



**Village of Suttons Bay
Downtown Development Authority
Amended Meeting Agenda
March 10, 2021
9:00 a.m.**

Electronic Remote Access, in accordance with Public Act 228 of 2020 will be implemented in response to COVID-19 social distancing requirements and Michigan Health and Human Services restrictions of indoor gatherings. The public may participate in the meeting through Zoom access by computer and smart phone and can find the link on our website at www.suttonsbayvillage.org

1. Call to Order
2. Roll Call and Notation of Quorum
3. Approval of Agenda
4. Members Conflict of Interest on any item on the Agenda
5. Approval of Downtown Development Authority Minutes
6. Public Comments/Written Communication.
PLEASE LIMIT REMARKS TO NO MORE THAN THREE (3) MINUTES
7. Items for Consideration/Action
 - a. Election of Officers
 - b. Report VSB -2020-12 DDA Discussion
 - c. DDA Capture Discussion
8. Reports
 - a. Manager Update
9. Information and Comments
 - a. Board Members
 - b. DDA Staff
10. Public Comment - PLEASE LIMIT REMARKS TO NO MORE THAN THREE (3) MINUTES
11. Announcements – Next regular DDA meeting:
12. Adjournment

Topic: Suttons Bay Village DDA

Time: Mar 10, 2021 09:00 AM Eastern Time (US and Canada)

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VILLAGE OF SUTTONS BAY
DOWNTOWN DEVELOPMENT AUTHORITY
MEETING MINUTES OF NOVEMBER 12, 2020

The meeting was called to order at 9:09 a.m., by President Peterson.

Present: Lutke, Peterson, Pontius, and Popke
Absent: Bahle, Lambdin and Wierzba
Staff present: Fay, Larrea and Petroskey

Approval of Agenda

Pontius moved, Popke seconded, CARRIED, to approve the Agenda as amended, adding Agenda item C. 2011 Development Plan under Information and Comments, by an affirmative unanimous roll call vote. Ayes: 4, No: 0

Approval of Meeting Minutes

Lutke moved, Pontius seconded, CARRIED, to approve the DDA meeting minutes of August 19, 2020, by an affirmative unanimous roll call vote. Ayes: 4, No: 0.

Report VSB-2020—51

Pontius moved, Popke seconded, CARRIED, to adopt the proposed DDA budget and recommend approval to Council. Board members reviewed the revenue and expenses of the proposed DDA budget. The need for more revenue is apparent. Members discussed the desire for other taxing entities to buy into the DDA Plan. Larrea suggested DDA members reach out as a group to Leelanau County. Larrea will contact County Administrator Janik to see if he can gain some insight of their position with our DDA. Members discussed the possibilities of other funding sources and/or grants to help the DDA remain afloat, noting the Village as a good economic engine for Leelanau County. Ayes: 4, No: 0.

2021 Meeting Dates

Popke moved, Lutke seconded, CARRIED, to approve the proposed 2021 DDA meeting dates and times as presented, by an affirmative unanimous roll call vote. Ayes: 4, No: 0.

Manager Update

Larrea reported further communications with Viking Cruise Lines with another meeting set for next week. The Cruise lines have presented the concept of a four-month span for launching, none of which are summer months, one or two times monthly. Consideration for a launch at North Park would require an investment in that area, which currently has space for busses and restrooms.

The Village is still working on closing out the TAP Grant project. In addition, MDOT has stated milling and repaving the downtown area in the next year or two.

Networks Northwest have identified Millside and the old Silvertree building as areas they would like to see redeveloped.

Information and Comments


Board members – Pontius would like the Village to revisit an existing and detailed 2011 Development Plan never acted on, that involved areas such as Front and Jefferson Streets. Pontius will share the plan with Larrea. Larrea stated there is a plan to build on a small area at Waterwheel Park, at the end of Jefferson Street and next to Haystacks, eliminating some vegetation and adding seating areas. Members furthered discussed a seasonal trial period of closing Jefferson Street.

Board members state there is a huge issue with limited public bathrooms. Larrea stated in communities such as Traverse City, businesses provide their customers access to bathrooms. Currently, liability exists for businesses due to the pandemic. Should the Village bring in trailer bathrooms which are maintained by the company? Do grant opportunities exist for constructing bathrooms?

Board members discussed a Visitor's center, and the challenges presented for housing and staffing a Visitor's center. Members would like to see non-profit entities join together, perhaps a coalition, and brainstorm as to how the Suttons Bay can support a Visitor's Center. There may be some granting opportunities.

The meeting adjourned at 10:06 a.m.

Meeting minutes submitted by Shar Fay, Village Clerk.

		VILLAGE OF SUTTONS BAY REPORT VSB -2021- 12	
Prepared:	March 1, 2021	Pages:	1 of 1
Meeting:	March 10,2021	Attachments:	<input type="checkbox"/>
Subject:	DDA DISCUSSION		

OVERVIEW

The DDA was informed in 2020 that the funding put forth in the budget to support DDA operations were nearing depletion. This would require the Village to either allocate additional funds to support the DDA, convince the Township, County, BATA, library and others who opted out of participating in a tax capture to *opt in*, or to seek other funding sources, such as taxing those within the DDA to further raise funds.

STAFF COMMENT

The DDA requested that we identify the reasoning for jurisdictions opting out of the tax capture, which I will try to address below.

Leelanau County

A brief discussion with County officials has indicated that they are open to discuss this issue further, and was the reasoning for postponement of the February meeting. However, before scheduling a follow up meeting with the County, I think it is important that I /we understand all aspects of what we can address and those that present more of a challenge.

In reading the 2014 minutes (attached) there are a few things that stood out to me, including:

1. **Lack of information** - as a reason against participation
2. Concern with the **length of capture** (open ended)
3. Open to a **project-by-project consideration**
4. 5 of 7 **commissioners** have been replaced

We are now tasked with trying to address their concerns seven years later. I am providing the minutes for your review and ask that you provide suggestions on how to address the *specific* reasons identified (Please see exhibit A – county minutes).

Suttons Bay Township

Equally, if not more important, is identifying the reason(s) the Township opted out. From a strategic standpoint, not having the township participate must have been a major impediment to our progress. In other words, if the Township in which Village residents pay taxes in, wasn't willing to support the DDA, I question why the County or any other entity would. Garnering their support would have been paramount in the process. (Please see exhibit B – township minutes).

CONCLUSION

DOWNTOWN DEVELOPMENT AUTHORITY

We are first tasked with evaluating the reasoning behind the opt-out. Now that those reasons have been identified, we need to evaluate which issues can be resolved. The second task, will be to identify what the capture would have been if all entities participated, however, that information was not available at the time this report was written....More to come.

Draft Minutes
SUTTONS BAY TOWNSHIP REGULAR MEETING MINUTES

July 9, 2014

**95 W Fourth Street
Suttons Bay, MI**

PUBLIC HEARING CALLED TO ORDER: 5:15pm

ROLL CALL: Supervisor Bahle, Clerk VanHuystee, Treasurer-Hartesvelt, Trustees Bergman.

ABSENT: Drozdalski

STAFF: 0

Guests:5

APPROVAL OF THE AGENDA: The agenda was amended to add Resolution to Opt Out of DDA. Consensus to adopt agenda as amended.

Public Comments and Communications: Bahle stated that the USTA awarded the Township a grant in the amount of \$15,000 for Herman Park. In addition Tom Nixon will not be accepting a new term on the Heritage Route Committee and is requesting the Board seek a replacement. Dan Penning's term on the Fire Board is expiring and he would like Penning to be reappointed if he is interested.

April Missias, Director of Senior Services spoke regarding the upcoming Senior Service millage.

John Krug indicated he had presented the Clerk with the 2014/2015 Library budget.

REPORTS:

Treasurer: No report presented.

Planning/Zoning As presented.

Fire Board: Bahle stated that the Fire Authority took no action on the Village of Suttons Bay DDA and discussed term expirations.

Parks and Recreation: Hartesvelt indicated that there are some concerns regarding the tennis courts and divots in the concrete.

OLD BUSINESS:

Approval of Minutes:

June 11, 2014 Regular meeting minutes: Hartesvelt noted that she is listed as Herman instead of Hartesvelt on page 2.

MOVE BY VANHUUSTEE SECOND BY BERGMAN TO APPROVE THE REGULAR MEETING MINUTES OF JUNE 11, 2014 AS CORRECTED.

AYES: ALL NAYS: NONE MOTION CARRIED

Payment of Bills: The Bills were presented for payment for a total of \$26,614.32

MOVE BY VANHUUSTEE SECOND BY BERGMAN TO PAY THE BILLS AS PRESENTED. AYES: ALL MOTION CARRIED

Ordinance Enforcement: Bahle indicated that he and Drozdalski met with the Sheriff, Undersheriff and prosecuting attorney regarding the enforceability of the Junk and Park Ordinances.

Tree Work in Parks: Bahle stated that he and Egan have visited the park and cemetery and noted several trees with Emerald Ash Borer that will have to be taken down.

NEW BUSINESS:

Conflict of Interest:

Bahle indicated that the Treasurer had raised the issue of conflict of interest with Bahle being a business owner whose property was located in the proposed DDA District. Dick Figura, attorney for the Township stated that in order to have a conflict of interest that there must be a direct financial gain. He stated that others would benefit therefore a conflict does not exist.

Ethical Issues:

Bahle stated as to the ethical issues, he was concerned Board members had spoken with other boards indicating that the Township would not be supporting the DDA. He added he read this in County Board minutes prior to any discussion. He added that the Treasurer assured him she had not spoken with county board members regarding this and personally indicated the same to the County Board members.

The attorney added that absent a Township Board policy it is difficult to discuss ethical issues.

DDA Resolution to Opt Out:

Bahle stated he was in favor of the DDA. He added it was only a vessel. There would be no TIF capture until a plan is in place. He also added that the Township could negotiate an amount or percentage.

Hartesvelt stated she educated herself and was concerned that the obligation to the library and a capture by the DDA would harm future revenues for the township. She added that if the Village wanted to come to the Township with specific projects she would be willing to look at the request.

MOVE BY HARTESVELT SECOND BY VANHUYSTEE TO ADOPT THE RESOLUTION 12 OF 2014 EXEMPTING SUTTONS BAY TOWNSHIP PROPERTY TAX REVENUE AND BINGHAM SUTTONS BAY FIRE AUTHORITY FROM CAPTURE BY THE VILLAGE OF SUTTONS BAY DOWNTOWN DEVELOPMENT AUTHORITY.

VanHuystee stated she agreed with Hartesvelt and would like to opt out now as there are too many uncertainties and too many unknowns.

Bergman indicated that he sees the marketing point of view but "capture" is a negative word and likened it to "capture the flag". He would like to opt in and out on projects.

ROLL CALL VOTE: BAHLE-NO, HARTESVELT-YES, VANHUYSTEE-YES, BERGMAN-YES. 3-YES 1-NO MOTION CARRIES.

BOARD MEMBER COMMENTS: VanHuystee indicated that recording secretary/deputy clerk Petroskey submitted her resignation.

PUBLIC COMMENTS: John Krug spoke regarding the .3 mils dedicated to the Library.

ADJOURNMENT: There being no further business before the Board, the meeting was adjourned by consensus at 6:10 p.m.

Respectfully submitted,

Dorothy Petroskey, Recording Secretary

**LEELANAU COUNTY BOARD OF COMMISSIONERS
EXECUTIVE COMMITTEE MEETING – Tuesday, June 10, 2014**

Tentative minutes – meeting recorded.

Meeting called to order by Chairman Tom Van Pelt at 9:03 a.m. Today’s meeting is being held at the Government Center, 8527 E. Government Center Drive, Suttons Bay, Michigan.

Chairman Van Pelt asked that all cellular telephones be turned off for the duration of the meeting.

The Pledge of Allegiance to the Flag of the United States of America was led by Chairman Van Pelt, followed by a moment of silence.

Roll Call:	District #1	Jean I. Watkoski	PRESENT
	#2	Debra L. Rushton	PRESENT
	#3	William J. Bunek	PRESENT
	#4	Tom Van Pelt	PRESENT
	#5	Karen Zemaitis	PRESENT
	#6	Carolyn Rentenbach	PRESENT
	#7	Melinda C. Lautner	PRESENT

Guests present.

Communications, Proclamations, Presentations –
Administrator Update:

Leelanau County Administrator Chet Janik provided a photo featuring “the Launching of a New Boat” in Leland, circa 1930.

Janik then showed photos from the recently held County Memorial Day ceremony. Sgt. Richard Schmuckal was the Emcee, with Commander Sean M. Cross of the Traverse City U.S. Coast Guard Air Station the guest speaker. Janik added they have also added 12 more names to the Veteran’s wall this year. Janik said he had an opportunity to talk with County resident Greg Stachnik, who relayed an exciting, first-hand account of what transpired on D-Day.

Janik thanked MSU-E for all their assistance in cleaning up the Government Center gardens. They will also be working with the Sheriff’s Department and inmates to assist with the gardens.

County Treasurer John A. Gallagher III distributed a hand-out showing activity for the last 18 months for the DTR (Delinquent Tax Revolving) and General Funds (on file with the County Clerk’s Office). The document was prepared to show Commissioners where the County’s cash is and how it flows throughout the year. More comments followed.

MOTION BY WATKOSKI TO ACCEPT CONTRIBUTIONS GIVEN TO LEELANAU COUNTY SENIOR SERVICES TOTALING \$104.56, TO BE PLACED INTO LEELANAU COUNTY SENIOR SERVICES CONTRIBUTIONS FROM PRIVATE SOURCES ACCOUNT, #281-000.000-675.000. SECOND BUNEK & LAUTNER.

Discussion followed on where the funds go. Commissioner Bunek asked and Hartesvelt responded Missias does send a handwritten thank you.

**AYES – 7 (Watkoski, Zemaitis, Bunek, Lautner, Rentenbach, Rushton, Van Pelt)
NO – 0 RECOMMENDATION CARRIED.**

A break was taken at 12:52 p.m.
Back in session at 1:22 p.m.

Administrator – GTB 2% Allocation Request, Damage Assessment “Go To” Kits:

Administrator Janik said the deadline is June 30; only one grant request has been submitted at this time. Commissioner Lautner suggested asking the Sheriff to make a request on behalf of the Marine Patrol. Janik noted it would have to be approved by next Tuesday. Janik added the Sheriff had mentioned a specialized rain gear that was expensive. Discussion ensued. Janik to follow up.

MOTION BY ZEMAITIS TO RECOMMEND TO THE BOARD OF COMMISSIONERS TO APPROVE SUBMISSION OF THE GRAND TRAVERSE BAND 2% ALLOCATION REQUEST FOR DAMAGE ASSESSMENT “GO TO” KITS IN THE AMOUNT OF \$8,294.00. SECOND RUSHTON.

Discussion ensued on what was included within the kit and who the kits were for. Chairman Van Pelt said the kits are used to help the people out there on the ground. Discussion followed.

**AYES – 7 (Zemaitis, Bunek, Lautner, Rentenbach, Rushton, Van Pelt, Watkoski)
NO – 0 RECOMMENDATION CARRIED.**

Administrator – Natural Gas vs. Propane Options:
Item addressed earlier in the meeting.

Administrator – Suttons Bay Downtown Development Authority:

Administrator Janik said Commissioners have a proposed resolution from Corporate Counsel David Stoker and a memo from the Leelanau County Road Commission. Chairman Van Pelt asked and Janik responded legally the County Board has to vote on the Road Commission on whether or not to include it. We have one resolution, which (exempts) Senior Services, the County and the Road Commission.

MOTION BY LAUTNER TO RECOMMEND TO THE BOARD OF COMMISSIONERS TO APPROVE LEELANAU COUNTY RESOLUTION #2014-xxx, RESOLUTION TO EXEMPT LEELANAU COUNTY PROPERTY TAX REVENUES FROM CAPTURE BY THE VILLAGE OF SUTTONS BAY DOWNTOWN DEVELOPMENT AUTHORITY, AS PRESENTED.

LEELANAU COUNTY RESOLUTION #2014-xxx

RESOLUTION TO EXEMPT COUNTY PROPERTY TAX REVENUES FROM CAPTURE BY THE VILLAGE OF SUTTONS BAY DOWNTOWN DEVELOPMENT AUTHORITY

WHEREAS, the Suttons Bay Village Council held a public hearing on May 19, 2014, for the purpose of adopting an ordinance creating a Downtown Development Authority (DDA) and establishing the boundaries of the DDA district, which ordinance could take effect sixty (60) days after the public hearing; and

WHEREAS, Leelanau County property tax revenues, including the County general allocated taxes and County extra voted taxes, such as the Roads and Highways Maintenance and Repair Millage taxes and Senior Citizens Services Millage taxes, may be subject to capture by a tax increment financing plan that may be proposed by the Suttons Bay DDA and approved by the Suttons Bay Village Council; and

WHEREAS, pursuant to MCL 125.1653(3), Leelanau County may exempt its property taxes from capture by the Suttons Bay DDA by adopting a resolution to that effect within sixty (60) days of the May 19, 2014, public hearing, which resolution takes effect when filed with the Suttons Bay Village Clerk; and

WHEREAS, the resolution exempting Leelanau County property taxes from capture by the Suttons Bay DDA remains effective until a copy of a resolution rescinding that resolution is filed with the Suttons Bay Village Clerk; and

WHEREAS, Leelanau County may consider on a case by case basis entering into to limited duration tax sharing agreements with the Suttons Bay DDA and the Suttons Bay Village Council, as authorized pursuant to MCL 124.505a and MCL 125.1653(3), to share a portion of the captured assessed value of the DDA district taxes for specific infrastructure improvements that the County Board of Commissioners determines would benefit the County as a whole.

THEREFORE BE IT RESOLVED, that pursuant to MCL 125.1653(3), Leelanau County hereby exempts its property taxes from capture by the Village of Suttons Bay DDA, including the exemption of County general allocated taxes and current and future County extra voted taxes, such as the County Roads and Highways Maintenance and Repair Millage taxes and County Senior Citizens Services Millage taxes.

BE IT FURTHER RESOLVED, that the County Clerk shall immediately file a copy of this Resolution with the Suttons Bay Village Clerk.

BE IT FURTHER RESOLVED, that pursuant to MCL 125.1653(3), this Resolution takes effect when filed with the Suttons Bay Village Clerk and remains effective until a copy of a resolution rescinding this resolution is filed with the Suttons Bay Village Clerk.

BE IT FURTHER RESOLVED, that Leelanau County may consider on a case by case basis entering into to limited duration tax sharing agreements with the Suttons Bay DDA and the Suttons Bay Village Council to share a portion of the captured assessed value of the DDA district taxes for specific infrastructure improvements that the County Board of Commissioners determines would benefit the County as a whole.

SECOND ZEMAITIS.

Discussion. Commissioner Watkoski questioned the amount of taxes which would affect the County. Administrator Janik said that is difficult to predict. Currently, there is approximately \$47,000.00 within that proposed district. Any increase would go to the DDA. Part of the challenge is if the Board approves the Resolution, it protects the County's interest. The Board can modify this at any time. If you don't opt out, you cannot modify. Janik said the BATA board is opting out and he was told the Suttons Bay Township Board may be opting out. Chairman Van Pelt added we can say we will participate at a certain percentage of the value. If we don't opt out, we could be involved for a minimum of 20 years. Discussion ensued.

Commissioner Rentenbach said it's interesting you said Suttons Bay Township may opt out, after Suttons Bay Township Supervisor Bahle had spoke in favor of the DDA asking for the County's support. Rentenbach remarked that by the County opting out, we wouldn't be hurting them in any way; they can still form the DDA. Administrator Janik said the County's legal counsel had said he didn't know why any government entity wouldn't opt out, just to protect itself. We don't know what the Village Council will pass.

Commissioner Zemaitis said it was stated BATA has been in other DDAs, and one of the reasons why, is because they didn't know they could opt-out, or that there was a 60-day period. Now that they know that, their reasoning is quite a bit like ours.

Commissioner Watkoski said she is curious why they were so adamant that the County participate. Janik said the County is the largest taxing unit outside of the village that would impact this. We have taken the leadership of obtaining a legal opinion and a resolution, which other units of government have requested copies of.

Commissioner **Rushon** said it was mentioned that Suttons Bay is a "coastal community"; we can look at Elmwood, Bingham Suttons Bay, Northport, Leland and others around the Peninsula and say each one of those entities is a coastal community. When we take a look nationally at what is going on in the economy, we know the economy is stagnant. We all want to see economic growth, which is the answer to a lot of our problems in our County. We all recognize the only way to obtain growth is to get the townships to relax zoning. When we approve a certain coastal community, or sanction this type of arrangement for this community, why won't the other communities do the same thing to bring in special tax dollars for their individual communities? She is opposed to the DDA in Suttons Bay. She is against the idea of a special board appointed with jurisdiction over these locations. When you segregate tax dollars that way, what do you do when the fire station needs a new fire truck? Those dollars are lost and the rest of the taxpayers need

to make up that funding to meet the needs of the community. Rushton said she is opposed to DDAs. She thinks for us as a Board, we need to look at the broader scope and let each one of our other coastal communities provide the same argument and request this same funding.

Commissioner Lautner said her thought is very much similar to Commissioner Rushton's; what they want to do in their village, is great for their economic development. If their board approves it and two-thirds of the businesses have supposedly signed on, she thinks they have some things to work out first. Her vote to support this resolution isn't anti-DDA or anti-EDC. It is premature and detrimental of us not to approve this resolution.

Commissioner Bunek said this is the first DDA in Leelanau County. We need to approach it cautiously. He is in support of this DDA – it is their money. This is money the owners in those buildings will have to pay. It is assessed as a tax, but they have to earn it to pay it. Without those businesses, those tax dollars aren't there. It's a matter of whose going to spend their tax dollars. As the values increase, will the County decide how to spend their tax dollars, or will they decide how to spend that money? This is just on the increase.

Commissioner Bunek said for years, we gave \$15,000.00 to the EDC and didn't blink an eye until last year. Already, you have given \$10,850.00 for economic development to the Leelanau Peninsula Chamber of Commerce. Bunek said he believes they should be able to use their own tax dollars for their own economic development. But at what rate and for how long? He will vote for this resolution, because we need to figure out. It should be a percentage so they can fix a sidewalk, put in bathrooms, etc. – all those things a community can use to grow that community. Leelanau County will be improved by this business district building up. He will vote for the resolution, because we need to consider this, but he hopes at some point Commissioners will look at allowing Suttons Bay businesses to spend at least a portion of their tax dollars on their businesses.

Chairman Van Pelt agreed; we should set some policy towards that end. If it happens in Suttons Bay, it will in other places and we need to be consistent. He supports it for economic purposes. At the same time, we can't enter into an open-ended contract not knowing for how many years, or what that amount is. He is in full support of this resolution.

Commissioner Rentenbach said when we discussed this last month, we were told we could always opt-in on certain projects. To sign up for an unknown period of time doesn't make sense.

Commissioner Watkoski agreed, saying we should support a village like Suttons Bay in some manner. But it is difficult to support something without any numbers. She will support this resolution, but agrees with Bunek we should be cautious. We need economic development, or we will continue to have families leaving. We should look into it and see what our options are.

Commissioner Lautner said we talk about rolling the County millage back, which will affect all 11 townships, this would just support the village. We do need everything economic development can bring us, such as jobs. We just got a new statistic in her Council of Governments packet on demographics for Leelanau. With regard to manufacturing, we are “laughable” compared to the other 10 counties. It goes back to more than zoning; we want it, but not here. More comments followed.

AYES – 7 (Lautner, Rentenbach, Rushton, Van Pelt, Watkoski, Zemaitis, Bunek)
NO – 0 **RECOMMENDATION CARRIED.**

Administrator – Hay Contract at Myles Kimmerly:

Administrator Janik said he received the contract from Cohl Stoker & Toskey yesterday afternoon and had emailed a copy late yesterday to Commissioners.

Commissioner Lautner said while this seems cumbersome and heavy, there are things she had not thought about. It is something that needs to be done so (Alton Smith) knows his limitations. This is well done. The only thing that crossed her mind is with the termination; a 30-day clause. The only thing that might override it, is within the Right To Farm Act, you have the right to get your crop off. He may be able to get at least one or two cuttings. Janik said it still puts the County in the driver’s seat.

MOTION BY LAUTNER TO RECOMMEND TO THE BOARD OF COMMISSIONERS TO APPROVE THE HAY CONTRACT WITH ALTON SMITH AND AUTHORIZE THE BOARD CHAIRMAN TO SIGN. SECOND BUNEK.

Discussion. Commissioner Bunek remarked it is time we have this. It is good we see a contract prior to approval.

AYES – 7 (Rushton, Van Pelt, Watkoski, Zemaitis, Bunek, Lautner, Rentenbach)
NO – 0 **RECOMMENDATION CARRIED.**

Administrator – Window Tinting:

Administrator Janik said when the Government Center was constructed, there was supposed to be a tint applied to all western-exposed windows, per the initial specification. It is a serious issue. He received an estimate to do all 15 windows with night vision film to see out but block UV rays, at a cost of \$2,860.00. They contacted three companies, and only one responded. It is just on this level; they haven’t mentioned a problem upstairs. Discussion. Janik added the quote was provided by Three West Glass Coating of Walker, Michigan. Chairman Van Pelt said Janik should make sure everyone upstairs is contacted prior to accepting the proposal. Janik said he can get a price for both levels. Discussion.

MOTION BY BUNEK TO RECOMMEND TO THE BOARD OF COMMISSIONERS TO ACCEPT THE CONTRACT WITH THREE WEST GLASS COATING FOR WINDOW TINTING, AND CHECK WITH THE UPSTAIRS OFFICES.

Motion by Bunek withdrawn.

Discussion followed on contacting other offices within the complex. Window tinting to be added to the Regular Session agenda for next Tuesday.

LEELANAU COUNTY BOARD OF COMMISSIONERS
Regular Session – Tuesday, June 17, 2014

Tentative minutes – meeting recorded.

Meeting called to order by Chairman Tom Van Pelt at 7:02 p.m. Today's meeting is being held at the Government Center, 8527 E. Government Center Drive, Suttons Bay, Michigan.

The Pledge of Allegiance to the Flag of the United States of America was led by Chairman Van Pelt followed by a moment of silence.

Roll Call:	District #1	Jean I. Watkoski	PRESENT
	#2	Debra L. Rushton	PRESENT
	#3	William J. Bunek	PRESENT
	#4	Tom Van Pelt	PRESENT
	#5	Karen Zemaitis	PRESENT
	#6	Carolyn Rentenbach	PRESENT
	#7	Melinda C. Lautner	PRESENT

Guests present.

Communications, Proclamations, Presentations, and Awards:

State Representative Ray Franz, 101st District, was present. Franz said he has been visiting various governmental units. Prior to the summer break, the State's budget was completed and on time, so governmental units and schools can make their plans. It is balanced and they have expanded spending on multiple levels as funds were evaluated – and still saw revenue increase. These are the first ever General Fund dollars put into supporting the transportation fund – approximately \$250 million. Education was increased by \$1.1 billion, from 2011 to this year; the per-pupil funding gap was addressed significantly. Schools like Suttons Bay should see an improvement. All schools should see an increase of about \$50.00 per pupil, with some as much as \$175.00 per pupil. They also paid down around \$900 million in unfunded liabilities for pension requirements. Statutory revenue sharing was fully funded at approximately \$150 million and that will help the County.

Franz continued – the road situation was an interesting debate – in the end, the House had approved \$460 million in dedicated revenue to roads that would go directly to Act 51 distribution or to the counties, MDOT (Michigan Department of Transportation) and municipalities. When it got to the Senate, there was some debate and discussion – they were looking for ways to increase that amount to around \$1.5 billion. The Senate argued and couldn't come to a resolution – they did increase about \$250 million in road funding to go directly to Act 51 distribution. The additional amount has been set aside for later. They also tackled the Detroit issue – although many feel it doesn't impact Northern Michigan, it does affect Michigan on a whole. The settlement on the Detroit issue will be good for everyone in the State, especially those with pension liabilities. A Chief Financial

the Townships. This could jeopardize the Senior millage or the Road millage – people could misconstrue. Then when the Auditor comes and says what he did - he realizes he has been chastised. Chairman Van Pelt said Bunek had brought up a very good point; it is something the Board should look at. This is too short of a time frame to look at the issue. Bunek said he will vote no so we will keep thinking about it.

Motion restated by Clerk Crocker.

ROLL CALL: Lautner – YES; Rentenbach – YES; Rushton – YES; Van Pelt – YES; Watkoski – YES; Zemaitis – YES; Bunek – NO.

AYES – 6 NO – 1

MOTION CARRIED.

Resolution: Suttons Bay Downtown Development Authority:

Motion #137-06172014 Regular Session

MOTION BY LAUTNER TO APPROVE LEELANAU COUNTY RESOLUTION #2014-011, RESOLUTION TO EXEMPT LEELANAU COUNTY PROPERTY TAX REVENUES FROM CAPTURE BY THE VILLAGE OF SUTTONS BAY DOWNTOWN DEVELOPMENT AUTHORITY (DDA), AS PRESENTED. SECOND RUSHTON.

Discussion. Chairman Van Pelt asked and Administrator Janik confirmed this covers both the Road Commission and Senior Services. Van Pelt indicated that it is his intent that this be looked at once the DDA is established and review our options. Signing on when nothing has been created is not a good expenditure of taxpayer funds. Commissioner Watkoski added, or have numbers attached to it.

Commissioner Rushton questioned if another type of millage were to be implemented, would that millage be automatically exempt from this DDA? Administrator Janik said he believes the Board would have to make that decision at that time on a new millage, if Suttons Bay passes that DDA. Rushton said any time we would have a future millage, we would have to exempt that in the language? Janik said he and County Treasurer John A. Gallagher III had recently attended a meeting in Gaylord, and there are proposals from the Michigan Association of Counties (MAC) to change the law in terms of DDAs. Currently the process is backwards; some of the changes would include that if there is a new taxing unit or new tax that the unit of government would have the option to opt in or out at that time. If the unit decides to opt in, that unit would have the option to appoint someone to a seat on that DDA. Also, the renewals couldn't happen automatically and if they did choose to renew the DDA, then the units of government could decide whether to opt in or out.

Janik said it is interesting because most DDAs were formed between 1978 through 1994 but it wasn't until 1994 that units of government could opt out. It's misleading to say most units in the State are opting in; it is because most of them did not have the option until 1994. There were over 600 DDAs in the State – most of them were formed during the 1980s. Units of government did not have a choice at that time.

Commissioner Rushton said these authorities become perpetual over time. Discussion followed.

ROLL CALL: Lautner – YES; Rentenbach – YES; Rushton – YES; Van Pelt – YES; Watkoski – YES; Zemaitis – YES; Bunek – YES.
AYES – 7 NO – 0 MOTION CARRIED.

Leland Property Real Estate Contract:

Motion #138-06172014 Regular Session

MOTION BY BUNEK TO APPROVE THE SIGNING OF CONTRACT WITH THREE WEST, WITH THE EXCLUSION OF THE CEDAR STREET PROPERTY ADJACENT TO THE LELAND FIRE HALL. SECOND ZEMAITIS.

Discussion – none.

AYES – 7 (Bunek, Lautner, Rentenbach, Rushton, Van Pelt, Watkoski, Zemaitis)
NO – 0 MOTION CARRIED.

Parks and Recreation Commission – Acceptance of donated bench at Old Settlers County Park:

Motion #139-06172014 Regular Session

MOTION BY BUNEK THAT THE BOARD OF COMMISSIONERS ACCEPT THE DONATION OF THE BINSFELD MEMORIAL BENCH FOR OLD SETTLER’S PARK. SECOND RUSHTON.

Discussion – none.

AYES – 7 (Bunek, Lautner, Rentenbach, Rushton, Van Pelt, Watkoski, Zemaitis)
NO – 0 MOTION CARRIED.

Amendments and Transfers:

Motion #140-06172014 Regular Session

MOTION BY LAUTNER TO APPROVE BUDGET AMENDMENTS #14-006, #14-007, #14-008, #14-009, #14-010 AND #14-011. SECOND ZEMAITIS & RUSHTON.
AYES – 7 (Lautner, Rentenbach, Rushton, Van Pelt, Watkoski, Zemaitis, Bunek)
NO – 0 MOTION CARRIED.

Motion #141-06172014 Regular Session

MOTION BY LAUTNER TO APPROVE FUND TRANSFERS #14-003 & #14-004. SECOND BUNEK.

AYES – 7 (Lautner, Rentenbach, Rushton, Van Pelt, Watkoski, Zemaitis, Bunek)
NO – 0 MOTION CARRIED.

Claims and Accounts:

Motion #142-06172014 Regular Session

MOTION BY LAUTNER TO APPROVE CLAIMS AND ACCOUNTS IN THE AMOUNT OF \$177,739.24. SECOND RENTENBACH.

AYES – 7 (Lautner, Rentenbach, Rushton, Van Pelt, Watkoski, Zemaitis, Bunek)
NO – 0 MOTION CARRIED.

**LEELANAU COUNTY BOARD OF COMMISSIONERS
EXECUTIVE COMMITTEE MEETING – Tuesday, May 13, 2014**

Tentative minutes – meeting recorded.

Meeting called to order by Chairman Tom Van Pelt at 9:00 a.m. Today's meeting is being held at the Government Center, 8527 E. Government Center Drive, Suttons Bay, Michigan.

Chairman Van Pelt asked that all cellular telephones be turned off for the duration of the meeting.

The Pledge of Allegiance to the Flag of the United States of America was led by Chairman Van Pelt, followed by a moment of silence.

Roll Call:	District #1	Jean I. Watkoski	PRESENT
	#2	Debra L. Rushton	PRESENT
	#3	William J. Bunek	PRESENT
	#4	Tom Van Pelt	PRESENT
	#5	Karen Zemaitis	PRESENT
	#6	Carolyn Rentenbach	PRESENT
	#7	Melinda C. Lautner	PRESENT

Guests present.

Communications, Proclamations, Presentations –
Administrator Update:

Administrator Chet Janik provided an old photo from 1958 featuring the Cedar Volunteer Fire Department.

► Janik noted Senior Services Director April Missias welcomed a daughter, Marguerite Coryn, on May 6.

► Janik said in support of an employee with health issues, a "Hat Day" potluck luncheon was held last week at the Government Center and was well-attended.

► Janik thanked the MSU Master Gardener program for the refurbished gardens in front of the Government Center. Master Gardener Matthew Bertrand said Zimmerman and Associates was hired to work on the gardens. They removed the perennials, fixed the grass issue, replanted the perennials and put in some mulch. Bertrand said he will be developing a plan for maintenance of the garden. Janik added Bertrand's budget paid for all costs. Commissioners thanked Bertrand for his efforts. Janik noted the Zimmerman crew was out there all day working on the gardens.

► Law Enforcement Center issues – Janik said he should have a report next month. Consultant Max Strickland has been working on it. There is a 20-degree change in temperatures from one wall to the next.

a 30-day window to work with the Fire Board and Township Board to make a recommendation. The Township would still need to make a decision. Rushton said if we were to extend the agreement, that puts us into January, 2015. We wouldn't be able to do anything with the property until next year. Rushton said she cannot support the extension.

Commissioner Rentenbach said the contract in place goes through June 30. So we could take action at the June meeting. She would value some opinion from Three West as to the value of the property and how this would affect their handling of it.

MOTION BY RENTENBACH TO TABLE THE LELAND TOWNSHIP OPTION REQUEST. SUPPORT LAUTNER.

**Ayes – 6 (Rentenbach, Rushton, Van Pelt, Watkoski, Zemaitis, Lautner)
No – 1 (Bunek) MOTION CARRIED.**

Administrator – Leelanau Conservation 2014 Work Orders:

Administrator Janik said this request is usually presented during the January Board meeting. The Work Orders were approved in the 2014 budget.

MOTION BY LAUTNER TO APPROVE THE 2014 LEELANAU CONSERVATION DISTRICT WORK ORDERS AS PRESENTED:

- **WORK ORDER NO. 1 – CONSERVATION EDUCATION AND TECHNICAL ASSISTANCE IN THE AMOUNT OF \$55,000.00**
- **WORK ORDER NO. 2 – SOIL EROSION AND SEDIMENTATION CONTROL**
- **WORK ORDER NO. 3 – WATER QUALITY MONITORING IN THE AMOUNT OF \$5,000.00**

SECOND RENTENBACH.

Discussion. Commissioner Zemaitis said this brings up the point where we need some kind of calendar so contracts don't keep slipping through the cracks. It is five months later – we have had these since last September, yet we are addressing this now. We really need to work on something. Zemaitis said she would like to manage things a little better. Janik said it does state in the Board's budget rules, that if something is approved during the budget process, it doesn't need to come back to the Board. Discussion followed on budget rules.

**AYES – 7 (Lautner, Rentenbach, Rushton, Van Pelt, Watkoski, Zemaitis, Bunek)
NO – 0 RECOMMENDATION CARRIED.**

Administrator – Suttons Bay Downtown Development Authority Options:

Administrator Janik noted he attended an open house last week with Commissioner Bunek and Treasurer Gallagher. There is no Board action required today. Suttons Bay Village is looking at establishing a DDA (Downtown Development Authority), a separate taxing unit. The DDA would capture any increase in values from 2014, for probably 20 years. It is limited to the a specific area within the Village. Any increase in taxes would stay with the DDA, rather than go to taxing units. They are holding a formal hearing on May 19. They have to take 60 days to make a decision – however, the units of government have to

make a decision within those sixty days. We would have to make a decision prior to the Village decision.

If the Board chooses not to make a decision, we would have to abide by the terms and conditions for the length of the DDA. If we choose to vote no, we can make a change in that decision any time during that 20-year period, and can modify to suit any proposal.

From May 19, this Board has 60 days to decide. There is a question on the Commission on Aging millage, which expired December 31, 2013. The new vote will be on August 5, 2014. The Board needs to make two decisions – whether to participate in the DDA. The Village won't officially vote on the terms and conditions of the DDA until 60 days after May 19.

Chairman Van Pelt asked Janik, does the Village have concurrence with the Township and school system? Janik responded schools are exempt from DDAs. There has been discussion with the Township, and there may be some differences of agreement between the Township and the Village. The DDA affects any unit of government collecting millages, with the exception of schools.

Discussion followed on capture of increases. Janik said if the County Board takes no action, it is automatically bound by the DDA's decision. Commissioner Rushton said Janik had mentioned it could last 20 years. But if there is a long-term project it could extend it longer, correct? Janik affirmed.

Commissioner Bunek said Suttons Bay Village has determined the business district – he has a shaded map of the locations included within the DDA. In addition, the DDA can also ask for a millage of up to two mills, without a vote of the public. DDAs are similar to a Fire Board. They can use the funds for private property and purchase property. They can buy a store and fix it up. It will capture up to 100% of the increase in taxes on these buildings and properties within the district. If the DDA take out a mortgage or loan to buy or fix something up, it will extend the term of the DDA as long as the mortgage is for. Administrator Janik said based on the current proposed boundaries, the County generates about \$57,000.00 in revenue in that proposed district. If any values increase, the County would be frozen at the \$57,000.00. Discussion ensued.

Commissioner Zemaitis said she can't speak for the BATA Board, they are opting out, with the idea that if there are any special projects that would be helpful for transportation, they would opt in for that project only. She thinks if Commissioners look at this and partner on this, we are talking about potentially a lot of money over a 20-year period. We are setting a precedent; what if we get more DDAs? We could be setting ourselves up to lose a lot of tax money.

Commissioner Bunek said the value of property within Suttons Bay Village have been going down consistently for a number of years. The purpose of the DDA is to fix up the buildings, increase the value and increase the revenue. It is their form of an EDC. It is

local money, locally spent. Commissioner Rushton said she understands there is a hotel going in at the former-Silvertree Deli location; that type of growth alone will stimulate the Village. If the DDA goes in prior to the new construction, all those revenues will be lost to the County. Chairman Van Pelt said if major improvements or a special structure is built, how do we get any of that base at all? Janik said that would go with the DDA; we would be frozen at \$57,000.00. Discussion. Bunek said we don't have to go in 100%; if you think the EDC is a good thing, maybe 10% of the County's raise in revenue can go toward the Authority for a smaller timeframe. If we opt out, then we can set the parameters.

Discussion followed on the timeline for the potential establishment of a DDA.

Administrator Janik said he can prepare a legal motion for next week's Regular Session. Discussion followed on procedures in establishing a DDA. Janik said if the Board decides to opt out in June, it doesn't preclude any future decisions, discussions or options.

Commissioner Rushton asked, are all the businesses in that district on board with this idea? If they are not, and this moves forward, where does this leave those business owners? Janik said it is a vote of the Village and Township to establish a DDA. Commissioner Watkoski asked and Janik affirmed the Village Council appoints DDA members as well.

Commissioner Rentenbach said, what is the advantage of opting in? Why would you want to commit to a 20-year commitment? Janik said if they increase the value of the DDA district, it will increase the entire value of the Village and ultimately the Township and County. Janik said as a DDA, they can advertise, promote and market the Village, which the Village cannot do; they can also buy property, fix it up and sell it, while the Village cannot.

Commissioner Rushton asked Administrator Janik to find the law on DDAs. Discussion followed on the legal opinion from Cohl Stoker, the potential district boundaries in the Village and what other counties have done in similar situations. Janik to work with legal counsel to draft a resolution for the next meeting.

Administrator – Award of Vehicle Bids (3):

Executive Assistant Georgia J. Robertson was present along with Administrator Janik. Robertson said the vehicles were advertised on the County's website and through the *Traverse City Record-Eagle* and the *Leelanau Enterprise*. One bidder was the high bid for all three vehicles, and she wants all three.

2020 DDA Actual Tax Capture
and
Potential Capture

A	B	C	D	E	NOTES
Taxing Jurisdiction	Rate	Tax Billed	Actual Capture	Net to Jurisdiction	
Village Operating Funds	0.0091647	169,341.03	5,241.31	164,099.72	
Fire/Rescue Authority	0.0032129	59,366.46	1,837.46	57,529.00	
Total Received - for 2020	0.0123776	228,707.49	7,078.77	221,628.72	Actual amount captured for 2020
Taxing Jurisdiction	Rate	Tax Billed	Potential Capture	Net to Jurisdiction	NOTES
County Road	0.0005	9,238.77	285.95	8,952.81	
County Seniors	0.00032	5,912.81	183.01	5,729.80	
Early Childhood	0.000251	4,637.86	143.55	4,494.31	
BATA	0.0004908	9,068.77	280.69	8,788.08	
SB Twp Allocation	0.0005489	10,142.32	313.92	9,828.40	
Library	0.0004837	8,937.58	276.63	8,660.95	
School Oper FC		0.00	0.00	0.00	
Millage Specials		0.00	0.00	0.00	
Leelanau County	0.0034276	63,333.59	1,960.25	61,373.33	
Total Potential	0.00602	111,271.69	3,443.99	107,827.70	
Total Actual + Potential	0.01840	339,979.18	10,522.77	329,456.41	

Base Value
 17,905,629
2020 Value
 18,477,531
Net Increase
 571,902

Column 'C' = Rate x 2020 Value (18,477,531)
 Column 'D' = Rate x Net Increase (571,902)
 Column 'E' = Tax Billed - Capture (C - D = E)