

DOWNTOWN DEVELOPMENT AUTHORITY (DDA) WORK SESSION
WEDNESDAY, NOVEMBER 12, 2025 – 3:00 PM
CHAMBER OF BUCHANAN CITY HALL - 302 N REDBUD TRAIL, BUCHANAN MI

MINUTES

I. Call to Order

The meeting was called to order at 3:10 PM by Vice-Chair Joseph Williams.

II. Pledge of Allegiance

The Pledge of Allegiance was recited.

III. Roll Call

PRESENT: Vice Chair Joseph Williams, Treasurer Fran Terry (3:53 PM), Julie Capron, Sidney Finan, Mayor Mark Weedon, Michael Reed

CITY STAFF: City Manager, Tony McGhee; City Clerk, Kalla Langston; City Bookkeeper, Courtney Baham

GUEST: Dan Fette, Berrien County Community Development Director

IV. Public Comments- Agenda items

None.

V. New Business

A. DDA Work Session Items

1) Review the purpose of the DDA

Fetter reaffirmed that the DDA is intended to halt and prevent deterioration of property values within the downtown district by promoting increased activity and economic vitality. This may include physical improvements, marketing, event programming, and other initiatives that support downtown businesses and strengthen overall property values. Also reviewed statutory powers available to the DDA, including authority related to planning and development; real property acquisition, ownership, leasing, and disposition; public facility construction, rehabilitation, maintenance, and operation; establishment of rents and fees; contracting and grant acceptance; downtown marketing initiatives; broadband and wireless service contracting; and tools such as loan programs and business incubators.

2) Discuss DDA priorities

Because Buchanan's major streetscape work is largely complete (and the city took on borrowing for that), he recommended shifting DDA's focus toward:

- Marketing + programming (regional outreach, digital presence)
- Wayfinding/signage
- Ongoing maintenance/operations support for key downtown draw assets (Commons, Farmers Market, etc.)
- Potentially using DDA to absorb costs the City has been covering since the DDA went inactive—so City general fund pressure eases.

Fette also emphasized that the plan will be flexible and likely revised in 5–10 years.

3) Discuss the development of a budget to align with priorities

Fette discussed a draft “core annual budget” concept based solely on anticipated annual tax increment financing (TIF) revenue, estimated at approximately \$115,000–\$120,000 per year. The draft concept assumed that most of this annual revenue would be allocated to existing and ongoing downtown-related activities, including:

- Farmers Market operations, noted at approximately \$10,000 annually, with acknowledgment that the Farmers Market also generates revenue that was not included in the draft budget figures.
- Commons operations and maintenance, estimated at approximately \$15,000 annually.
- Commons concert series programming, estimated at approximately \$10,000 annually.
- Tin Shop Theatre programming, estimated at approximately \$10,000 annually. It was noted that the Tin Shop Theatre lies outside the DDA boundary; however, discussion included the potential use of the statutory “adjacent benefit” allowance rather than pursuing a boundary amendment.
- Pears Mill support, with general costs discussed and details to be refined.
- Downtown marketing and signage, estimated at approximately \$35,000 annually as a placeholder amount. It was noted that projected increases in signage costs reflected inflation modeling only and did not assume annual full replacement.

It was noted that, under this draft approach, most annual TIF revenue would be committed to ongoing obligations, limiting flexibility for new initiatives unless additional strategies were pursued.

Baham provided an update indicating that available reserve funds are substantially larger than initially assumed. While the Fette originally estimated an available balance of approximately \$116,000, subsequent review identified a one-time pool of approximately \$400,000 potentially available to the DDA. This amount includes cash held in DDA accounts, funds previously held in City capital accounts, and the anticipated reversal of a liability recorded during the period when the DDA was considered inoperable. Baham explained that auditors had previously recorded three journal entries to reflect the DDA fund as closed for audit purposes. Because the DDA is not being terminated, these entries are expected to be reversed in the FY 2024–2025 audit once financial statements are finalized. Baham indicated the reversal is anticipated to be bookable by December 31, subject to audit completion, and clarified that responsibility for updating the accounting records rests with staff rather than the auditors.

Façade Grants

Fette explained that façade grant and loan programs were temporarily removed from the draft annual budget to avoid overcommitting annual TIF revenue. Board members emphasized interest in retaining these tools as part of the DDA’s overall strategy. Discussion included potential approaches such as funding large one-time capital projects from reserves to free annual revenue for ongoing programs, structuring assistance as forgivable loans, and pursuing external matching programs, including examples used in other communities.

Business Incubator Discussion

The Board discussed the possibility of revisiting a business incubator concept. The Fette cautioned that incubators structured solely as shared office space often have limited success and noted that effective models typically include a defined industry focus, professional staffing, and partnerships. Local experience was discussed, including that Buchanan’s prior incubator lost momentum when staffing capacity was no longer available.

Events and Programming as Economic Drivers

Discussion included the potential role of special events as both economic drivers and revenue generators. Examples cited included winter events such as ice festivals and seasonal programming such as “Thrill on the Hill,” as well as consideration of family-oriented amenities and infrastructure that could provide year-round downtown activity.

4) Discuss financial overview

Baham discussed DDA banking and payment logistics, noting that funds could be transferred from other DDA accounts into the DDA checking account as needed to pay bills, at the Board's direction. Staff discussed ordering checks, including that starter checks may not work with the City's accounting system due to check numbering requirements and the need for sequential numbering. Staff clarified that the anticipated liability reversal relates to approximately \$200,000, with additional funds previously held in other accounts having been moved in order to remove prior restrictions and allow the DDA to allocate those funds as determined. Staff stated the audit is due to the State by December 31, and indicated the liability reversal would likely be reflected after the auditors provide finalized materials in January, with an estimated target of February for the liability to be shown as reversed in the City's records.

Staff also explained that the prior period, with no reporting to the State, corresponded to a period in which no tax capture occurred for the DDA.

5) Discussion of the process of appointing new members

Staff discussed vacancies and proposed a process in which DDA members would conduct interviews and provide a recommendation to the Mayor, who would then make appointments to be brought before the City Commission. Staff noted that applications would be publicized and that prior applicants could be contacted to confirm interest in reapplying. Discussion included eligibility considerations for membership (including residency/work/district-related criteria), with staff indicating they would verify requirements in the applicable statute/bylaws and provide clarification. Staff also discussed meeting alignment with the City Commission schedule and noted that City Commission meeting timing in December could affect when appointments could be formally considered.

VI. Public Comment - Non-Agenda Items Only (3-minute limit)

William Bielby- introduced their planned relocation/expansion and expressed interest in supporting downtown vitality and DDA efforts through arts/business engagement and communication/research support.

Randy Hendrixson- encouraged establishing a community events calendar before pursuing a marketing RFP, noting the importance of coordinating with local event organizers and leveraging free regional calendars. Also advised caution regarding façade program scale and referenced prior conceptual plans and accessibility/connection improvements (including a prior effort related to Mill Alley accessibility).

Kate Glassman suggested potential downtown park improvements (e.g., splash pad and/or public restrooms), clarified that City funds were advanced for an event and later reimbursed through donations, noted the availability of a volunteer group, encouraged sharing recruitment information with local media, and clarified the current number of seated DDA members.

VII. Staff/Committee Comments

Board members shared initial reactions to Fette's draft framework, including general support for the approach and interest in developing a clear set of priorities to guide future work. A board member noted prior experience suggesting wayfinding/signage costs may be lower than the draft placeholder amount and recommended prioritization to support focus and productivity.

Discussion continued regarding event planning considerations, including staffing requirements and sustainability for major events (e.g., "Thrill on the Hill"), and the importance of volunteer capacity. A prior concept for a reusable slide and associated upfront investment was referenced.

VIII. Adjournment

Williams adjourned the meeting at 4:51 PM.