DDA does not capture TIF, the existing DDA must abide by the legislation. Staff provided an explanation of how a DDA TIF district works including the information that:

- A legal boundary is drawn around a commercial district
- A plan is developed that includes a list of projects that need to be accomplished within that boundary – burying wires, infrastructure, marketing, special events, adding parking, streetscapes, gateway development, etc.
- The property is approved by the LUG as a DDA TIF district.
- The taxable value of the property is then frozen.
- Any increase in the value of the property in future years is put into a fund that is used to manage or complete the projects listed in the plan.
- This capture includes dollars that would normally have gone to the City, the County, the college and the cemetery. Libraries used to be included in this group, but their advocacy argued in Lansing and local libraries have been granted the right to opt out of contributing if they wish.
- Recent State legislation requires that two meetings be held annually to discuss the status of the DDA TIF plan which is why the meeting was being held.

Staff continued to say that in 1997 the DDA was formed and included only the square block area that is shown in the middle of the map. This area, the CBD or DDA district, was then designated as the

DMB district and its existence allowed the establishment of the DMB and allows the City to collect the special assessment and assign the assessment to us for use in the Downtown. The red line on the map shows the DDA area as it was amended in 2013 to include the areas along the greenway corridor and near the entrance of the highway and Mitchell Street.

This addition to the district was made so that public improvements, specifically parking, could be made along the greenway corridor and so that the Gateway Plan could be implemented should funds become available. This red line is the current district boundary. In 2004, the areas that are outlined in blue became a new DDA district – The area that is at 200 East Lake Street being the only district that will capture revenue or TIF. These three areas are the only places in DT where any of that capture can be spent.

The initial year of capture was 2005 in which the Authority captured \$6,746 in tax revenue. The next year the developer cleared the site of all existing buildings and excavated the property in preparation of constructing an underground parking structure. The project stalled when the developer went into bankruptcy and the property has remained undeveloped to this day. The taxable value declined to \$804,309 in 2006, which is below the base value of \$1,209,978 and has yet to increase to the base value. Therefore, there has not been any TIF tax capture since 2006 and the original \$6,746 remains in the bank until either the sunset of the DDA plan or until it can be spent on an expense included in the plan.

Specifically, per the State ordinance, staff concluded with the following information for the public record:

- The funds that were accumulated in the first five years were intended to be used for parking development.
- The dollars were not expended because the project did not move forward and the fund did not grow.
- The time frame for spending these dollars is before the end date/sunset of the plan which would be 2024 or at an unknown time before that at the recommendation of the DDA to City Council for approval.
- The amount of money held over ten years is \$6,746.
- There have been no accomplishments by the DDA due to failure of the original development project and no continued capture.
- The list of projects for the DDA district is limited to parking development and no parking has been developed.
- Activity in the DDA plan has been limited to staff and/or Planning Commission review of several potential development plans for the site over the last fifteen years.
- All board members are appointed by the mayor with approval from City Council.

The current members of the DDA and their term expiration dates are:

Jennifer Shorter	12-01-22
Joe Keedy	12-01-24
VACANCY	12-01-24
Stafford (Drew) Smith	12-01-25
Benjamin Slocum	12-01-25
Gary Albert	12-01-22
Marnie Duse	12-01-24
Robin Bennett	12-01-23
John Murphy, Mayor	Member by title

Board members inquired if streets surrounding 200 East Lake Street qualify for TIF capture and if the funds will go back in to the DMB budget in 2025 after the plan ends.

Hear Miscellaneous Comments

There were no questions or comments.

Adjournment

Adjourned at 7:13 P.M.