

Jim Jesse, Chairman
Aaron Bowron, Vice Chair
Linda Wayne, Treasurer
Al Dimon, Secretary

Mike Ascione, Director
Truman Bicum, Director
Lon Husbands, Director
Alan McCullen, Director
David Ritter, BOC Liaison

The Economic Development Corporation of the County of Kalkaska BOARD OF DIRECTORS AGENDA EXPLANATION

DATE: June 1, 2011
TO: Board of Directors
FROM: Jim Jesse, Chairman
SUBJECT: Explanation of Agenda Items for June 7, 2011 Board Meeting

CALL TO ORDER and ROLL CALL

APPROVAL OF AGENDA

PUBLIC INPUT

APPROVAL OF MINUTES

Approval of Minutes dated May 3, 2011. *Materials submitted for inclusion with the minutes are on file with the recording secretary and County Clerk. Attachments will be provided upon request.*

TREASURER'S REPORT & APPROVAL OF BILLS – Linda Wayne

- *Treasurer's Report for April and May 2011*

TBEDC UPDATE

Update on Village of Kalkaska Master Planning
Robert Richardson and Sarah Lucas with the Northwest Michigan Council of Governments will present the results to this point of the Village of Kalkaska Master Planning meetings.

COMMITTEE REPORTS

Brownfield Taskforce – Aaron Bowron
Consortium Committee – Al Dimon
Executive Committee – Jim Jesse
Funding Committee – Mike Ascione
Loan Committee – Linda Wayne
Personnel Committee – Al Dimon
Public Relations Committee – Aaron Bowron

OLD BUSINESS

- Loan News Release – Linda Wayne
- Kalkaska Chamber Building – Jim Jesse

NEW BUSINESS

- Appointment to the Traverse Bay Economic Development Corporation Board – Jim Jesse
- Current Loan Application – Linda Wayne
- Website Update Loan Application – Linda Wayne
- Appointment to the Kalkaska EDC Board – Al Dimon
Open seats: Frank Pflum & Student Ex Officio – Jordan Gunderson
- DDA Update – Jim Jesse

ADJOURN

**MINUTES OF THE ECONOMIC DEVELOPMENT CORPORATION
OF THE COUNTY OF KALKASKA – BOARD OF DIRECTORS
TUESDAY, MAY 3, 2011– 9:00 A.M.
KALKASKA COUNTY GOVERNMENT CENTER
BOARD OF COMMISSIONERS CHAMBERS**

ATTENDANCE

<u>Directors Present</u>	<u>Directors Absent</u>	<u>TBEDC Staff</u>	<u>BOC County</u>	<u>Public Present</u>
Jim Jesse	Aaron Bowron	<u>Present</u>	<u>Liaison</u>	Doug Luciani
Truman Bicum	Al McCullen	Tino Breithaupt	Commissioner	Penny Hill
Mike Ascione	Linda Wayne		Dave Ritter	Jeff Sieting
Al Dimon				Don Kessel
Lon Husbands			<u>Student Ex-Officio</u>	Ruth Langkawer
			Jordan Gunderson	

CALL TO ORDER and ROLL CALL

Meeting was called to order at 9:00 a.m. by Chairman Jim Jesse. Roll was called. All directors were present with the exception of Aaron Bowron, Al McCullen and Linda Wayne. Jordan Gunderson, the Student Ex-Officio and Kalkaska County Commissioner Dave Ritter were also present.

APPROVAL OF AGENDA

Chairman Jesse requested a motion for the approval of the agenda. Mike Ascione made the motion to approve the agenda as presented, supported by Truman Bicum. All yeas, motion carried. Al Dimon announced that Kalkaska Township received a favorable ruling from its auditor regarding the township's financial support to the Kalkaska County EDC.

APPROVAL OF MINUTES

Chairman Jesse asked if all Board members reviewed the April 5 meeting minutes. He further stated that on page 4 of the minutes under New Business agenda item "Funds from the Board of Commissioners 2011 Budget", that the first reference to the Kalkaska County EDC in line two be changed to the Traverse Bay EDC. Truman Bicum made the motion to approve the minutes from April 5, 2011 as amended. The motion was supported by Al Dimon. All yeas, motion carried.

PUBLIC INPUT

Chairman Jesse asked if there was anyone in the audience who would like to speak under public comment. There was no public comment.

TREASURER'S REPORT AND APPROVAL OF BILLS

Due to the absence of Linda Wayne, the Treasurer's report will be reviewed at the June meeting.

TRAVERSE BAY EDC MONTHLY REPORT

Tino Breithaupt-Senior Vice President of the Traverse City Chamber of Commerce's Traverse Bay EDC provided the board with an update on April retention visits in Kalkaska County.

COMMITTEE REPORTS

Brownfield Taskforce Report – Aaron Bowron: No Report

Consortium Committee – Al Dimon: No Report

Executive Committee – Jim Jesse: No Report.

Funding Committee – Mike Ascione: No Report

Loan Committee – Linda Wayne: No Report

Personnel Committee – Al Dimon: No Report

Public Relations Committee – Aaron Bowron: No Report.

OLD BUSINESS

There were no Old Business items to discuss.

NEW BUSINESS

Frank Pflum Resolution

Chairman Jesse acknowledged the recent passing of Board member Frank Pflum. Frank was a long-standing member of the Kalkaska County EDC Board of Directors. Chairman Jesse further acknowledged the Kalkaska County EDC Resolution acknowledging the dedication and commitment Frank provided to the Kalkaska County EDC and the entire Kalkaska Community. Chairman Jesse requested a moment of silence to honor a remember Mr. Pflum.

Kalkaska Chamber of Commerce Building Proposal

Chairman Jesse introduced Traverse City Area Chamber of Commerce President and CEO, Doug Luciani and asked him to provide an overview on the Greater Kalkaska Chamber of Commerce building. Luciani highlighted the recent history of the Kalkaska Chamber and explained how in 2007, the Kalkaska Chamber dissolved and transferred its assets, except for the building, to the Traverse City Area Chamber of Commerce, at the request of the Kalkaska Chamber. He further explained that a holding corporation had been established and the officers of the holding corporation included Luciani, Patrick Dewey and Don Kessel. In 2007 the Traverse City Area Chamber of Commerce agreed to lease the building from the holding corporation for \$1.00 per year. Luciani further commented on why the Traverse City Area Chamber of Commerce is no longer going to own the building and asked the Kalkaska County EDC Board if they would be interested

in owning the facility. Luciani further stated that the Traverse City Area Chamber of Commerce may lease desk space in the building or develop a kiosk for those individuals or businesses seeking information. The goal is to continue to have the building as an asset for community use. Luciani further explained that a grant has been obtained from Rotary Charities in the amount of \$14,500 for building improvements. These grant funds could be transferred to the new owner to use for building improvements.

Chairman Jesse asked if a Baseline Environmental Assessment (BEA) test had been conducted on the site. The site is a former gas station and three tanks were previously removed. It was estimated that a BEA would cost approximately \$1,500 but also stated that funds do not have to be expended on a BEA if a BEA is not required.

The Village of Kalkaska made a motion in January, 2011 to not take ownership of the building due to some disgruntled residents not wanting the Village to own another facility and incurring additional costs. Penny Hill, Village Manager of Kalkaska indicated that the Village Council is willing to help wherever they can, but they don't want to be the lead agency on determining the building's future.

Chairman Jesse stated that the Kalkaska County EDC could take the building to ensure that there is not another vacant building in downtown Kalkaska. Luciani stated that the transfer of ownership would be clear of all liens and debts to the new building owner. Chairman Jesse indicated that the Kalkaska County EDC's interest is in covering costs and not necessarily generating revenue. It was estimated that annual taxes on the building are approximately \$4,500 per year and that an owner that had tax-exempt status would have its costs reduced by \$4,500.

Mike Ascione asked who would be the key contact for day-to-day and week-to-week operations of the building. It was suggested that a building committee be created to develop a plan for this issue. Ascione further asked if Kalkaska Downtown Development Authority (KDDA) funds could be used for the building's administrative expenses. Chairman Jesse indicated that it was his understanding that the KDDA is still paying bond obligations within this DDA district and scheduled to expire in September, 2011. Chairman Jesse further stated that he doesn't believe the KDDA is interested in the building as they do not have an office, and if they had more revenue they would be interested in having an office and hiring a DDA Director. Chairman Jesse also stated that he has recently been appointed to the KDDA and would be attending his first KDDA Board meeting later that evening.

There was additional discussion about the historical overview of the Kalkaska Chamber of Commerce. Lon Husbands indicated that businesses used to feel appreciated and that they felt like their Chamber abandoned them after the merger with the Traverse City Area Chamber of Commerce. Luciani responded by stating the Kalkaska Chamber was incurring more costs than taking in revenues and reminded everyone that it was the leadership of the Kalkaska Chamber that requested they be acquired by the Traverse City Area Chamber of Commerce. Mike Ascione stated that he believes the products,

programs and services offered by the Traverse City Area Chamber of Commerce are first rate and that Kalkaska County businesses need to realize and understand the value they are receiving in their Chamber membership.

A discussion ensued regarding potential uses of the building. Ideas ranged from having the Kalkaska Arts Council to for-profit companies becoming tenants of the building. Other ideas ranged from creating an arts and crafts incubator, having exhibits such as Ed Lancer's religious artifacts, hosting Travel Michigan information from MEDC, and creating a consignment sales shop. It was suggested that the Kalkaska County EDC, and others, work with the Kalkaska County Board of Commissioners to lower or eliminate taxes, insurance costs, and other associated building costs if the building were to be owned by the Kalkaska County EDC. It was stated that if the County owned the building, tax-exempt status would be automatic.

Chairman Jesse suggested that the next steps should be to study the amount of required annual expenditures for the building to determine the fixed overhead and to identify possible solutions for staffing the building. Luciani estimated that the annual overhead costs at approximately \$6,000 and that the Traverse City Area Chamber of Commerce would commit \$3,000 over two years to help the new building owner absorb overhead costs.

Additional steps that were discussed included making a request to the Village of Kalkaska to reconsider ownership of the building and explore the possibilities of the Kalkaska County EDC owning the facility and acting as the new holding company and having the Village of Kalkaska administer and manage the facility. Chairman Jesse indicated that he asked for a legal opinion from Board member Aaron Bowron, who stated that the Kalkaska County EDC By-Laws do not state that the EDC cannot own a building or asset and that the EDC does not need consent on this issue from the Kalkaska County Board of Commissioners.

It was recommended that a committee be formed to explore all options and that the issues addressed at this meeting be discussed further at upcoming meetings of the Village Council (May 9 and May 23), Kalkaska County Board of Commission (May 11), Kalkaska Downtown Development Authority (May 3 and June 7), and the Kalkaska County EDC (June 7).

ADJOURNMENT

Mike Ascione made a motion to adjourn the meeting. The motion was supported by Lon Husbands. The meeting adjourned at 11:56 am.

Respectfully Submitted,
Tino Breithaupt