

# Downtown Muskegon Business Improvement District

## Meeting Minutes Form

April 29, 2015

380 W. Western Ave., Suite 202 Muskegon, MI at 4PM

1) Call to Order: TIME 4:00PM  
Board Members Present: Justin Clark, Bruce Lindstrom, Frank Peterson, Doug Pollock, Gary Post, Bob Tarrant

2) Selection of Chair and Vice-Chair  
Nominations:  
Chair: Doug Pollock  
(No other nominations)

G. Post motioned to close nomination support D. Pollock for Chair  
Support: F. Peterson

**All voted in favor**

Vice Chair: Justin Clark  
(No other nominations)

F. Peterson motion to closed and support J. Clark for Vice Chair  
Support: B. Tarrant

**All voted in favor**

- *D. Pollock took over as chair*

3) Adoption of Agenda -  
Moved by F. Peterson and Supported by B. Lindstrom to approve the agenda as presented  
– **all voted in favor**

4) Public Comment (on an agenda item) - The board decided to keep the floor open throughout the meeting allowing property owners to speak on any of the below issues as the board discussed each.

No meeting attendees asked to speak at this point.

- 5) New Business
  - a) Bylaws
    - i) Adoption

Staff went over the bylaws. How these bylaws were drafted. Staff looked at bylaws for BIDs and PSDs in Michigan, and looked at BID bylaws in other states as well as referenced the city of Muskegon's bylaws for other committees

Staff read through the bylaws section by section as proposed.

The following sections were requested to be updated/added by board members:

Section 2.1 – Composition: Note that as of April 2015 the board shall consist of 9 members. This number may be revised at the first quarterly meeting and would take effect the following January 1.

*Board members felt it was necessary to lock a number into the bylaws and give a date for review so there wasn't a consistently changing number of board members.*

Section 4.2 – Meeting Held: Change special meeting notice from 14 days to 48 hours.

*It was noted that city commissions/boards only require a 48 hour notice and that if a urgent needed for a meeting came up, 14 days could be too long to wait.*

ADD SECTION – 4.4 – Amending Bylaws – Bylaws may be amended by a simple majority vote of the board.

*Board members wanted there to be a clear way to amend the bylaws.*

F. Peterson Motion to adopt the bylaws as amended

Support: B. Tarrant

**All voted in favor**

- b) Board Composition (see memo 1)
  - i) Board Members select lots for term length
    - 1 year Terms: Bruce Lindstrom & Bob Tarrant (Exp. Dec. 31, 2016)
    - 2 year Terms: Connie Taylor (selected under item bii to replace Amanda G), Doug Pollock, & Mike Hennessy (selected under item biii) (Exp. Dec. 31, 2017)
    - 3 year Terms: Justin Clark, Gary Post & John Riegler (selected under item biii) (Exp. Dec. 31, 2018)
  - ii) Open Board Seat (resignation of Amanda Garabedian)  
Staff recommended replacement: Connie Taylor, President and CEO of First General Credit Union.

F. Peterson motion to recommend appointment of Connie Taylor from Frist General Credit Union to the board.

Support: J. Clark

Discussion – Staff let the board know that they had met with Connie to discuss the downtown and BID. Staff recommended this option based on First General CU's support for the BID, Connie's background in financial services and her experiences working in other downtowns.

F. Peterson Voice support for Connie and thought she would be a good addition to the board.

**All voted in favor**

iii) Board Composition ---

F. Peterson motioned that to fill the two new positions (as outlined in the bylaws) offers of board position be extended to Mike Hennessy and John Riegler. If they accept, their names would then be recommended for appointment to the City Commission.

Supported by B. Lindstrom

**All voted in favor**

*Discussion of Board Overlap with other boards:*

A discussion of the overlap on the board was talked about (Specifically about Downtown Muskegon Now/BID overlap). Staff went over the city attorney's opinion that there could be overlap as long as when a vote on contractual issues occurs the overlapping individuals only vote on one side.

General feeling among the board was there was an advantage to having overlap.

There was a concern brought by J. Clark about if a situation would occur where all the board members would be the same and how would that be handled if it did occur.

The city attorney's opinion was referenced and it was noted that this likely wouldn't occur because if it did one or both boards would become paralyzed from not being able to vote on interactions between the two entities. Therefore it would be in the interest of both boards to limit overlap.

No action was taken, but it was decided that small overlap wouldn't be an issue.

c) Discussion of Services (see memo 2)

Staff went over service recommendations – There was a question from Julia Hunter from Ginnma Tire/WWG Holdings LLC (Clay & 8<sup>th</sup>) regarding the amount of money that is budgeted for snow removal, asking if there was a better use for those funds.

A discussion was had among board members about where issues have arisen in the past regarding snow removal. There was a general feeling among the businesses and board members that ideally the money should be used for more beautification/advertising, but that snow removal had become an issue that needed to be addressed.

Dennis Lohman, Northwestern Industrial Sales (Pine St.) asked if there were ways to cut down on the snow plowing line item. Specifically if property owners who currently maintain their sidewalks well could be skipped by the contractor? He noted if this were to happen BID funds could go into other line items.

Board members noted if this were the case it would be great to see those dollars go into beautification in the warmer months and/or advertising.

It was noted that if the snow removal came in lower, the assessment wouldn't change, but how the money was divided up could change.

*No action on the budget was taken – will be taken up at the May 20<sup>th</sup> board meeting*

- Frank Peterson left the meeting 4:55PM -

d) Discussion of Assessment (see memo 3)

G. Post asked about how the recommendation of a square foot assessment per lot was arrived at rather than another formula? Staff detailed the different options available in a special assessment, including front footage on the addressed street, square footage of building and square footage of lot or some combination thereof. It was noted that because of the number of empty lots in the downtown the square foot per lot was the best option for equity.

B. Tarrant asked about how the floor and cap were arrived at? Staff noted that the floor was set at \$300 because a number of the smaller individual properties came in at or near that level so it resulted in a smaller number of properties being bumped up to that level. The ceiling of \$3,000 was set because that was an event percent of the floor.

B. Lindstrom asked about how the budget was arrived at and the recommended assessment (\$0.08/sf and \$0.02/sf)? Staff reviewed requested services from businesses and developed several budgets, took the total square footage of assessable property in the BID (roughly 3,000,000sf) and divided that out to get an average price per square

foot. The recommended assessment was as low as possible while still providing requested/needed services.

*No action on assessment was taken – will be taken up at the May 20<sup>th</sup> board meeting*

6) Old Business - NONE

7) Other Business - NONE

8) Adjournment : TIME: 5:30PM

Motioned: G. Post  
Support: B. Lindstrom  
No Objection

DRAFT

# **Downtown Muskegon Business Improvement District**

## **MEMO 1**

Regarding: Board Composition

Date: April 29, 2015

To: Downtown Muskegon BID Board

From: Staff

### **Overview:**

Business Improvement Districts in the state of Michigan are permitted to have between 7 and 15 members.

### **Recommended Changes:**

Following feedback from the Muskegon City Commission and property/business owners within the Business Improvement District is it being recommended that the board be expanded from 7 to 9 members.

If the board agrees with this expansion, two potential board members have been identified and would be approached for board membership. If they accept, the BID Board would then make a recommendation to the Muskegon City Commission for formal appointment of these individuals to the BID board.

### **Background on agenda item b ii – Open Board Seat**

Amanda Garabedian, formally of First General Credit Union on W. Western Ave., left her position with the Credit Union. The Credit Union's President and CEO, Connie Taylor has expressed an interest in filling Amanda's seat on the board.

I've met with Connie, talked with her about what we're trying to do with the Business Improvement District specifically and in the downtown in general. She is eager to be an active downtown partner. From a staff perspective I think Connie would bring a valuable point of view to the board with her financial services background. Additionally, Connie has professional experiences working in other downtowns in West Michigan and could provide general insights into how things are done elsewhere.

# Downtown Muskegon Business Improvement District

## MEMO 2

Regarding: Services/Budget

Date: April 29, 2015

To: Downtown Muskegon BID Board

From: Staff

### Overview:

By statute BIDs in Michigan are able to provide services which maintain common areas, engage in beautification, business development activities and marketing.

### Recommended Services:

It is being recommended that the Downtown Muskegon Business Improvement district provide:

- Summer beautification services within the district, this would include maintaining flower planters, planting areas in right of ways and adding downtown banners.
- Common area winter snow removal on sidewalks and public parking areas in the district.
- Marketing of downtown Muskegon with the goal of increasing the local community's knowledge of downtown Muskegon businesses, services and activities.

### Possible Budgets/Service Levels:

#### Option 1

<b>Downtown Beautification/Enhancements</b>	
Spring/Fall Clean-up & Summer Landscaping	\$ 16,000.00
Holiday Decorating	\$ 2,500.00
Banners & Directional Signs	\$ 8,000.00
Snowplowing & Salt	\$70,000.00
<b>Marketing, Advertising &amp; Development</b>	
Advertising	\$ 20,000.00
<b>Reserve Funds</b>	\$5,825.00
Total	\$122,325.00

#### Option 2

<b>Downtown Beautification/Enhancements</b>	
Spring/Fall Clean-up & Summer Landscaping	\$16,000.00
Holiday Decorating	\$2,500.00
Banners & Directional Signs	\$8,000.00
Snowplowing & Salt	\$90,000.00
<b>Marketing, Advertising &amp; Development</b>	
Advertising	\$20,000.00
<b>Reserve Funds</b>	\$6,825.00
Total	\$143,325.00

# **Downtown Muskegon Business Improvement District**

## **MEMO 3**

Regarding: Assessment Breakdown

Date: April 29, 2015

To: Downtown Muskegon BID Board

From: Staff

### **Overview:**

Special assessment districts within the state of Michigan allow for different assessment levels based on the type of services provided.

### **Possible Assessment Levels:**

#### **Option 1**

Class A Properties (as defined in the bylaws), which in general are clustered in the middle of the Downtown Muskegon Business Improvement District, would be assessed at an annual rate of \$0.08 a square foot based on lot size. Class B Properties (as defined in the bylaws), which in general are located at the eastern and western edges of district, would be assessed at an annual rate of \$0.02 a square foot based on lot size. In both cases a minimum annual assessment of \$300 per property and a maximum annual assessment of \$3,000 per property would be implemented. Contiguous properties with the same owner and same use would be treated as a single property for determining the maximum assessment.

If this option is chosen, approximately \$129,000 would be collected from the special assessment.

If this option is selected, beautification and marketing/advertising services would be provided as consistently as possible throughout the district. However, snow removal services would, in general, be focused on the middle of the downtown between Terrace and 7<sup>th</sup> Streets and down the 3<sup>rd</sup> Street corridor.

#### **Option 2**

All assessable properties in the downtown, Class A & Class B as outlined in the Downtown Muskegon Business Improvement district Bylaws, would be assessed at the same annual rate of \$0.08 a square foot based on lot size. With a minimum annual assessment of \$300 per property and a maximum annual assessment of \$3,000 per property. Contiguous properties with the same owner and same use would be treated as a single property for determining the maximum assessment.

If this option is chosen approximately \$148,000 would be collected from the special assessment.

If this option is selected, all services throughout the district would be as consistent as possible regarding snow removal, beautification and marketing/advertising.