

DOWNTOWN DEVELOPMENT AUTHORITY/MAIN STREET
CITY OF OTSEGO
ZOOM MEETING
December 14, 2020
7:30 A.M.

A Regular Meeting of the Otsego Downtown Development Authority (D.D.A.)/Main Street Board was held Monday, December 14, 2020.

Chairman Bennett called the meeting to order at 7:35 a.m. with the following members present: Cyndi Trobeck, Stacey Withee, Ben Pobocik, Kim Rayburn, Toby Esterline and Sue Cramer. Absent: Scot Reitenour, and Bruce Meles. Also present: City Manager, Aaron Mitchell; City Finance Director, Matthew Storbeck; Main Street Manager, Kahler Sweeney; and Economic Development Director, Dave Rayman.

APPROVAL OF REGULAR MINUTES

Member Rayburn moved to approve the Regular Minutes of November 9, 2020, seconded by Member Pobocik. CARRIED

TREASURER'S REPORT

Member Pobocik moved to accept the November Treasurer's Report, seconded by Member Withee. CARRIED.

COMMITTEE CHAIR UPDATES

Member Withee, EV Committee – she gave an update on the following: Small Business Saturday – which was well attended, and Member Cramer gave ideas for next year.

Chairman Bennett, Design Committee – he gave an update on the following: Pavilion electric and the continued planning of the future of the riverfront. A conversation took place regarding the closure of Court Street and it was the consensus of the Board that this needs to be discussed further.

Community Engagement Committee – no meeting.

PRESENTATIONS

1. PRESENTATION BY JENNY BOERMAN, EXECUTIVE DIRECTOR OF THE CHAMBER OF COMMERCE

Chairman Bennett gave a brief overview and reason for the contribution that is given yearly to the Chamber from the DDA/Main Street. Ms. Boerman gave a PowerPoint presentation and noted that the Chamber prints the Visitor's Guide which has a dedicated page for strategies and events. She provided the Otsego-Plainwell Area Chamber of Commerce Annual Report for the City of Otsego, dated December 14, 2020, which she stated that the Chamber was in a "good healthy position." Member Cramer stated that she will end her presidency at the Chamber at the end of the month. Member Cramer commented that the biggest and most important things that the Chamber does is networking and communication. At this time, Ms. Boerman gave an overview of new projects the Chamber is wanting to implement. Ms. Boerman answered questions of the Board. The DDA/Main Street contract was a three year contract that ended in 2018, which has not been renewed and the City has one more year remaining on their contract. Ms. Boerman was asked if Otsego Township had ever been asked to contribute to the Chamber.

Chairman Bennett suggested contacting the Townships. City Manager Mitchell asked if the Board had any thoughts on a new agreement and specifically what we are actually paying for. City Manager Mitchell stated that municipalities are not to make donations with taxpayer's money. He stated that the initial two thousand five hundred dollars was to keep the Chamber "afloat". Ms. Boerman asked that the Chamber and City partner together to renegotiate a fee. City Manager Mitchell explained what is appropriate and what is not, and the City will support the Chamber in any way they can, just not financially. Finance Director Storbeck explained that General Services maintains the downtown. Finance Director Storbeck stated that "dues" are illegal between a municipality and a non-professional organization. He also asked where the DDA/MS and the City "dues" were on the Annual Report. Ms. Boerman stated that it was a separate line item. Main Street Manager Sweeney asked if the DDA/MS has different legal status than the City. The "services and reporting" that was specified in the contract were discussed. City Manager Mitchell stated that the contract amount of \$1,000.00, was paid in September. A conversation took place regarding renegotiating with the Chamber.

CONSIDERATIONS

1. CONSIDERATION OF DDA FUNDING TO THE CHAMBER OF COMMERCE

Chairman Bennett stated that discussion will continue at the next meeting in January, to determine the contractual future with the Chamber in 2021 and beyond.

2. CONSIDERATION OF POTENTIAL OFFER FOR SALE OF THE MUSEUM

Chairman Bennett stated that a meeting with the Otsego Area Historical Society had taken place and each party had requests regarding the sale.

A lengthy discussion took place in regards to the sale of the Museum to the Otsego Area Historical Society. The following terms were suggested by the Board and for a Committee to be formed to negotiate the sale.

Terms:

1. Cash Sale Price - \$150,000
2. Removal of all Current Lease/Deed restrictions that pertain particularly to Otsego Area Historical Society (a.k.a Otsego Historical Museum and Otsego Historical Society)
3. Addition of sale restrictions – to include needed approval of DDA/MS Board to sell property, added to the deed restrictions
4. If during the first five (5) years after sale to Otsego Area Historical Society it becomes insolvent and/or cannot pay its bills, fails to use a majority of the building for a "Historical Museum" and perform legitimate fund-raising activities normally associated with a museum, the property at the request of the City of Otsego shall be deeded back to the City of Otsego or Downtown Development Association and cannot during this five year period be sold to any other party/entity.
5. Legal fees and Closing Costs for this transfer to be paid by the Purchaser.
6. After five (5) years of ownership but less than ten (10) years should Otsego Area Historical Society sell said property all proceeds in excess of the purchase price (\$150,000) and after paying all then known debts of the Otsego Area Historical Society plus closing costs of sale shall be shared equally between the City of Otsego/or Downtown Development Association and the Otsego Area Historical Society
7. After ten (10) years of ownership all restrictions are waived - except approval of sale per the deed restriction.
8. Otsego Area Historical Society to give City easement to service power distribution box.

**To be determined after the survey.

9. The City will give an easement for access to the basement. **To be determined after the survey.
10. Otsego Area Historical Society agrees to continue verbal rental to Main Street for \$300 per month plus internet fees until June 30, 2021.
11. Otsego Historical Society agrees to negotiate a reasonable continuance of rent after June 30, 2021, in an amount not to exceed \$300.00 per month. This will be included in the Deed or a ten year contract.
12. Survey shall be at the Purchaser's expense.
13. Sale to be closed on or before 12-31-2020 – which may not be possible until 2021.

On a motion by Member Rayburn, the Terms of Sale and the formation of a Museum Sale Committee – which consists of Chairman Bennett, Member Trobeck, Main Street Manager Sweeney, and City Manager Mitchell were made, seconded by Member Withee. CARRIED.

Chairman Bennett suggested that the meeting with the Otsego Area Historical Society be scheduled as soon as possible, in case a counter offer needs to be made to the terms. Member Trobeck commented that it may be good to have a separate rental agreement for the office space instead of it being a deed restriction.

Member Rayburn left at 8:52 a.m.

DISCUSSION ITEMS

A. PLANNING FOR FUND DEVELOPMENT

Chairman Bennett stated that this discussion will take place at next month's meeting. City Manager Mitchell asked if the DDA/Main Street will be presenting to the City Commission in January. Chairman Bennett stated that they will make a presentation to the City Commission in January or February.

DDA/MAIN STREET MANAGER'S REPORT

DDA/Main Street Manager Sweeney provided a written report.

ECONOMIC DIRECTOR REPORT

Economic Development Director Dave Rayman provided a written report.

MEMBER COMMENTS

None.

PUBLIC COMMENTS

None.

The meeting was adjourned on a motion by Member Withee, seconded by Member Pobocik.
8:52 a.m.

Angela M. Cronen, MMC
City Clerk