

A G E N D A

NORTHERN NEXUS
(Grand Traverse Next Michigan Development Corporation)

Thursday, August 28, 2014 – 1:30 p.m.
Governmental Center, 400 Boardman Avenue
Second Floor – Commission Chambers
Traverse City, MI 49684

1. ORDER OF BUSINESS

- a. Approval of June 26, 2014 Minutes1-2

2. PUBLIC COMMENT/INPUT

Any person shall be permitted to address a meeting of the Grand Traverse Next Michigan Development Corporation (NMDC), which is required to be open to the public under the provisions of the Michigan Open Meetings Act, as amended. (MCLA 15.261, et. seq.) Public comment shall be carried out in accordance with the following Rules and Procedures:

- Any person wishing to address the NMDC shall state his or her name and address.
- Persons may address the NMDC on matters, which are relevant to NMDC issues.
- No person shall be allowed to speak more than once on the same matter, excluding time needed to answer NMDC questions. The Chairperson shall control the amount of time each person shall be allowed to speak, which shall not exceed three (3) minutes; except as follows:
 - › Chairperson may, at his or her discretion, extend the amount of time any person is allowed to speak.
 - › Whenever a group wishes to address the NMDC, the Chairperson may require that the group designate a spokesperson; the Chairperson shall control the amount of time the spokesperson shall be allowed to speak, which shall not exceed fifteen (15) minutes.

3. REPORTS / Receive and File Communications

- a. Staff Update on Projects3-11

4. PUBLIC COMMENT/INPUT

Refer to Rules under PUBLIC COMMENT/INPUT above.

5. NOTICES

6. ADJOURNMENT

NORTHERN NEXUS
Grand Traverse County Next Michigan Development Corporation

June 26, 2014

Chair Korn called the meeting to order at 1:49 p.m. in the Commission Chambers located in the Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

MEMBERS PRESENT: Jeanine Easterday, Chuck Korn and Herb Lemcool

STAFF PRESENT: Marcia Carmoney, Jean Derenzy and John Sych

OTHERS PRESENT: Tom Menzel, Gail Parsons and Ann Pearsall

EXCUSED Glen Lile and Patrick Pahl

APPROVAL OF MINUTES

Moved by Easterday, seconded by Lemcool to approve the May 29, 2014 NMDC minutes as presented. **Approved unanimously.**

PUBLIC COMMENT

None

STAFF REVIEW OF ABATEMENT REQUEST

As outlined by Derenzy, Quantum Sails has provided an application for consideration of personal property tax abatement. The company invested \$382,000 into new equipment this year and anticipates 8 new jobs will be created. The abatement value is anticipated to be \$12,207.97 over a 3-year period.

PUBLIC HEARING – QUANTUM SAILS REQUEST FOR ABATEMENT

Korn opened the Public Hearing at 1:59 p.m.

Tom Menzel, Executive Director for Bay Area Transportation Authority – support abatement
Gail Parsons, Interim Director for Traverse Area District Library – support abatement

Korn closed the Public Hearing at 2:01 p.m.

Moved by Lemcool, seconded by Easterday that based on the above outlined information, Quantum Sails meets the threshold of positive impact and is recommended to be granted a 3-year personal property abatement. **Approved unanimously.**

PUBLIC COMMENT

Gail Parsons thanked Derenzy for sending the information about the hearing.

NOTICES

None

ADJOURNMENT

Meeting adjourned at 2:08 p.m.

Chuck Korn, Chair

Northern Nexus Board

SUBJECT: Update on Projects and Next Steps
FROM: Jean Derenzy & John Sych
FOR MEETING DATE: August 28, 2014

SUMMARY OF ITEM PRESENTED

Current Business Project: Staff has received our second request for consideration of tax abatement. This would be new construction, current business that is expanding. I will be working with the private business and will keep Board apprised of anticipated timeframe.

Projects being Worked On through Strategic Plan and Community Development There are two attachments for your reference, 1) Strategic Plan developed from the January 23 2014 discussion and 2) Community Development Agreement (CDA). Both documents are inter-related, with the Northern Nexus being referenced within the CDA.

Within the Strategy Plan this Board identified the need to discuss the need, effectiveness, importance, of an Economic Development Organization and the development of an economic strategy. When reporting to the various Boards, I indicated that the difficulty in working on economic development is the lack of any cohesive strategy on economic development. The inter-relationship between private and public and supporting one another is needed to retain our current businesses first and market our community for new businesses coming into our area.

The next component and part of the economic strategy is the continuation of discussion with all of the taxing units. As Board members are aware, we (being the Board) have been effective in convening the taxing units and discussing economics in our area and how to move that forward **together**.

For Northern Nexus Board, we believe the next step is to re-engage the taxing jurisdictions to first bring them up to date and ask for their input on the development of an economic strategy. We believe the goal of an LDFA will be moved to 2015 or 2016 or until after the economic strategy has been recognized to determine if the LDFA under Northern Nexus is the model to proceed with for infrastructure.

Input from Board members is appreciated both on the Strategic Plan and how staff is implementing several of those goals.

DRAFT Grand Traverse Region Next Michigan Development Corporation Strategic Plan

Based on the planning discussion January 23, 2014

Goals for 2014	What	Who	Value
Local Development Finance Authority	Coordination with taxing jurisdictions and implementation (financing) of the LDFA for the construction and improvement of public infrastructure (roads, water, sewer, etc.)	- Taxing jurisdictions - Transportation agencies - Businesses - Utilities	- New infrastructure benefits businesses and community - Supports/incentivizes new commercial/industrial investment - Taxing jurisdictions are part of a partnership and/or engaged in economic development
Abatement/Renaissance Zones	Coordination with taxing jurisdictions and implementation (managing, monitoring) of abatements and renaissance zones based upon adopted policy	- Taxing jurisdictions - Businesses	- Supports job creation - Taxing jurisdictions are part of a partnership and/or engaged in economic development
Impact Analysis/Regional Economic Models, Inc. (REMI)	Conduct economic impact analysis, economic projections and trends, and economic impact scenario planning utilizing the REMI model with NMC	- Taxing jurisdictions - Businesses - Public	- Builds support and understanding of economic development projects - Clear understanding of the impact of projects on the community
Marketing/Communications	Market community assets to existing businesses and prospective businesses	Businesses	- New investment - New job creation - Stronger local economy
	Illustrate economic development concepts (i.e., TIF, etc.); Convey benefits of economic development (i.e., increased jobs, increased land value, increased tax base = better services, etc.)	Public	- Improved community understanding of economic development efforts - Increased support for economic development projects
Redevelopment Ready Certification (RRC)	Ongoing communication with taxing jurisdictions on economic development	Taxing jurisdictions	- More effective response and support for economic development projects
	State certification for cities and townships that increases priority access to MEDC and MSHDA programs	- City of Traverse City for 2014	- Access to state resources - Market redevelopment properties - Provide business friendly environment
Ongoing Strategic Discussions	Conduct discussions with other entities to improve coordination and collaboration for economic development	January 23 meeting attendees Those are who were not there – Airport, Agriculture, Other Taxing Jurisdictions, Education – Training for Business, Business Atlas/REC, State of Michigan, etc.	- Improved economic development efforts

Goals for beyond 2014	What	Who	Value
"Public Welcoming Team"	<ul style="list-style-type: none"> - Create an ad hoc team to respond to larger economic development projects by providing a more coordinated approach to meet the needs of a project - Team membership is adjusted based on the needs of the project 	<ul style="list-style-type: none"> - Elected Officials - Staff - Other Organization Reps 	<ul style="list-style-type: none"> - Improved communication between economic development organizations - More efficient, timely services to project needs - Demonstrates community interest and support
One-on-One Discussions with Company Representatives	<ul style="list-style-type: none"> - Meet with various company representatives to learn about challenges and opportunities 	<ul style="list-style-type: none"> - Staff 	<ul style="list-style-type: none"> - Understanding how companies operate - Improved delivery of economic development services
Redevelopment Ready Certification (RRC)	<ul style="list-style-type: none"> - State certification for cities and townships that increases priority access to MEDC and MSHDA programs 	<ul style="list-style-type: none"> - Garfield, Blair and East Bay Townships 	<ul style="list-style-type: none"> - Access to state resources - Market redevelopment properties - Provide business friendly environment
Visual Diagram/Map of the Economic Development Organizations and Partnerships	<ul style="list-style-type: none"> - List taxing jurisdictions, economic development organizations and partnerships - Identify connections between them including any formal partnerships 	<ul style="list-style-type: none"> - NMDC Board - Taxing jurisdictions - Economic development organizations and partnerships 	<ul style="list-style-type: none"> - All jurisdictions and economic development organizations have an understanding of who is engaged in economic development
Economic Development Organizations (EDO) Exploratory Discussions	<ul style="list-style-type: none"> - Facilitate discussions on what an EDO is and how an effective EDO can improve our community - Develop economic development strategy 	<ul style="list-style-type: none"> - NMDC Board - Organizations with interest in economic development 	<ul style="list-style-type: none"> - Economic development strategy provides direction for entire community - Builds foundation for a new EDO

COMMUNITY DEVELOPMENT SERVICES AGREEMENT

THIS AGREEMENT made the _____ day of _____, 2014, by and between **CITY OF TRAVERSE CITY**, a Michigan municipal corporation, of 400 Boardman Avenue, Traverse City, Michigan 49684, (the "City") the **DOWNTOWN DEVELOPMENT AUTHORITY**, a Michigan authority, 303 East State Street, Suite C, PO Box 42, Traverse City, Michigan, 49685 (the "DDA"), and the **COUNTY OF GRAND TRAVERSE**, a Michigan corporation, of 400 Boardman Avenue, Traverse City, Michigan (49684), (the "County");

WITNESSETH

WHEREAS, the City is authorized to plan for economic development within the City in the interest of the public health, safety and welfare; and

WHEREAS, the DDA is authorized under the Downtown Development Authority Act, MCL 125.1651 *et seq* (the "Act") to study and analyze the impacts of metropolitan growth on the downtown districts (the "Districts") and develop long-range plans designed to halt the deterioration of property values in the Districts and to promote the economic growth of the Districts; and

WHEREAS, the County, through its Department of Planning and Development, is authorized to plan for economic development within the County in the interest of the public health, safety and welfare; and

WHEREAS, the DDA, the City, and the County may make and enter into contracts necessary or incidental to accomplish this purpose; and

WHEREAS, the public and future downtown, City, and County development are served by the County providing the City and the DDA with community development services as set forth herein; and

WHEREAS, this Agreement is entered into pursuant to the Intergovernmental Contracts between Municipal Corporations Act, MCL 124.1 *et seq*.

NOW THEREFORE, the City, the DDA, and the County agree as follows:

1. Scope of Services. The County shall provide the services set forth in Attachment A, attached hereto and made a part hereof, through its Planning and Development Department to the City and the DDA (the "Services"), which services may from time to time be amended by the parties.

2. Term. The term of this Agreement shall be 3 years from the date of this Agreement. Thereafter, the term of this Agreement may be extended by mutual agreement for an additional period as may be agreed by the parties.

3. Compensation. Each party to this Agreement shall contribute an amount of ten thousand dollars (\$10,000.00) annually during the term of this Agreement. For any additional term, compensation shall be in an amount as determined by the parties by mutual agreement.

4. No Transfer. No transfer of personnel, ownership of personal or real property, leases, or contracts is intended by this Agreement. The relationship of the parties is that of an independent contractor and in accordance therewith, the parties covenant and agree to conduct themselves consistent with such status and that neither the parties nor their employees, officers or agents will claim to be an officer, employee or agent of the other or make any claim, demand or application to or for any rights or privileges applicable to any officer or employee of same, including but not limited to worker's compensation coverage, unemployment insurance benefits, social security coverage, or retirement membership or credit. The parties do not intend the services provided by the County to be a joint venture.

5. Non Discrimination. The parties agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, sexual orientation, handicapped status, or marital status. Breach of this covenant may be regarded as a material breach of this Agreement. The parties additionally agree not to discriminate on the above basis in their administration of this Agreement.

6. Termination. Any party may terminate this Agreement in whole or in part whenever the parties determine that termination is in their best interest upon 30 days written notice to the other parties. Upon termination, the County shall be entitled to and the City and the DDA shall pay the costs actually incurred in compliance with this Agreement up to the date of termination.

7. Failure to Enforce. Failure by the parties at any time to enforce any provision of this Agreement shall not be construed as a waiver of any such provisions. Such failure to enforce shall not affect the validity of the Agreement or any part thereof, or the right of the parties to enforce any provision at any time in accordance with its terms.

8. Dispute Resolution. If any party has a dispute with another regarding the meaning, operation or enforcement of this Agreement any provision of this Agreement, the disputing parties agree to meet and confer to negotiate a resolution of the dispute. They further agree if they are unable to resolve the dispute themselves and before formally instituting any other dispute mechanism, they shall utilize the services of a mutually acceptable neutral mediator, who meets the qualifications of MCR 2.411, to bring them together in at least one mediation session.

9. Third Party Beneficiaries. This Agreement confers no rights or remedies on any third party, other than the parties to this Agreement and their respective successors and permitted assigns.

10. Digital Signatures. The parties hereto acknowledge and agree under the Uniform Electronic Transactions Act, MCL 450.832, et seq. that this Agreement may be executed with the electronic signature of any person authorized and required to sign on behalf of the parties hereto.

11. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute the same instrument.

12. Entire Agreement. This Agreement, together with all the items incorporated herein by reference constitutes the entire agreement of the parties and there are no valid promises, conditions or understandings that are not contained herein.

CITY OF TRAVERSE CITY

Michael Estes, Mayor

Benjamin C. Marentette, City Clerk

DOWNTOWN DEVELOPMENT AUTHORITY

, Chairperson

, Secretary

GRAND TRAVERSE COUNTY

Herb Lemcool,, Chair

Bonnie Scheele, Clerk

Approved as to Substance:

Jered Ottenwess, City Manager

Rob Bacigalupi, DDA Executive Director

Dave Benda, County Administrator

Approved as to Form:

Lauren Tribble-Laucht, City Attorney/General Counsel

Robert Cooney, General Civil Counsel

COMMUNITY DEVELOPMENT

SCOPE OF SERVICES

Concepts and Approaches

Pursue economic development initiatives to spur job growth, increase income for local residents, raise property values, and expand the tax base.

These services as outlined may be revised or amended from time to time as agreed upon by the parties.

Approaches to Public-Sector Economic Development

Implementation Tasks

Developments within DDA District: Work with private developers on existing and new plan concepts / new investment within the DDA and management of these projects. These services will include working with developers to review development plans and recommend public economic tools needed, including Brownfield, Land Bank, Northern Nexus (formerly known as Next Michigan), etc. Work will be coordinated with DDA Director to achieve success to implement capital plan/master plan goals for public infrastructure. Coordinate activities and develop Plan that identifies joint ventures between DDA, State and other entities.

City Wide Development: Work with City Planning Commission, City Commission and County Board to develop an implementation plan for the established transportation corridors. It is the intent that the initial corridors where work will be focused are identified in Exhibit 1, attached hereto and made a part hereof, (the "Corridors"). The Corridors may be modified from time to time depending on need, opportunity, and benefit as determine by the parties.

Economic tools will include, but not be limited to, Land Bank (Land assembling strategic property purchases), Brownfield, and Northern Nexus (formerly known as Next Michigan) (utilizing the Local Development Financing Authority {LDFA} tool through Northern Nexus (formerly known as Next Michigan). These corridors are recognized as neighborhood mixed-use districts that provide residents with goods and services that tie into downtown.

Develop Economic Strategic Plan: This Strategic Plan will identify the values of the community, realize the limits of government and establish joint ventures to implement economic opportunities; work to support long term jobs for Grand Traverse County residents and reinforce the County's key role in the regional economy; reinforce the message that businesses are a vital part of the community; support growth of local businesses, both small and large, in technology and non-tech fields; leverage the assets of higher education to build economic opportunities; and create a County for the next generation. Support investment in our community that creates new jobs; enhance commercial districts that provide residents with goods and services for the neighborhood(s) (ties directly back to the

Implementation of Corridors); and cultivate an entrepreneurial and academic environment that fosters innovation and the encouragement to grow the cultural assets and entertainment activities that attract visitors and conventions.

The above outlined activities are identifiably broad with components that can, and should be, drawn out as strategies to implement the broad goal(s) of each category. It is also recommended that on a yearly basis that a report be provided to be able to see how the activities have obtained results. It is by this measurement that boards, committees, councils and staff can implement new (change) strategies to help with the implementation of goals.

Economic Development Organization (EDO) A result of the Economic Development Strategy may be the identification of an EDO to market and promote the County and region. This may include examining a variety of possible models; identifying additional community partners; making a recommendation and outlining the process for achieving this goal, if adopted.

Establish Executive Team from all taxing jurisdictions: Team will focus on TIF Policy, and assist in the coordination of “opting in” with new LDFA and/or any TIF program expansion. Team will be comprised of representatives from other tax-supported governmental units within the region. This team is critical to achieve successful implementation of any future TIF being LDFA or DDA and support from the local taxing jurisdictions, having leaders from each of the organizations is important to ensure communication is sent back to respective boards.

Management Tasks

Maintain Communications Between Staff Participation in meetings with DDA Director, City Manager, County Administrator.

Provide Regular Updates to Boards and Commissions

Measuring Results of Project Progress

It is important that plans/projects have tangible outputs that can be benchmarked and measured. Useful data includes labor statistics, retail sales, tax revenue changes, commercial occupancy rates, property and rent values, and the total number of new business starts. In addition surveys to track consumer and investor opinions should be utilized to provide feedback to policy makers. County will work with DDA and City to benchmark and measure success.