

City of Charlevoix
DOWNTOWN DEVELOPMENT AUTHORITY BOARD

Monday, August 24, 2009 - 5:30 p.m.

210 State Street, City Hall, Second Floor Conference Room, Charlevoix, Michigan

Minutes

A) CALL TO ORDER

The meeting was called to order at 5:36 p.m. by Chairman Mason.

DDA Members present: Dan Barron, Hugh Mason, John Taylor, Jeannine Wallace and Gina Whitney

DDA Members absent: Kirby Dipert, Fred DiMartino, John Yaroch and Mayor Norman Carlson Jr.

Staff: DDA Executive Director Keith Carey
City Manager Rob Straebel

B) APPROVAL OF AGENDA

The Board approved the agenda as presented.

C) INQUIRY INTO POTENTIAL CONFLICTS OF INTEREST – None.

D) APPROVAL OF MINUTES

1. July 27, 2009 DDA Meeting Minutes

The Board reviewed the minutes. Motion made by Member Barron and seconded by Member Wallace to approve the minutes of the July 27, 2009 minutes as presented. Motion was adopted by a unanimous voice vote.

E) PUBLIC INPUT, NOT RELATED TO OTHER AGENDA ITEMS – None.

F) OLD BUSINESS – None.

G) NEW BUSINESS

1. Keweenaw Excursions lease of former USCG space in Bridge Park Building

City Manager Rob Straebel reviewed the proposal with the Board. Jason Funkey of Keweenaw Excursions would like to operate tours out of Charlevoix starting in September. They propose to offer color cruises in September and October and cruises during the 2010 tourist season (May – October). The Keweenaw Star is a 98' long, 149 passenger vessel. The tours will consist of 1½ to 2 hour cruises on either Lake Michigan or Lake Charlevoix and would serve food and beverages. They are seeking to offer cruises for weddings, sunsets, lighthouse tours and other events. The City has requested the Michigan Department of Natural Resources' Waterways Commission to authorize the vessel to moor in the City Marina. The City Council has not taken position at this time. If the City receives DNR approval, the City Council may be reviewing the item at its September 8th meeting. Keweenaw Excursions is an established cruise vessel that will draw more visitors to the downtown area. Mr. Funkey advised the City that they have been working with the Convention & Visitors Bureau and Castle Farms to create various tour packages. Keweenaw Excursions has developed a lighthouse cruise that is scheduled to leave Charlevoix on September 24th.

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Keweenaw Excursions is asking to rent out the old Coast Guard Training Room in Bridge Park for its business offices. The office would be used to sell tickets and coordinate its cruises. Mr. Funkey stated that they would be installing an ice machine and storing various supplies for the vessel in the office space area. The Sunshine, presently operating a sailing charter out of the harbor, pays \$700 a season to rent a small kiosk adjacent to its dock at the marina. The old USCG office area has been vacant since the departure of the Acacia in June 2006. The Harbormaster used it for its offices in 2007 and early 2008.

DDA Director Carey asked the Board for guidelines on renting the office space this fall. It is his intent to negotiate the second office lease with Keweenaw Excursions for the 2010 season

The Board reviewed the proposal.

Member Barron supported the concept, especially as Keweenaw Excursions is working with Castle Farms and others to bring more groups to Charlevoix. Member Barron suggested that Staff determine the office's rent.

Chairman Mason asked if the proposal would be in conflict with the existing Beaver Island Boat Company's lease. Director Carey advised the Board that he was not aware of any conflicts.

Member Whitney asked if the boat would be a conflict with Castle Farms. Director Carey advised that it appears Mr. Funkey is working with the Castle.

Member Taylor proposed that DDA find out the average cost of office space in the downtown area and then look at setting the rent on the low side to acknowledge that the cruises will bring people downtown.

Chairman Mason suggested allowing Keweenaw Excursions to use the space for a minimal rate this fall and then negotiate a different rate for the 2010 season. This would allow Keweenaw Excursions to determine what the business climate might be in 2010.

Member Wallace voiced support of the concept and was willing to allow Keweenaw Excursions to use the space for free.

Director Carey asked for confirmation that the Board is placing more value on Keweenaw Excursions' promotion of Charlevoix and bringing people into downtown than office space revenue. The Board concurred that for the two month period (September and October 2009) an introductory rate would be appropriate. The 2010 lease rate will be negotiated later.

Member Taylor does not want to give the space away, but wishes to have the 2010 office lease to be affordable.

The Board concurred that they are in favor of renting the office space in the Bridge Park building to Keweenaw Excursions.

Director Carey and the City Attorney will prepare a lease document for Keweenaw Excursions for September and October 2009.

2. 108 Park Avenue Property

Director Carey advised the Board that the Charlevoix County Land Conservancy is planning to vacate the property by the end of September. The Conservancy is seeking a joint partnership with the Jordan Valley Land Conservancy. The expired Conservancy lease specified that a number of improvements were to be made to the DeWitt House. Due to economic hardship, the Conservancy has not been able to complete

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the list of needed repairs. In 1998, the DDA specifically wished to preserve the building, Directory Carey asked the Board if they still wished to retain the building.

Member Barron asked if the Charlevoix Historical Society was interested in helping to preserve the building. Director Carey advised the Board that the Society is unable to take on the project at this time, as they do not have the resources.

Member Wallace acknowledged that the Historical Society is working on a number of projects, such as the light house and the train depot.

Director Carey has received comments that the building needs numerous repairs. The DDA could seek grant funds to repair the building, but it may be some time before the funding would be available. We need to look at immediate repairs to the exterior of the building. He would also like to have a structural engineer look at the building to determine if the building can be renovated without spending a great deal of money. Director Carey asked the Board to consider the following questions:

- Would the DDA like to consider demolishing the building to expand the parking area?
- Would the Board like to rent the house to another non-profit with the condition that the non-profit make the necessary improvements to the building in exchange for nominal rent.
- Does the Board wish to sell the house to a third party?

Chairman Mason agreed that a study needs to be done of the building's structure. Directory Carey advised the Board that Performance Engineers has given him a quote of \$500 for them to inspect the structure and determine if the building is worth saving. Chairman Mason asked if the funds were available for the structural review. Director Carey advised the Board that the funds were available.

Member Whitney voiced concerns that building may not be structurally safe.

Member Barron supports preserving the building as a museum or community center. He asked Staff to look at the HyettPalma report for ideas on possible uses.

The Board agreed to have an engineer review the building to ensure that the building can be restored.

H) EXECUTIVE DIRECTOR'S REPORT

The Park Avenue/State Street Infrastructure project will start in September. Bids will be opened on September 8th. The project is expected to be completed in mid-May. Staff anticipates that the contractor may wish to use the DeWitt Parking Lot for equipment and material storage. The paving of the DeWitt Parking Lot will not be done until spring 2010.

The Board discussed showing another movie in the Odmak Performance Pavilion over the Labor Day holiday. Staff will work with Mr. Supernaw of Cinema III to determine the movie date and schedule the show.

I) MISCELLANEOUS BUSINESS

Update on 108 Park Avenue

J) FUTURE AGENDA ITEMS

K) ADJOURNMENT

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Motion made by Member Wallace and supported by Member Barron to adjourn. Meeting adjourned at 6:38 p.m.

Hugh Mason, Chairman

Linda Jo Weller, Recording Secretary

Carol A. Ochs, City Clerk