

# City of Mt. Pleasant, Michigan

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## Mission-Pickard Downtown Development Authority (DDA)

### MINUTES OF THE REGULAR MEETING October 13, 2022—10:00 AM

#### I. Call to Order

Neither the Chair nor Vice-Chair were present. Aaron Desentz was unanimously nominated to act as Chair for the meeting. Desentz called the meeting to order at 10:04 am.

**Present:** Aaron Desentz, Jerry Jaloszynski (for Nicole Frost), Tom Krapohl, Doug LaBelle II, Robby Roberts, Robert VanDorin

**Absent:** John Hunter (Vice Chair), Jeff Smith (Chair)

**Also attending:** (Staff): Mary Ann Kornexl, William Mrdeza, Michelle Sponseller

#### II. Approval of Agenda

It was moved by VanDorin, Seconded by Krapohl, to approve the agenda as presented. **The motion passed unanimously.**

#### III. Approval of the May 12, 2022 and September 8, 2022 Meeting Minutes

It was moved by Jaloszynski, seconded by Krapohl, to approve the May 12 and September 8, 2022 meeting minutes as presented. **The motion passed unanimously.**

#### IV. Old and New Business

##### A. Overview of DDA Activities per Informational Meeting Requirements

This meeting served as the second of two required public informational meetings for tax capture districts as required by state statute. Mrdeza presented an overview of previous as well as anticipated future DDA activities and provided a recap of the status of the Mission Street corridor project for those members who missed that discussion at the September meeting. Desentz indicated that MDOT might be willing to consider using some traffic safety funding for some interim projects that included assessing safety issues and considering projects around those findings.

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## **B. Recommend Approval of the Final 2022 Amended Budget for the Downtown Development Authority**

Kornexl reviewed the final amended budget. Due to several pending cases before the Michigan Tax Tribunal, she recommended keeping the potential \$10,000 impact those cases might have as reflected in the Working Capital Sources line item. Kornexl also indicated a reduction in Pedestrian and Traffic Safety line item to account for the loss of MDOT corridor study money in 2023. The \$15,000 remaining in that line item represents the amount of the McKenna contract to work with the City on that project. Based on the above adjustments, the amount assigned for Pedestrian and Traffic Safety at the end of 2022 is \$1,178,813. It was moved by VanDorin, seconded by Roberts, to approve the final 2022 amended DDA budget as presented. **The motion passed unanimously.**

## **C. Development Liquor License Boundary to Include All of the DDA District**

Mrdeza introduced Michelle Sponseller, the City's Downtown Development Director, to discuss the expansion of the Development Liquor License boundary area to include all of the DDA district. Sponseller explained that Development Liquor Licenses are an alternative to quota licenses in certain instances where certain conditions are met and may allow a business to obtain a liquor license in instances where quota licenses are not available. One requirement of Development Liquor Licenses is that the business must be located in a specific type of business district listed by state statute (such as a DDA) or in a city-defined redevelopment area. Previously the Development District boundary only included the northern portion of the DDA district; by expanding the boundary, the entire district would benefit by offering this type of license opportunity which could lead to additional investment. DDA members were supportive of the change in boundaries and the potential benefit that could result.

## **D. Proposed Expansion of the Obsolete Property Rehabilitation Act (OPRA) and Neighborhood Enterprise Zone (NEZ) Boundaries to Include the DDA District**

Downtown Development Director Sponseller next discussed the OPRA and NEZ programs and indicated that these programs were also being considered to be applied more widely throughout the City, including the DDA District. Of the two, the OPRA program would most likely be a better fit for the DDA. Under an OPRA, a contaminated, functionally obsolete, or blighted property that is proposed for rehabilitation could have its taxes frozen at their current level for up to twelve years in order to encourage rehabilitation and new investment; after that initial period, the property would then be taxed at the current value of the property after the improvements were made. Only qualified properties located in an established OPRA district would qualify for such assistance. This could be another tool to encourage investment in the DDA if such a district was created that included the DDA



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boundaries. The Neighborhood Enterprise Zone might have applicability in the district if coupled with a mixed use project, but was more geared toward housing-related projects. OPRAs have been used to renovate the former Post Office building on Michigan and University and City Hall.

After additional discussion, the Board was supportive of the OPRA program as a potential tool to encourage investment in the district. Staff will keep the Board informed on further developments regarding expanding the boundaries of either of these two additional programs.

## V. Public Comments

There were no public comments received or offered.

## VI. Other Business

There was no Other Business to come before the Board.

## VII. Adjourn

There being no other business, **the meeting was adjourned at 10:40 am.**