

City of Birmingham
Birmingham Shopping District Proceeding
Thursday, October 4, 2018 8 a.m.
The Community House
Birmingham, MI 48009

Minutes of the meeting of the Birmingham Shopping District Board held Thursday, October 4, 2018, at 8 a.m. in The Community House.

1. CALL TO ORDER AND ROLL CALL OF BOARD

PRESENT: Astrein, Eid, Fehan, Hockman, Kay, Pohlod, Quintal, Roberts, Surnow, Valentine

ABSENT: Solomon

ALSO PRESENT:

ADMINISTRATION: Tighe, Brook

2. RECOGNITION OF VISITORS

Ara Darakjian, Brian Shapiro, Glenn Ceresnie, Michael Ceresnie

3. APPROVAL OF MINUTES

MOTION: Motion by Astrein, seconded by Fehan to approve the minutes dated September 6, 2018.

VOTE: Yeas, 10 Nays, 0 Absent, 1

4. BOARD MEMBER COMMENTS

Hockman recognized Glenn Ceresnie, Michael Ceresnie and Brian Shapiro from Ceresnie & Offen Furs for their commitment to the City of Birmingham. The business started in 1946 and moved into Birmingham in 1968. They have been in the same location since. He thanked them for their involvement and support of the downtown Birmingham community.

5. REPORTS

a. FINANCE REPORT – TIGHE

Tighe reported that the balance sheet shows a current balance of \$584,444. She said that we are on track and that there was nothing significant that requires explanation. We are in the second month of the fiscal year.

The cash flow shows a fund balance of \$511,249, which is typical this time of year.

b. EXECUTIVE DIRECTOR REPORT - TIGHE

There was no report.

c. COMMITTEE REPORTS:

SPECIAL EVENTS - ASTREIN

Astrein shared that Small Business Saturday is November 24th and that we will be welcoming Santa to Birmingham that morning. Santa will lead a walk around the downtown area. There will be Santa hats for kids and other activities. There will also be a tent at Maple & Old Woodward that will distribute Birmingham Bonus Bucks.

The Holiday Tree Lighting will take place on November 30th at the Winter Markt. Roop Raj from Fox 2 will be the emcee. We will, once again, have a window-decorating contest for merchants.

The Farmers Market wraps up its season this month. Sunday, October 28th is the End of Season Celebration.

MARKETING & ADVERTISING - POHLOD

Hockman congratulated Pohlod and the committee for doing a phenomenal job on the magazine.

Valentine agreed and said that he thought that there were great shots of the new streetscape downtown.

Pohlod shared that the committee would like to update the Visitors' Guide. They are looking at layouts from other cities, as they would like to make it a more user-friendly layout. Fehan asked if there is a target date for production. Pohlod said that they do not currently have one, but she does not expect it to be a long turn around. Fehan suggested trying to have them ready before the holidays.

Pohlod said that they are looking at changing fund allocations for holiday marketing, as television is not as popular now. They are looking at the best use of money and the ROI. They will be putting together a more formal marketing strategy to make sure that everything is being looked at.

She also mentioned that they have already done the photo shoot for the holiday magazine and that the model is a Birmingham resident.

MAINTENANCE/CAPITAL IMPROVEMENTS - QUINTAL

Quintal shared that they are planning to have a new lighting feature in the park – arches over some of the sidewalks. He also explained that, due to work being done on the Merrillwood Building, the lights over Merrill Street would go up later than usual. Fehan pointed out that they are up for 3 months, not just for the holidays.

BUSINESS DEVELOPMENT - TIGHE

Tighe reported that a Birmingham resident, Mike McKenzie, reached out to the committee with ideas of stores that might be a good fit. He attended the last meeting to share his thoughts. He has now applied to be a part of the committee.

Oakland County presented about Main Street Oakland County. The BSD is currently a Silver Level participant.

The committee also feels strongly that we should do Birmingham Bonus Bucks on Small Business Saturday and will work with other committees to implement them.

The group continues to go after retailers on their list and currently have one hot lead that has gone on property tours and there are still some warm leads.

Quintal said that he thinks that it would be good to use the resources offered by Oakland County's retail consultant.

Valentine disagreed and said that he feels we should do it on our own and not rely on the County. He thinks that we need to develop a strategy to take the lead, and not depend on someone else.

Quintal said that he would not rely solely on them, but it is another avenue to pursue and there are no real costs. We do not have to give up anything else. Fehan shared that Royal Oak and Ferndale are relying solely on Oakland County and that he does not think that would be a good idea.

Hockman suggested that the discussion is taken back to the committee level.

Valentine said that if we are serious, then we need to develop our own strategy. We want to use existing leadership and not take a backseat. This is a bigger discussion of where we go after Buxton. We need to be a leader and take charge of our destiny – not a follower.

Pohlod said that we still have opportunities in the pipeline and in discussion. Several of those came through meetings at ICSC, which shows how important it was for Tighe to attend the conference.

Tighe shared that some retailers on our list are cold calls. Therefore, she put together gift packages of Michigan swag from our local stores. There was a card in each that highlighted the big name stores located in Birmingham. The packages were sent to CEOs and real estate teams. Within a week, she received responses from two people who had not responded to her previous calls.

EXECUTIVE BOARD REPORT - HOCKMAN

There was no report.

d. PARKING REPORT - VALENTINE

Valentine said that they there was nothing unusual to report. Recommendations from the consultant have been adopted by the committee and will be going to commission to get approval. The assistant city manager will be at the meeting next month to give an update.

He noted that Lot 12 at Woodward and Maple has 125 spaces. They sold 138 monthly passes and have found that, on a regular basis, there are ten cars parked in that lot. The committee authorized the sale of an additional 75 passes.

Fehan wants to make sure that merchants know that the Parking Advisory Committee is a group that is open to new ideas and they are taking action and making progress.

e. CHAMBER REPORT

There was no report from the Chamber.

f. COMMUNITY HOUSE REPORT

There was no report from The Community House.

6. APPROVAL OF VOUCHERS

MOTION: Motion by Fehan, seconded by Astrein to approve the vouchers, as submitted, dated October 4, 2018.

VOTE: Yeas, 10 Nays, 0 Absent, 1

7. UNFINISHED BUSINESS

a. Request to Set BSD Rate and Public Hearing Dates

Hockman explained that comments from the board were taken into consideration when the new recommendation was developed.

Tighe reminded the board that, in order for a renewal to go through the commission process in time, a decision is needed today. As a review, she gave a brief overview of the BSD and its initiatives and again shared that there are two districts within the BSD – District 1, the heart of downtown, and District 1A, the periphery.

Currently, the assessment rates (per square foot) are – District 1 first floor – 49.4¢, 2nd floor and above – 19.6¢ for District 1A first floor - 24.7¢ and 9.6¢ for 2nd and 3rd floors. These rates have been the same for the last 10 years.

When the act was created in 1992, there was a cap of \$10,000 per building. The cap has been raised every year with inflation and is currently at \$15,517.

The Executive Committee looked at history, forecasted needs, incorporated costs of inflation and kept in mind the upcoming construction.

The Pave the Way program during construction was a huge success. Birmingham Bonus Bucks (BBB) showed \$1,047,691 in spending from receipts submitted to earn BBBs and there were over 15,300 valet users. Therefore, they would like to see this continue for other phases of construction.

Budget analysis was done with a goal of keeping a fund balance of \$600,000. The proposal made at the last meeting was to not increase rates for first floor retail as we want to stay competitive and other levels benefit from the work of the BSD. Therefore, the increase would hit the higher floors. First floor businesses were also hit harder by construction.

At the board meeting the discussion, suggestions were made that included: implementing reductions in operations budget; maintaining a fund balance of \$500,000 instead of \$600,000; maintaining funding for construction initiatives; the possibility of taxing residential properties. Checking with our attorney confirmed that state law does not allow taxing residential property within the BSD.

The new proposal implements the \$500,000 fund balance, keeping funding for construction initiatives, and an operational budget reduction. The new proposed assessment rates would have the first floor remain at the same rate as today and for 2nd and 3rd floors to increase to 34.6¢ for District 1 and 17.3¢ for District 1A.

MOTION: Motion by Astrein, seconded by Fehan to request that the assessment rates for those properties that are not capped by State law to be set to:

Birmingham Shopping District Assessment Rates 2018-2022

	District 1		District 1A	
YEAR	1 st Story	2 nd Story	1 st Story	2 nd Story
2018-19	\$.494 (49.4 cents/sq. ft.)	\$.346 (34.6 cents/sq. ft.)	\$.247 (24.7 cents/sq. ft.)	\$.173 (17.3 cents/sq. ft.)
2019-20	\$.494 (49.4 cents/sq. ft.)	\$.346 (34.6 cents/sq. ft.)	\$.247 (24.7 cents/sq. ft.)	\$.173 (17.3 cents/sq. ft.)
2020-21	\$.494 (49.4 cents/sq. ft.)	\$.346 (34.6 cents/sq. ft.)	\$.247 (24.7 cents/sq. ft.)	\$.173 (17.3 cents/sq. ft.)
2021-22	\$.494 (49.4 cents/sq. ft.)	\$.346 (34.6 cents/sq. ft.)	\$.247 (24.7 cents/sq. ft.)	\$.173 (17.3 cents/sq. ft.)

* BSD Rate will be held at the same rate for all four years. Subsequent increases to the max/property will be tied to the Detroit Consumer Price Index (MCL 125.985(4)).

Further, to request that the City Commission set dates for a Public Hearing of Necessity for October 29, 2018 and a Public Hearing of Confirmation of Assessment Rolls for November 12, 2018 for the Birmingham Shopping District.

Quintal said that he appreciates the effort but would have preferred a gradual increase. Hockman pointed out that this is over a 20% reduction from the first proposal.

Fehan said that sometimes waiting ten years is not a benefit and we should look at this going forward due to long term leases.

Darakjian suggested using the CPI to raise the assessment gradually each year.

Hockman encouraged board members to attend the commission meeting. Quintal asked if there are any thoughts of expanding the District. Hockman explained that that is not possible in the short term. It is a process and is something that should be looked at in long range planning.

The Commission sets the District perimeter. Fehan said that there are guidelines to what a “downtown” is. Therefore, there may need to be additional legislation.

VOTE: Yeas, 9 Nays, 1 (Quintal) Absent, 1

8. NEW BUSINESS

- a. Request to approve Santa agreements with Randy Lee, Allen Hyland, Jim Tait, Daniel Suttikus

MOTION: By Astrein, seconded by Valentine to approve the Santa Claus agreements with Randy Lee, Allen Hyland, Jim Tait, and Daniel Suttikus for Santa Claus performances during the 2018 holiday season, conditional upon receipt of signatures and insurance from respective performers.

Fehan thanked the staff team for not using an agency to secure Santa this year. He said that this resulted in a significant cost reduction and higher quality Santas.

VOTE: Yeas, 10 Nays, 0 Absent, 1

b. Request to approve agreement with Top Hats and Tails Carriage Rides

MOTION: By Astrein, seconded by Quintal to approve the agreement with Top Hats and Tails Carriage Company for horse carriage service for the 2018 holiday season, conditional upon receipt of signatures and insurance from contractor.

VOTE: Yeas, 10 Nays, 0 Absent, 1

c. Request to approve Winter Markt Tent Agreement

MOTION: By Astrein, seconded by Valentine to approve the agreement with Hotz Catering & Rental for Winter Markt Tents for the 2018 Winter Markt, conditional upon receipt of signatures and insurance from contractor.

VOTE: Yeas, 10 Nays, 0 Absent, 1

d. BSD Committee Membership Approval

MOTION: By Quintal, seconded by Valentine to approve the BSD Committee application for Mike McKenzie to join the Business Development Committee.

VOTE: Yeas, 10 Nays, 0 Absent, 1

9. INFORMATION

a. Retail Activity

b. Announcements

c. Letters, Board Attendance & Monthly Meeting Schedule

10. PUBLIC COMMENTS

Astrein mentioned an article in Crain's that talked about trends. He said that everyone is trying to copy downtown Birmingham. He feels that that is interesting for recruitment and that we are ahead of the curve. Malls are not being developed anymore and it is important to toot our own horn.

Valentine agreed and wants to stay on top. He said that we need to keep working at it. Hockman said that working with parking and having valet year round and other improvements will help.

Fehan shared that he attended the Farmers Market last weekend and was very impressed. He said that it is obvious that a lot of work goes into the planning of the market and it does not go unnoticed.

Astrein reported that every day someone comments to him about the improved streetscape and gave kudos to the City.

11. ADJOURNMENT – 8:52 A.M.

Respectfully submitted,
Jaimi Brook (back-up notes on file)