



DOWNTOWN DEVELOPMENT AUTHORITY BOARD

January 17, 2023

1. Call to Order - 7:00 P.M. - City Hall Council Chambers
2. Organization of Board – Elections of Chairperson and a Vice Chairperson and adoption of a schedule of regular meetings, as needed
3. Minutes - Approval of October 18, 2022 minutes
4. Biannual Synopsis
5. Adjournment

Alternatively, join the meeting via the Zoom platform

<https://us02web.zoom.us/j/82422774862>

Meeting ID: 824 2277 4862

Dial by Phone: +1 646 558 8656 US (New York)

Persons with disabilities who require assistance in order to participate in the electronic public meeting should contact the City Clerk at the earliest opportunity by emailing sbek@petoskey.us or by calling 231-347-2500 to request assistance.

Persons interested in addressing the DDA/Downtown Management Board during the meeting under public comment period can press the “raise hand” button or send a chat message in Zoom or by phone press *9.

Public meetings are being monitored and violations of statutes will be prosecuted.



BOARD: Downtown Development Authority Board

MEETING DATE: January 17, 2023 **DATE PREPARED:** January 05, 2023

AGENDA SUBJECT: Organization of Board

RECOMMENDATION: That the Downtown Development Authority Board elect officers and adopt a schedule of regular meetings

Background Prior to appointing the City's Downtown Management Board in 1994, the City Council had established the Downtown Development Authority program in 1993 and had appointed nine members, including the Mayor, to the Development Authority's Board. Although the Downtown Development Authority Board has remained inactive except for December, 2004, when a tax-increment financing program was recommended by the Downtown Development Authority Board and subsequently implemented by the City Council, the Downtown Development Authority Board has only met annually as required by its bylaws.

Requirements As required by its bylaws, the Downtown Development Authority Board will be asked to select from its members a Chairperson and a Vice Chairperson and to set a 2023 meeting schedule. Because the same persons are required to serve as officers for both the Downtown Development Authority Board and the Downtown Management Board, the Downtown Management Board will be asked to take the same action at its January 17 meeting. Last year, Downtown Development Authority Board regular meetings had been set for 7:00 P.M., on the third Tuesday of each month, immediately preceding the Downtown Management Board meetings, but called only if agenda business was pending.

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DOWNTOWN DEVELOPMENT AUTHORITY BOARD

October 18, 2022

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

Present: Robin Bennett, Vice Chairperson
Marnie Duse
Joe Keedy
Jennifer Shorter
John Murphy, Mayor

Absent: Ben Slocum, Chairperson, Gary Albert, Megan DeWindt and Drew Smith

Also in attendance were Downtown Director Becky Goodman and City Manager Shane Horn.

Approval of Minutes

The minutes from the January 18, 2022 meeting were approved. Motion made by Mayor Murphy, seconded by Shorter, 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 local unit of government 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 in 2006, which is below the base value and has yet to increase to the base value. Therefore, there has not been any TIF tax capture since 2006 and the original 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
Megan DeWindt	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

Adjournment

Adjourned at 7:15 P.M.



MEMORANDUM

TO: Downtown Development Authority
FROM: Becky Goodman, Downtown Director
DATE: January 4, 2023
RE: DDA Biannual Meeting

Per State of Michigan legislation, DDA's are required to hold two public informational meetings per year. These meetings must be posted and any entities that are involved in the TIF capture are notified directly. Despite the fact that the City of Petoskey DDA does not capture TIF, the DDA must abide by the legislation. Staff will provide a brief overview of the DDA district to satisfy the requirement. This is the first meeting held in 2023 and will include the election of officers, official action regarding meeting times for the DMB, and an overview of DDA activities. One more informational meeting will be needed in 2023 to fulfill the annual requirement.



City of Petoskey Downtown Development Authority

January 17, 2023

Annual Synopsis Of Petoskey Downtown Development Authority

Downtown Development Authorities (DDA's) are required to hold two public informational meetings per year. These meetings must be publicly posted, and any entities that are involved in the TIF capture are required 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.

Background

- A DDA requires that a legal boundary be drawn around a commercial district.
- A plan is then 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 then 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.
- 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.

The City of Petoskey DDA was formed in 1997 and included only the Central Business District (CBD). 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 DDA district 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 with any DDA funds and so that the Gateway Plan could be implemented should funds become available. In 2004, the 200 E. Lake Street block was added and would be the only district that would capture revenue or TIF. These three areas are the only places in Downtown where any of that potential capture can be spent.

The initial year of capture for the 200 E. Lake Street area was 2005 in which the Authority captured \$6,746 in tax revenue. The next year a 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.

Action

Specifically, per the State ordinance, the following information must be included 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 DDA 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	12-01-26
Joe Keedy	12-01-24
Stafford Drew Smith	12-01-25
Megan DeWindt	12-01-24
Benjamin Slocum	12-01-25
Gary Albert	12-01-26
Marnie Duse	12-01-24
Robin Bennett	12-01-23
John Murphy, Mayor	Member by title