



CITY COUNCIL

June 6, 2022

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, June 6, 2022. This meeting was called to order at 7:00 P.M.; then, after a recitation of the Pledge of Allegiance to the Flag of the United States of America, a roll call then determined that the following were

Present: John Murphy, Mayor
Tina DeMoore, City Councilmember
Derek Shiels, City Councilmember
Brian Wagner, City Councilmember
Lindsey Walker, City Councilmember

Absent: None

Also in attendance were Interim City Manager/Clerk-Treasurer Alan Terry, Parks and Recreation Director Kendall Klingelsmith, City Planner Zachary Sompels, Downtown Director Becky Goodman, Finance Supervisor Audrey Plath and Executive Assistant Sarah Bek.

Hear Arbor Day Proclamation

Mayor Murphy thanked the Parks and Recreation Director for his efforts in designating Petoskey as a Tree City USA and read the following proclamation:

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

WHEREAS, the holiday, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and

WHEREAS, Arbor Day is now observed throughout the nation and the world; and

WHEREAS, trees can reduce the erosion of our precious topsoil by wind and water, lower our heating and cooling costs, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife; and

WHEREAS, trees are a renewable resource giving us paper, wood for our homes, fuel for our fires and countless other wood products; and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community; and

WHEREAS, trees, wherever they are planted, are a source of joy and spiritual renewal:

NOW, THEREFORE, I, John Murphy, Mayor of the City of Petoskey, do hereby proclaim June 6, 2022 as Arbor Day in the City of Petoskey. I urge all citizens to celebrate Arbor Day and to support efforts to protect our trees and woodlands; and

FURTHER, I urge all citizens to plant and care for trees to gladden the heart and promote the well-being of this and future generations.

Hear Little Traverse Wheelway Westside Connector Schematic Design Presentation

The Parks and Recreation Director reviewed that in the fall of 2019, several significant fissures were identified along the Little Traverse Wheelway (LTW) between Magnus Park and Arrowhead Shores; that these areas were evaluated by engineers who recommended a larger study be completed to address the issues; that in April 2020, a slope failure caused several hundred feet of the LTW to be destroyed; that the City of Petoskey, Emmet County and Resort Township contracted with Beckett and Raeder to assist with direction to rebuild, re-route or abandon the trail and developed a schematic design with probable costs for a route on the south side of US-31.

Tim Knutsen, Landscape Architect with Beckett and Raeder, gave a presentation on the schematic design study; reviewed that the trail failure in 2020 closed the trail from East Park to Magnus Park; that concerns were raised regarding trail connectivity on the US-31 shoulder to bypass the trail closure; that preliminary trail routes were investigated on the north and south sides of the US-31 right-of-way and identified challenges with each proposed route; that the project team selected the south US-31 right-of-way option due to shoreline bluff stability, clearance from roadway, preliminary cost and establishment of trail connectivity between south side of US-31/Resort Township and LTW; reviewed feasibility of the south trail route option due to design and engineering including topographic survey, location of existing utilities within road right-of-way and utility replacement costs and accommodation of stormwater from proposed improvements; reviewed design and engineering influences; reviewed tunnel crossing and proposed location along with proposed retaining walls and clearance to roadway, to protect existing 72" storm sewer from impact and re-route utilities over/under tunnel and ramp structures; reviewed challenges of existing utilities and stormwater management; reviewed physical obstacles including required easements and surface features relocation; reviewed preliminary construction costs of south segment with an estimated \$6.49M for project with an additional cost of \$635,375 for alternate East Park connector; and concluded that the south segment is conceptually feasible from a design and engineering standpoint, that a separate study to identify preliminary design, engineering and construction costs to replace the failed section of the LTW would need to be completed.

City Councilmembers inquired if MDOT plans to share monitoring study; inquired if bollards were in place on Eppler curve; inquired if the Baird slope failure study covers same design; commented on deforesting from Greenwood Road area project and water movement from this area; inquired if a sidewalk with trail was considered on the south side which could be more immediate and cheaper; inquired on easement costs; heard concerns on road crossings and traffic speeds and that the current plan does not address safety; expressed that the bigger issue is the bluff failure and the community would like it repaired, but that comes at a cost; and commented that a sidewalk at Parkview in Resort Township would be favorable for walkability.

Mr. Knutsen responded that the project team received pushback from MDOT who cannot guarantee the trail will last at the bluff location; that MDOT placed a monitor at Eppler curve and monitoring bluff movement; that some concepts are comparable between the Baird slope failure study and schematic design, but that a more in-depth study would need to be completed for bluff location; that the tunnel and utilities are the biggest challenge in the south segment; and that he would be presenting to Emmet County and Resort Township next week.

Mayor Murphy asked for public comments and heard from the Executive Director of the Trails Council and that the City has been the quarterback of this project the past few years; that joint jurisdictions were looking for a cheap and fast solution, but it has been two years and cost is not cheap; that now elected officials should ask how should the trail be rebuilt; that consultants answered most questions, but more information is still needed; commented that switchbacks could be used to work with topography similar to M-119 section of LTW; and that 116,000 users, both tourists and locals, used trail in 2021 and trail does enhance economic impact.

Other public comments included from those in favor of rebuilding the bluff since it is a one-of-a-kind section of trail; heard a suggestion to charge users a permit fee to use trail to offset costs similar to use of State parks; and heard an inquiry on what is being done with existing trail since there is a lot of activity going on within the segment and concerned with current state and liability issues.

Consent Agenda - Resolution No. 19662

Following introduction of the consent agenda for this meeting of June 6, 2022, City Councilmember Wagner moved that, seconded by City Councilmember DeMoore adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the May 16, 2022 regular session and May 17, 2022 special joint session City Council meetings be and are hereby approved; and

BE IT RESOLVED that receipt by the City Council of a report concerning all checks that had been issued since May 16, 2022 for contract and vendor claims at \$760,208.88, intergovernmental claims at \$0 and the May 26 payroll at \$222,853.78, for a total of \$983,062.66 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: DeMoore, Shiels, Wagner, Walker, Murphy (5)

NAYS: None (0)

Hear Public Comment

Mayor Murphy asked for public comments and heard a comment inquiring if a fine or fee could be assessed on commercial properties vacant for long periods of time; and heard from a neighbor of a short-term rental on Grove Street concerning ongoing issues including noise and parking.

Hear City Manager Updates

The City Manager reviewed that the City's \$72,500 Waterways grant request was approved for additional funding of the marina fuel farm; that Lofts at Lumber Square met with the Brownfield Redevelopment Authority and is proceeding with a Brownfield TIF request; that staff met with Krimson LLC who is proposing to include workforce housing at Michigan Maple Block site and will be requesting a Brownfield TIF, but no site plan has been submitted yet; that State Street reconstruction begins next week from Howard Street to Kalamazoo Avenue with an estimated completion of early August; that First Presbyterian Church will be installing a new steeple on Thursday requiring a portion of Division Street to be closed to traffic; and that the Public Safety Open House is scheduled for 11:00 A.M. to 2:00 P.M. next Saturday, June 18.

City Councilmembers requested a Brownfield presentation for City Council and the DMB; inquired on the current zoning for Michigan Maple Block property; heard an inquiry regarding converting all I-2 zoning districts to mixed use to help housing; and heard concerns with Lofts at Lumber Square since there isn't any requirement in MEDC grant for affordable housing and it's important if City financially contributes and possible need for a provision requiring workforce housing for a period of time.

City staff responded that there is a County-wide training on TIFs and staff would email date to City Councilmembers; that Michigan Maple Block is zoned I-2 and if proposed project is heavily residential then will require a zoning change with a possible PUD.

Discuss Proposed Zoning Ordinance Amendments to Remove Housing Barriers

The City Planner reviewed proposed zoning ordinance amendments to remove housing barriers including allowing accessory dwelling units; reviewed current and proposed language for R-1 and R-2 Single Family Residential Districts amending Section 400 Intent to maintain character of neighborhoods; reviewed language amending Section 401 – Principal Uses permitted and that a dwelling unit shall have a minimum footprint of 600 square feet, not including an attached garage; reviewed adding Subsection 8 to Section 401 principal uses permitted; and reviewed the addition of Subsection 9 to Section 401 Principal Uses permitted.

City Councilmembers discussed proposed changes; inquired if duplexes were historically not included, what is the goal of proposed amendments and if Emmet County just lowered their square footage requirement; inquired on the number of people who could occupy a 600 sq. foot dwelling and if two-unit dwellings were permitted now in R-1 and R-2 districts; heard concerns with 3-month rental period and that it will not help with short-term rental crisis; inquired on why an ADU would not have separate utility laterals and if a modular would be considered a type of ADU that would be permitted; and why an ADU could not be the same height as the principal residence.

City staff responded that duplexes were not historically included because there was more restriction due to large lots and open space; that the goal of the proposed amendment is to allow for regulation of ADU's to help densify area with restrictions and allow different housing options; that the County allows mobile homes to be ADU's, but there was resistance from the Planning Commission allowing mobile homes; that the County will issue occupancy permit; that there is no limitations in R-1 and R-2 districts if all conditions are met; that separate laterals are costly; and that the amendments are to encourage more development rather than being too restrictive and discourage growth.

Mayor Murphy asked for public comments and heard an inquiry if a home with an ADU for a family member would be allowed and if it would count as one of the 10 permitted; heard concerns that ADU deed restrictions seem more red tape and excessive; heard from those concerned with the 600 minimum square footage; heard from those in favor of hiring a compliance person prior to enacting ordinance; and that adding supply is most important thing since it is such a problem hiring in the community.

The proposed zoning ordinance will be further discussed at the next regular City Council meeting.

Discuss and Recommend Darling Lot Design Guidelines to Walker Parking – Resolution No. 19663

The City Manager reviewed that a joint meeting of the City Council and Downtown Management Board was held on May 17 to hear a presentation by Walker Parking Consultants on a conceptual plan for a parking deck at the Darling Lot and that the consultant is looking for direction on how to proceed with the next step of the design phase.

City Councilmembers inquired if the plan would be reviewed by the Planning Commission; heard concerns on the decision to complete the study by the Parking Committee; heard concerns that there was no mention that it is an RRC property and owned by the City; heard from those in favor of seeing a mixed-use development on the property in addition to a parking structure; heard concerns on cost for not too much of an increase in parking; that it will be difficult to find funding and a developer; inquired on how the project would be funded; that covered parking is a priority in the City's Action Plan and that a single parking structure without another revenue stream is challenging; and concurred on a covered deck, medium architecture, no green roof or solar and perpendicular parking spots.

City staff responded that the plan will go before the Planning Commission, but not design elements; that the Parking fund has approximately \$1M saved to go toward a deck; that a smaller deck at Lake and Division Streets would be more feasible; that the more spent will cause more bonding; and that the feasibility study was included in this year's budget which was approved by City Council.

City Councilmember Wagner moved that, seconded by City Councilmember Walker to provide Walker Parking Consultants direction for continuing parking structure design with covered deck, medium architectural design, no solar panels or green roof and perpendicular parking spots.

Said motion was adopted by the following vote:

AYES: DeMoore, Shiels, Wagner, Walker, Murphy (5)
NAYS: None (0)

Mayor Murphy asked for public comments and heard a comment on self-driving cars and if Walker Parking is preparing for future technology; heard from those in favor of covered parking and the need for more in downtown; and heard concerns that the infrastructure is unaffordable.

Approve Separation of Clerk – Treasurer Position – Resolution No. 19664

The City Manager reviewed that the position of Clerk-Treasurer was combined approximately 40 years ago along with the Director of Finance; that due to increase in duties and heightened political awareness, less appeal to Finance applicants; that election duties involves several employees in the Department of Finance and involves the entire year with presidential election process; that Clerk duties are currently managed by Department of Finance staff and the City Manager’s Administrative Assistant; that business licenses and permits have always been issued through the City Manager’s Office while the elections handled through the efforts of everyone; that he recommended restructuring the position and separate the positions of Clerk-Treasurer and appoint Finance Supervisor as City Clerk with the Treasurer position to remain with the Director of Finance; and that by separating the positions it would allow to begin the recruiting process with Michigan Municipal League for the Director of Finance position due to his retirement scheduled for September 30, 2022.

City Councilmembers inquired if the separation would require a Charter change; heard from those in favor of waiting for the new City Manager to begin in two weeks to decide on the position; and inquired on the status of previous contract with HRGov.

The City Manager responded that a Charter change is not necessary as it allows City Council to separate or combine positions through resolution; and the City ended the previous contract with HRGov; and it will take some time to facilitate the transition process.

City Councilmember Shiels moved that, seconded by City Councilmember Walker to separate the Clerk-Treasurer position.

The City Manager then asked that the position not be split until September 1, 2022.

City Councilmember Shiels amended previous motion and moved that, supported by City Councilmember Walker to separate the Clerk-Treasurer position effective September 1, 2022.

Said motion was adopted by the following vote:

AYES: Shiels, Walker, Murphy (3)

NAYS: DeMoore, Wagner (2)

Council Comments

Mayor Murphy asked for council comments and Councilmember DeMoore received resident complaints of speeding on Michigan Street and requested that Chief Breed present an update of speeding issue on Michigan Street. City Councilmember Shiels thanked the Planning Commission for their time and effort on removing housing barriers and mentioned there is a rare opportunity for available State and Federal grant funding. City Councilmember Wagner inquired if there were resources for citizens to remove dead trees if they have funding issues. City Councilmember Walker gave kudos to the Downtown Director and downtown businesses on lively summer activities over the weekend and thanked the Planning Commission and City Planner for their efforts in zoning amendments to remove housing barriers. Mayor Murphy reported he met with Black Coalition bike riders at the Carnegie Building and discussed diversity for entrepreneurs, thanked community members that helped him and the Parks and Recreation staff to plant flowers in Pennsylvania Park and also hosted second and third graders from Ottawa Elementary last Tuesday explaining the importance of government.

There being no further business to come before the City Council, this June 6, 2022, meeting of the City Council adjourned at 10:37 P.M.

John Murphy, Mayor

Alan Terry, Clerk-Treasurer