



CITY COUNCIL

July 7, 2025

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, July 7, 2025. This meeting was called to order at 6:00pm; 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
Joe Nachtrab, City Councilmember
Lindsey Walker, City Councilmember

Absent: None

Also in attendance were City Manager Shane Horn, City Clerk Sarah Bek, Public Works Director Jason Fate, Downtown Manager Amy Tweeten, City Planner John Iacoangeli, City Attorney Laura Genovich and seven members of the public.

Approve Consent Agenda

Councilmembers inquired on water service line material verification contract, process, reimbursable costs and grant funding and City staff responded to questions and concerns.

Councilmember Nachtrab moved that, seconded by Councilmember Walker approval of the following consent agenda items:

- City Council does and hereby confirms that the draft minutes of the June 2, 2025 regular session City Council meeting be and are hereby approved;
- Receipt of a report from the City Manager concerning all checks that had been issued since June 2, 2025 for contract and vendor claims at \$2,631,607.67, intergovernmental claims at \$0 and the June 5 and June 19 payrolls at \$545,648.88 for a total of \$3,177,256.55 be and is hereby acknowledged;
- May 2025 Revenue and Expenditure Report; and
- **CR 25-12**

WHEREAS, the Michigan Safe Water Drinking Act, 1976 PA 399, as amended, requires all water supplies to develop a Complete Distribution System Materials Inventory (CDSMI). The purpose of the CDSMI is to characterize, record, and maintain a comprehensive inventory of distribution system materials, including service line materials on both the public and private side of a water service. The inventory will be maintained to support asset management, lead service line replacement and notification of those served by lead service line components; and

WHEREAS, in early 2024, the City and EGLE executed a grant agreement funded through the Community Technical, Managerial, and Financial Support for Lead Service Line Replacement grant program (TMF Grant). The Michigan Legislature appropriated \$48 million from available funds through the American Rescue Plan Act (ARPA) program, with the primary focus on the physical materials verification of water service lines; and

WHEREAS, City staff along with its consultant, Hubble, Roth and Clark, Inc., Grand Rapids, prepared and submitted an application requesting \$600,000 in grant funding to assist the City with its verification efforts. The structure of the grant allows the City to bid associated work for service line materials verification and then be reimbursed up to \$600,000 for eligible expenses through September 15, 2026; and

WHEREAS, City staff along with its consultant, Hubble, Roth and Clark began the CDSMI by reviewing existing records, creating a tracking spreadsheet, and implementing procedures as a recommended and approved method by EGLE; and

WHEREAS, specifications and bids for “Water Service Line Material Verification” were prepared by Hubble, Roth and Clark. Bid packets were advertised and made available on June 4, 2025 and 5 bids were received on June 25, 2025; and

WHEREAS, City staff reviewed bids and recommends contracting with the low bid, M.L. Chartier Excavating, Inc., Fair Haven, Michigan, for a two-year period for a total project cost of \$389,162.40:

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby authorize to contract with M.L. Chartier Excavating, Inc., Fair Haven, Michigan, for a two-year period for a total project cost of \$389,162.40 for water service line material verification.

Said motion carried and was approved by the following vote:

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

NAYS: None (0)

Hear Public Comment

Mayor Murphy asked for public comments and there were no comments.

Hear City Manager Report

The City Manager thanked staff for their efforts in getting the community ready for influx of visitors, post ice storm, and preparing for July 4 week and is pleased to work with a high functioning team; recognized July staff birthdays and work anniversaries; reviewed concert series and downtown events free to the community; and reviewed status of spring construction projects and that Howard Street reconstruction is ongoing, and Park Avenue, Bay Front Arboretum Trail and Saville Parking Lot are complete with minor items still remaining. Councilmembers commented on the Howard Street reconstruction project and inquired on Saville Parking Lot signage.

The City Manager then introduced Julie Garrett, Public Affairs Specialist with the Office of Disaster Recovery & Resilience, with U.S. Small Business Administration. Ms. Garrett reviewed that disaster loans are available for homeowners, renters, nonprofits and businesses for damages due to ice storm; reviewed application process and deadlines; and that she has been working with the Chamber in getting program information out in the community.

Adopt Ordinance 801 Historic District Ordinance – Resolution No. 25-44

The City Manager reviewed that this was a second reading of proposed ordinance; that several key staff and members of the public were present to answer questions or concerns; that Council heard a presentation from the Michigan State Historic Preservation Office (SHPO) in May; that there are five steps in Certified Local Government (CLG) process and enacting and enforcing a Historic District Ordinance is the first step; and that the proposed ordinance is a template from SHPO and has been reviewed by the City Attorney.

Councilmember DeMoore stated, “In the spirit of full disclosure and as indicated at the time of the first reading of this proposed ordinance, my husband and I own the Meyer Fryman property, number seven on the Historic Sites and District Map in the packet, that is on the State/National Register of Historic Places. Relative to this proposed ordinance, I have no conflict of interest at this juncture, as confirmed by the City Attorney, but will revisit this issue if the Council moves to establish a historic district or districts.”

Councilmembers discussed ordinance and heard concerns by adopting ordinance it will add another layer of red tape; inquired on contributing and noncontributing homes in a district and if noncontributing homes have to follow same procedures; heard comments that the City can form requirements outside of SHPO and can be done during vision setting and master planning sessions; that tax credits are a completely different program, but historic district ordinance is a motivation to rehabilitate and with ordinance can apply for historic tax credits; that if the City is a CLG and adopts ordinance, SHPO adds additional assistance via grants for the City; and inquired which staff person would oversee program if ordinance is adopted.

The City Attorney reviewed that a lot of wording comes from Act 169 of 1970, and that the proposed ordinance is a SHPO template and tracks statutory language; that ordinance would be enforced as a municipal civil infraction; that this is a first step in the process and is the framework of the program; that contributing and noncontributing homes are subject to the same standard and may have to consider the lines when drawing district; hesitant to remove sections since SHPO tracks with statutes; and that all properties do not have to be contiguous in historic districts and could be studied and reviewed.

Rick Neumann, Planning Commissioner, and City resident, reviewed personal and professional involvement and experience in historic districts for over 40 years as an architect and that all states use the same standards to review project submissions for SHPO and tax credits.

The City Planner reviewed that the discussion tonight is to adopt a historic district ordinance to be able to review all properties in town and locally manage district; emphasized that housing is a big policy issue in the community and reviewed strategies including new construction, redevelopment, rehabilitation (NEZ) and preservation component, which is missing in tool box; and that property owners can receive tax credits if listed on national register district and income producing.

The City Manager responded that this program will be a huge lift and a dedicated staff member or contracted planner will need to oversee program, but being a Certified Local Government opens up resources.

Councilmember Shiels motioned to postpone ordinance until the next meeting and there was no support and motion failed.

Councilmembers further discussed ordinance and heard from those ready to move forward due to deep significance of history in the community and the importance to preserve; heard from those opposed to another layer restricting those who cannot afford to upgrade based on required standards; that resources and experts of the program will be beneficial; and heard the importance of indigenous community and that Hungry Hollow around Bear River be considered in future discussions.

Councilmember DeMoore moved that, seconded by Councilmember Walker adoption of the following ordinance:

ORDINANCE NO. 801
AN ORDINANCE AMENDING THE CITY CODE TO REGULATE HISTORIC PRESERVATION AND ESTABLISH A HISTORIC DISTRICT

The City of Petoskey Ordains:

Section 1. Addition of a New Chapter 27 to the City of Petoskey Code of Ordinances.

The City of Petoskey Code of Ordinances is amended by the addition of a new Chapter 27, which reads in its entirety as follows:

Sec. 27-1. – Intent and Purpose.

The City Council finds that the historic preservation of the City of Petoskey is a public purpose and to achieve such preservation the City Council may regulate construction, alteration, repair, demolition, and related activities within the established historic district(s). The City Council has enacted this regulatory chapter to:

- (a) Preserve the City's heritage through its historic, architectural, archaeological, engineering, and cultural resources.

- (b) Stabilize and enhance property values.
- (c) Promote civic beauty.
- (d) Strengthen the local economy.
- (e) Encourage educational and recreational use of historic districts for the benefit of the City and State of Michigan.

Sec. 27-2. – Definitions.

- (a) "Alteration" means work that changes the detail of a resource but does not change its basic size or shape.
- (b) "Certificate of Appropriateness" means the written approval of a permit application for work that is appropriate and does not adversely affect a resource.
- (c) "Commission" means the Historic District Commission of the City of Petoskey.
- (d) "Demolition" means the razing or destruction, whether entirely or in part, of a resource and includes, but is not limited to, demolition by neglect.
- (e) "Demolition by Neglect" means neglect in maintaining, repairing, or securing a resource that results in deterioration of an exterior feature of the resource or the loss of structural integrity of the resource.
- (f) "Denial" means the written rejection of a permit application for work that is inappropriate and that adversely affects a resource.
- (g) "Fire Alarm System" means a system designed to detect and annunciate the presence of fire or by-products of fire.
- (h) "Historic District" means an area, or group of areas, not necessarily having contiguous boundaries, that contains one resource or a group of resources that are related by history, architecture, archaeology, engineering, or culture.
- (i) "Historic Preservation" means the identification, evaluation, establishment, and protection of resources significant in history, architecture, archaeology, engineering, or culture.
- (j) "Historic Resource" means a publicly or privately owned building, structure, site, object, feature or open space that is significant in the history, architecture, archaeology, engineering, or culture of the City of Petoskey, State of Michigan, or the United States.
- (k) "Notice to Proceed" means the written permission to issue a permit for work that is inappropriate and that adversely affects a resource, pursuant to a finding under Section 399.205(6) of Public Act 169 of 1970, as amended.
- (l) "Open Space" means undeveloped land, a naturally landscaped area, or a formal or man-made landscaped area that provides a connective link or buffer between other resources.
- (m) "Ordinary Maintenance" means keeping a resource unimpaired and in good condition through ongoing minor intervention, undertaken from time to time, in its exterior condition. Ordinary maintenance does not change the external appearance of the resource except through the elimination of the usual and expected effects of weathering. Ordinary maintenance does not constitute work for the purposes of this Ordinance.
- (n) "Proposed Historic District" means an area, or group of areas not necessarily having contiguous boundaries, that has delineated boundaries and that is under review by a committee or a standing committee for the purpose of making a recommendation as to whether it should be established as a historic district or added to an established historic district.
- (o) "Smoke Alarm" means a single-station or multiple-station alarm responsive to smoke and not connected to a system. As used in this subdivision, "single-station alarm" means an assembly incorporating a detector, the control equipment, and the alarm sounding device into a single unit, operated from a power supply either in the unit or obtained at the point of installation. "Multiple-station alarm" means 2 or more single-station alarms that are capable of interconnection such that actuation of 1 alarm causes all integrated separate audible alarms to operate.
- (p) "Repair" means to restore a decayed or damaged resource to good or sound condition by any process. A repair that changes the external appearance of a resource constitutes work for the purposes of this Ordinance.
- (q) "Resource" means one or more publicly or privately owned historic or non-historic buildings, structures, sites, objects, features, or open spaces located within a historic district.
- (r) "Work" means construction, addition, alteration, repair, moving, excavation, or demolition.

Sec. 27-3. – Establishment.

There shall be one or more historic districts established by the City Council, pursuant to the Historic Districts Act, Public Act 169 of 1970.

Sec. 27-4. – Historic District Study Committee and Report Model.

Before establishing a historic district(s), the City Council shall appoint a Historic District Study Committee. A majority of the persons appointed to the Study Committee shall have a clearly demonstrated interest in or knowledge of historic preservation. The Study Committee shall contain representation of at least one member appointed from one or more duly organized local historic preservation organizations. The Study Committee shall do all of the following:

- (a) Conduct a photographic inventory of resources within each proposed historic district following procedures established by the State Historic Preservation Office.
- (b) Conduct basic research of each proposed historic district and historic resources located within that district.
- (c) Determine the total number of historic and non-historic resources within a proposed historic district and the percentage of historic resources of that total. In evaluating the significance of historic resources, the Committee shall be guided by the selection criteria for evaluation issued by the United States Secretary of the Interior for inclusion of resources in the National Register of Historic Places, as set forth in 36 CFR part 60, and criteria established or approved by the State Historic Preservation Office.
- (d) Prepare a preliminary Historic District Study Committee report that addresses at a minimum all of the following:
 - 1) The charge of the Committee.
 - 2) The composition of Committee membership.
 - 3) The historic district(s) studied.
 - 4) The boundaries of each proposed historic district in writing and on maps.
 - 5) The history of each proposed historic district.
 - 6) The significance of each district as a whole, as well as a sufficient number of its individual resources to fully represent the variety of resources found within the district, relative to the evaluation criteria.
 - 7) Transmit copies of the preliminary report for review and recommendations to the local planning body, the State Historic Preservation Office, the Michigan Historical Commission, and the State Historic Preservation Review Board.
 - 8) Make copies of the preliminary report available to the public pursuant to Section 399.203 (4) of Public Act 169 of 1970, as amended.
- (e) Not less than sixty (60) calendar days after the transmittal of the preliminary report, the Historic District Study Committee shall hold a public hearing in compliance with Public Act 267 of 1976, as amended. Public notice of the time, date and place of the hearing shall be given in the manner required by Public Act 267. Written notice shall be mailed by first class mail not less than fourteen (14) calendar days prior to the hearing to the owners of properties within the proposed historic district, as listed on the most current tax rolls. The report shall be made available to the public in compliance with Public Act 442 of 1976, as amended.
- (f) After the date of the public hearing, the Committee and the City Council have not more than one year, unless otherwise authorized by the City Council, to take the following actions:
 - 1) The Committee shall prepare and submit a final report with its recommendations and the recommendations, if any, of the local planning body to the City Council as to the establishment of a Historic District(s). If the recommendation is to establish a Historic District(s), the final report shall include a draft of the proposed ordinance(s).
 - 2) After receiving a final report that recommends the establishment of a Historic District(s), the City Council, at its discretion, may introduce and pass or reject an ordinance(s). If the City Council passes an ordinance(s) establishing one or more Historic Districts, the City shall file a copy of the ordinance(s), including a legal description of the property or properties located within the Historic District(s) with the Register of Deeds. The City Council shall not pass an ordinance establishing a contiguous historic district less than 60 days after a majority of the property owners within the proposed historic district, as listed on the tax rolls of the local unit, have approved the establishment of the historic district pursuant to a written petition.
- (g) A writing prepared, owned, used, in the possession of, or retained by a committee in the performance of an official function of the Commission should be made available to the public in compliance with Public Act 442 of 1976, as amended.

Sec. 27-5. – Districts.

- (a) The City Council may establish, modify, or eliminate a historic district by ordinance. Before establishing, modifying, or eliminating a historic district, a historic district study committee appointed by the City Council shall follow the procedures as stated in Section 5 of this Chapter and Section 399.203 (1)-(3) of Public Act 169 of 1970, as amended. To conduct these activities, the City Council may retain the initial committee, establish a standing committee, or establish a committee to consider only specific proposed districts and then be dissolved. The committee shall consider any previously written committee reports pertinent to the proposed action.
- (b) In considering elimination of a historic district, a historic district study committee shall follow the procedures set forth in Section 5 of this Chapter and Section 399.203 (1)-(3) of Public Act 169 of 1970, as amended for the issuance of a preliminary report, holding a public hearing, and issuing a final report but with the intent of showing one or more of the following:
 - 1) The historic district has lost those physical characteristics that enabled the establishment of the district.
 - 2) The historic district was not significant in the way previously defined.
 - 3) The historic district was established pursuant to defective procedures.

Sec. 27-6. – Historic District Commission.

- (a) The City Council may establish by ordinance a commission to be called the “Historic District Commission.” The Commission may be established at any time, but not later than the time the first historic district is established.
- (b) Membership.
 - 1) Each member of the Commission shall reside within the city limits. The Commission shall consist of seven (7) members. Members shall be appointed by the City Council. A majority of the members shall have a clearly demonstrated interest in or knowledge of historic preservation.
 - 2) Members shall be appointed for a term of three (3) years, except the initial appointments of three (3) members for a term of two (2) years and two (2) members for a term of one year. Subsequent appointments shall be for three-year terms. Members shall be eligible for reappointment. Two (2) members shall be appointed from a list submitted by duly organized local historic preservation organizations. If such a person is available for appointment, one member shall be an architect who has two years of architectural experience or who is duly registered in the State of Michigan. In the event of a vacancy on the Commission, interim appointments shall be made by the City Council within sixty (60) calendar days to complete the unexpired term of such position.
 - 3) The Commission shall have the powers and duties as set forth in the Historic Districts Act. In addition, the City Council may prescribe powers and duties of the Commission that foster historic preservation activities, projects, and programs in the City.
 - 4) The City Council may remove a member of the Commission for misfeasance, malfeasance, or nonfeasance in office upon written charges and after a public hearing. Failure to disclose a potential conflict of interest shall be considered malfeasance in office. Failure to repeatedly attend Commission meetings shall be considered nonfeasance in office.
- (c) Meetings and Procedures.
 - 1) The Commission shall meet at least quarterly or more frequently at the call of the Commission.
 - 2) Meetings shall be conducted at a public meeting held in compliance with the Open Meetings Act, Public Act 267 of 1976, as amended. Public notice of the date, time, and place of the meeting shall be given in the manner required by Public Act 267. A meeting agenda shall be part of the notice and shall include a listing of each permit application to be reviewed or considered by the Commission.
 - 3) The Commission shall keep a record of its resolutions, proceedings and actions. A writing prepared, owned, used, in the possession of, or retained by the Commission in the performance of an official function shall be made available to the public in compliance with the Freedom of Information, Public Act 442 of 1976, as amended.
 - 4) The Commission shall adopt its own rules of procedure and shall adopt design review standards and guidelines to carry out its duties.

Sec. 27-7. – Certificate of Appropriateness for Minor Classes of Work.

The Commission may delegate the issuance of Certificates of Appropriateness for specified minor classes of work to its staff, or to another delegated authority. The Commission shall provide to its delegated authority specific written standards for issuing Certificates of Appropriateness under this subsection. The Commission shall review the Certificates of Appropriateness issued by the delegate on at least a quarterly basis to determine whether or not the delegated responsibilities should be continued.

Sec. 27-8. – Ordinary Repair.

Nothing in this Chapter shall be construed to prevent ordinary maintenance or repair of a resource within a historic district or to prevent work on any resource under a permit issued by the inspector of buildings or other duly delegated authority before the Chapter was enacted.

Sec. 27-9. – Review by the Commission.

The Commission shall review and act upon only exterior features of a resource and shall not review and act upon interior arrangements unless specifically authorized to do so by the City Council or unless interior work will cause visible change to the exterior of the resource. The Commission shall not disapprove an application due to considerations not prescribed in subsection 399.205(3) of Public Act 169 of 1970, as amended.

Sec. 27-10. – Design Review Standards and Guidelines.

- (a) In reviewing plans, the Commission shall follow the U.S. Secretary of Interior's Standards for Rehabilitation and guidelines for rehabilitating historic buildings as set forth in 36 C.F.R. part 67. Design review standards and guidelines that address special design characteristics of historic districts administered by the Commission may be followed if they are equivalent in guidance to the Secretary of MODEL Prepared by the Michigan State Historic Preservation Office, 2.2021 6 Interior's Standards and guidelines and are established or approved by the State Historic Preservation Office.
- (b) In reviewing plans, the Commission shall also consider all of the following:
 - 1) The historic or architectural value and significance of the resource and its relationship to the historic value of the surrounding area.
 - 2) The relationship of any architectural features of the resource to the rest of the resource and to the surrounding area.
 - 3) The general compatibility of the design, arrangement, texture, and materials proposed to be used.
 - 4) Other factors, such as aesthetic value, that the commission finds relevant.
 - 5) Whether the applicant has certified in the application that the property where work will be undertaken has, or will have before the proposed project completion date, a fire alarm system or a smoke alarm complying with the requirements of the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

Sec. 27-11. – Permit Applications.

- (a) A permit shall be obtained before any work affecting the exterior appearance of a resource is performed within a historic district. The person, individual, partnership, firm, corporation, organization, institution, or agency of government proposing to do that work shall file an application for a permit with the inspector of buildings. Upon receipt of a complete application, the inspector of buildings shall immediately refer the application, along with all required supporting materials that make the application complete to the commission.
- (b) A permit shall not be issued, and proposed work shall not proceed until the Commission has acted on the application by issuing a Certificate of Appropriateness or a Notice to Proceed as prescribed in this Chapter. The Commission shall not issue a Certificate of Appropriateness unless the applicant certifies in the application that the property where work will be undertaken has, or will have before the proposed project completion date, a fire alarm system or a smoke alarm complying with requirements of the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1532.
- (c) The Commission shall file Certificates of Appropriateness, Notices to Proceed, and Denials of applications for permits with the inspector of buildings. A permit shall not be issued until the Commission has acted as prescribed by this Ordinance.
- (d) If an application is for work that will adversely affect the exterior of a resource the Commission considers valuable to the City of Petoskey, the State of Michigan, or the nation, and the Commission determines that the alteration or loss of that resource will adversely affect the public purpose of the city, state, or nation, the Commission shall attempt to establish with the owner of the resource an economically feasible plan for the preservation of the resource.
- (e) The failure of the Commission to act on an application within sixty (60) calendar days after the date a complete application is filed with the Commission, unless an extension is agreed upon in writing by the applicant and the Commission, shall be considered to constitute approval.
- (f) The Commission may charge a reasonable fee to process a permit application.

Sec. 27-12. – Denials.

If a permit application is denied, the decision shall be binding on the inspector or other authority. A denial shall be accompanied by a written explanation by the Commission of the reasons for denial and, if appropriate, a notice that an application may be re-submitted for Commission review when the suggested changes have been made. The denial shall also include the notification of the applicant's right to appeal to the State Historic Preservation Review Board and to the circuit court.

Sec. 27-13. – Notice to Proceed.

Work within a historic district shall be permitted through the issuance of a Notice to Proceed by the Commission if any of the following conditions prevail and if the proposed work can be demonstrated by a finding of the Commission to be necessary to substantially improve or correct any of the following conditions:

- (a) The resource constitutes a hazard to the safety of the public or to the structure's occupants.
- (b) The resource is a deterrent to a major improvement program that will be of substantial benefit to the community and the applicant proposing the work has obtained all necessary planning and zoning approvals, financing, and environmental clearances.
- (c) Retaining the resource will cause undue financial hardship to the owner when a governmental action, an act of God, or other events beyond the owner's control created the hardship, and all feasible alternatives to eliminate the financial hardship, which may include offering the resource for sale at its fair market value or moving the resource to a vacant site within the historic district, have been attempted and exhausted by the owner.
- (d) Retaining the resource is not in the interest of the majority of the community.

Sec. 27-14. – Appeal of Commission Decision.

- (a) An applicant aggrieved by a decision of the Commission concerning a permit application may file an appeal with the State Historic Preservation Review Board. The appeal shall be filed within sixty (60) calendar days after the decision is furnished to the applicant. The appellant may submit all or part of the appellant's evidence and arguments in written form. The State Historic Preservation Review Board shall consider an appeal at its first regularly scheduled meeting after receiving the appeal. A permit applicant aggrieved by the decision of the State Historic Preservation Review Board may appeal the decision to the circuit court having jurisdiction over the Commission whose decision was appealed to the State Historic Preservation Review Board.
- (b) Any citizen or duly organized historic preservation organization in the City of Petoskey, as well as resource property owners, jointly or severally aggrieved by a decision of the historic district commission may appeal the decision to the circuit court, except that a permit applicant aggrieved by a decision rendered under this Chapter may not appeal to the court without first exhausting the right to appeal to the State Historic Preservation Review Board.

Sec. 27-15. – Resource Conservation.

- (a) When work has been done upon a resource without a permit and the Commission finds that the work does not qualify for a Certificate of Appropriateness, the Commission may do the following:
 - 1) Require an owner to restore the resource to the condition that the resource was in before the inappropriate work or to modify the work so that it qualifies for a Certificate of Appropriateness.
 - 2) If the owner does not comply with the restoration or modification requirement within a reasonable time, the Commission may seek an order from the circuit court to require the owner to restore the resource to its former condition or to modify the work so that it qualifies for a Certificate of Appropriateness.
 - 3) If the owner does not comply or cannot comply with a court order, the Commission or its agents may enter the property and conduct work necessary to restore the resource to its former condition or modify the work so that it qualifies for a Certificate of Appropriateness in accordance with the court's order. The costs of the work done shall be charged to the owner and may be levied by the City of Petoskey as a special assessment against the property. When acting pursuant to an order of the circuit court, the Commission or its agents may enter a property for purposes of this paragraph.
- (b) Upon a finding by the Commission that a historic resource within a historic district or a proposed historic district subject to its review and approval is threatened with Demolition by Neglect, the Commission may do either of the following:
 - 1) Require the owner of the resource to repair all conditions contributing to demolition by neglect.

- 2) If the owner does not make repairs within a reasonable time, the Commission or its agents may enter the property and make such repairs as necessary to prevent Demolition by Neglect. The costs of the work shall be charged to the owner and may be levied by the City of Petoskey as a special assessment against the property. The Commission or its agents may enter the property for purposes of this section upon obtaining an order from the circuit court.
 - 3) If all efforts by the Commission to preserve a resource fail, or if it is determined by the City Council that public ownership is most suitable, the City Council, if considered to be the public interest, may acquire the resource using public funds, public or private gifts, grants or proceeds from the issuance of revenue bonds. The acquisition shall be based upon the recommendation of the Commission.
 - 4) The Commission is responsible for maintaining publicly owned resources using its own funds, if not specifically designated for other purposes, or public funds committed for that use by the City Council.
 - 5) Upon recommendation of the Commission, the City may sell resources acquired under this section with protective easements included in the property transfer documents, if appropriate.
- (c) If the City Council determines that pending work will cause irreparable harm to resources located within an established or proposed historic district, the City Council may declare by resolution an emergency moratorium on all such work for a period not to exceed six (6) months. The City Council may extend the emergency moratorium for an additional period not to exceed six (6) months, upon finding that the threat of irreparable harm to resources is still present. Any pending permit application concerning a resource subject to an emergency moratorium may be summarily denied.

Sec. 27-16. – Review of Work in Proposed Districts.

Upon receipt of substantial evidence showing the presence of historic, architectural, archaeological, engineering, or cultural significance of a proposed historic district, the City Council may, at its discretion, adopt a resolution requiring that all applications for permits within the proposed historic district be referred to the Commission as prescribed in Section 11 of the Ordinance. The Commission shall review permit applications with the same powers that would apply if the proposed historic district was an established historic district. The review may continue in the proposed historic district for not more than one year, or until such time as the City Council approves or rejects the establishment of the historic district by ordinance, whichever occurs first.

Sec. 27-17. – Penalties for Violations.

- (a) A person, individual, partnership, firm, corporation, organization, institution, or agency of government that violates this act is responsible for a civil violation and may be fined not more than \$5,000.00.
- (b) A person, individual, partnership, firm, corporation, organization, institution, or agency of government that violates this act may be ordered by the court to pay the costs to restore or replicate a resource unlawfully constructed, added to, altered, repaired, moved, excavated or demolished.

Sec. 27-18. – Acceptance of Gifts or Grants.

The City Council may accept state or federal grants for historic preservation purposes, may participate in state and federal programs that benefit historic preservation, and may accept public or private gifts for historic preservation purposes. The City Council may appoint the Commission to accept and administer grants, gifts, and program responsibilities.

Section 2. Repealer.

Any ordinances in conflict with this Ordinance are repealed to the extent necessary to give this Ordinance full force and effect.

Section 3. Severability.

If any portion of this Ordinance is found invalid for any reason, such holding will not affect the validity of the remaining portions of this Ordinance.

Section 4. Effective Date.

This Ordinance takes effect fourteen (14) days after enactment.

Adopted, enacted and ordained by the City of Petoskey City Council this 7th day of July, 2025.

Said motion carried and was approved by the following vote:

AYES: DeMoore, Nachtrab, Walker, Murphy (4)
 NAYS: Shiels (1)

Adopt Ordinance 802 Zoning Ordinance Amendment Allowing Uses Below Average Grade in the Central Business District (CBD) – Resolution No. 25-45

The City Manager reviewed that this was a second reading of proposed ordinance; ordinance maximizes below grade spaces in the CBD and is an option to reuse and repurpose space that historically has not been utilized to fullest potential; and that both the Planning Commission and Downtown Management Board reviewed and recommended approval.

Councilmembers discussed proposed ordinance; heard concerns on allowing hotels and long term rentals below grade, but not short-term rentals (STRs); heard from those in favor and opposed to allowing STRs below grade in CBD; heard concerns on criteria in Section 5 and the need for more robust uses for humans below grade or specific standards that would be useful for Planning Commission to consider; discussed adding language to Section 5(b); and inquired on properties that already exist and refuse collection.

The City Planner reviewed that the Planning Commission included residential and hotels and looked at below grade uses in CBD; that the Perry Hotel has a few rooms already below grade and would be grandfathered, but want to make them compliant and conforming; that Planning Commission wants affordable housing and did not want to include STRs; that a major hurdle to ordinance is not standards for review in 1717 but rather meeting the building, fire safety, electrical and plumbing and heating codes which are mandated for human living; that ordinance was forwarded to Emmet County Building Department for review; and that there will be a heavy lift by property owners for human habitation.

Councilmember Walker moved that, seconded by Councilmember DeMoore adoption of the following ordinance with the addition of language in 5(b) to read: Construction and maintenance shall comply with the most recently adopted Michigan Building, Electrical, Mechanical, Plumbing, and Fire Codes for the City of Petoskey and Emmet County and any other applicable codes and/or laws:

ORDINANCE NO. 802

AN ORDINANCE TO AMEND APPENDIX A: ZONING ORDINANCE OF THE CITY OF PETOSKEY

THE CITY OF PETOSKEY ORDAINS:

- Article II, Section 201, Definitions, of Appendix A to the Petoskey Code of Ordinance is amended as follows:**

Co-Living: A shared living space and amenities, fostering a sense of community. It involves private bedrooms combined with shared common areas, such as kitchens, lounges, or workspaces.

- Article IX, Section 901 of Appendix A to the Petoskey Code of Ordinances is amended as follows:**

Additions to Table 9.1 Central Business District Permitted Uses			
Residential	Lower Level (Below Average Gra	First Floor	Upper Stori
Single-Family	SCU		P
Co-Living Space	SCU		P
Two-Family	SCU		P
Multiple Family	SCU		P
Dormitory	SCU		P
Lodging			
Hotel	SCU	P	P
Bed & Breakfast			P
Short Term Rental			P

Commercial			
General Retail	P	P	P
Food Service Establishment	P	P	P
Personal Service	P	P	P
Brewpub, Microbrewery, Winery	P	P	P
Health, Fitness Facility	P	P	P
Studio – Art, Dance, Music, Photography, Etc.	P	P	P
Professional or Medical Office	P	P	P
Civic			
Library	P	P	P
Museum	P	P	P
Government Offices	P	P	P

P – Permitted Use **SCU** – Special Condition Use (regulated in § 1717)

3. Article IX, Section 902 of Appendix A to the Petoskey Code of Ordinance is amended as follows:

5. Residential Units and hotels in a basement or below average grade. Residential living of any type specifically listed in Section 901 and hotels shall meet the Standards for Review in Section 1717, as well as meet the requirements below:

- a) Access to the residential living unit shall be located on the side or rear of the principal building, unless a separate door in the front façade provides access to the lower level and upper stories only.
- b) Construction and maintenance shall comply with the most recently adopted Michigan Building, Electrical, Mechanical, Plumbing, and Fire Codes for the City of Petoskey and Emmet County and any other applicable codes and/or laws.
- c) No furniture is allowed outdoors unless they are incorporated into a screened patio or courtyard, and not visible to the general public.
- d) Refuse collection shall not be located in any public alley or public space, and trash removal shall be the responsibility of the property owner of record.
- e) Short-term rentals are prohibited.

4. Conflict and Severability Clause.

All ordinances, resolutions and orders or part thereof in conflict with the provisions of this Chapter are to the extent of such conflict hereby repealed, and each section of this Chapter and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of this Chapter.

5. Enactment and Effective Date.

This Appendix is hereby determined by the City Council to be immediately necessary for the interest of the City. Consistent with City Charter Sec. 6.3, the effective date of this Chapter shall not be less than fourteen (14) days after enactment and shall be published once within seven days after its enactment as provided by Charter.

Adopted, enacted and ordained by the City of Petoskey City Council this 7th day of July, 2025.

Said motion carried and was approved by the following vote:

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

NAYS: None (0)

Set Public Hearing for Potential OPRA District for 434 East Mitchell Street – Resolution No. 25-46

Tom Johnson, Landmark Group LLC, representing the applicant, TC55 LLC, gave a brief presentation on history of property; that applicant is requesting City Council consider a 12 year abatement; provided a summary of economic conditions including high construction costs; that the applicant applied for a MEDC grant; reviewed renovation and scope of work including main level fine dining establishment, four new apartment units on upper floor and four suite-style apartments in basement/garden level with a speakeasy; that the total project cost is estimated at \$3.8M; that it is a 130 year old building, significantly deteriorating and condition of building needs serious renovation to make occupiable; and that traditional means of financing is not economically feasible.

Councilmembers inquired if there would be any rent control and confirmed rents for both style of units; inquired if a sunset clause or language could be included on start and completion date; inquired when OPRA abatement would actually begin; heard from those in support of the OPRA and applicant timeline; inquired if financing is set and approved, if grants are received; heard positive comments on small scale developers and that generally they are more local and willing to take a risk on community assets; and that sunset clause language will be further discussed at a future meeting.

The applicant responded that he is estimating an 18-month process, with the OPRA abatement to begin 2026-2038, has a letter of intent from the bank and this approval is the last piece.

Mayor Murphy asked for public comments and heard a comment thanking Mr. Flinn for investing in downtown and inquired if there were any other properties going for \$2,400 per month for rent and heard concerns with obtaining that rent for upper units.

Councilmember Walker moved that, seconded by Councilmember Shiels adoption of the following resolution:

BE IT RESOLVED, the City of Petoskey City Council hereby schedules a public hearing for 6:00pm, Monday, August 4, 2025, to solicit comments on the potential establishment of an Obsolete Property Rehabilitation Act District for 434 East Mitchell Street.

Said motion carried and was approved by the following vote:

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

NAYS: None (0)

Set Public Hearing for Potential OPRA Exemption Certificate Application – Resolution No. 25-47

The City Manager reviewed that the second step is to consider approval of an OPRA Exemption Certificate Application; that a separate public hearing would need to be scheduled to consider application; and that owners within the proposed district and taxing jurisdictions would be notified.

Councilmember Shiels moved that, seconded by Councilmember DeMoore adoption of the following resolution:

BE IT RESOLVED, the City of Petoskey City Council hereby schedules a public hearing for 6:00pm, Monday, August 4, 2025, to solicit comments on the potential approval of an Obsolete Property Rehabilitation Exemption Certificate Application for 434 East Mitchell Street.

Said motion carried and was approved by the following vote:

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

NAYS: None (0)

Approve Social District Maintenance Plan and Commons Area Amendments – Resolution No. 25-48

The Downtown Manager reviewed that the social district was setup in 2020 and has been amended incrementally; arranged a meeting for all licensees to discuss program and benefits to their businesses; that there were two requests to change hours and Commons Area; that currently the district closes at 9pm and particularly during summer it is lighter beyond 9pm and downtown events go beyond 9pm; that when the district was created, Malted Vinyl was not in operation on Mitchell Street which has a front and rear entrance and the owners requested alley between Howard and Petoskey Streets be included as part of Commons Area; and that the DMB recommended these changes.

Councilmembers inquired on the jut out on map near Arlington Park; if Malted Vinyl's front entrance off Mitchell Street is part of the district; if hour extension is only for summer months or year-round; heard concerns of pushing alcohol during free, downtown family events; and heard from those opposed to the social district program, commons area and hours for the consumption of alcohol.

The Downtown Manager responded that previous resolution referenced south of Quarry Park, east of Lewis Street, and jut out is extension of Rose Street and within district boundaries; that Malted Vinyl has a front entrance within the district; that request is for hours to be expanded year-round; discussed with Public Safety and the Director recommended not having different rules for different seasons for consistency purposes; and has not received any opposing comments from downtown businesses.

Councilmember Walker moved that, seconded by Councilmember Nachtrab adoption of the following resolution:

WHEREAS, at the August 15, 2020 City Council meeting a Social District was established in Downtown Petoskey according to a specified map and maintenance and operations plan; and

WHEREAS, since its inception, the Social District has been amended to add licenses, bringing the number of Social District permits to ten (10), and the map amended to include Crooked Tree Arts Center and ensure consistency with the approval text; and

WHEREAS, several Social District businesses have requested that the allowed hours of district service be increased beyond 9:00 p.m., given the length of daylight in the summer; and

WHEREAS, a business that was added after the initial district creation requested that the Commons Area be expanded to include the east-west alley on the south side of the 300 block of E. Mitchell between Howard and Petoskey Streets; and

WHEREAS, the Downtown Management Board discussed these requested changes and recommends that district maintenance plan be amended to extend service hours to 10:00 p.m. (see Exhibit A), and that the Social District Commons Area be amended to include the alley from Malted Vinyl to Howard Street as shown on Exhibit B:

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Petoskey, Emmet County, Michigan, hereby amends the Social District Maintenance Plan to increase the district service hours to 10:00 p.m. daily and amends the Social District Map to include the east/west alley on the south side of the 300 block of E. Mitchell Street.

Said motion carried and was approved by the following vote:

AYES: Shiels, Nachtrab, Walker (3)

NAYS: DeMoore, Murphy (2)

Approve Local Fiscal Recovery Fund Distribution Agreement Amendment – Resolution No. 25-49

The City Manager reviewed that two rounds of funds were granted from Emmet County that required local matching; that Council adopted Resolution 23-50 on June 26, 2023 authorizing the City Manager to submit an application for \$50,000 to Emmet County Local Fiscal Recovery Fund matched by \$50,000 in State and Local Fiscal Recovery Funds for Winter Sports Park snow making and infrastructure projects; that the initial grant agreement with Emmet County is due to expire 24 months from the effective date of July 10, 2023; that he reached out to the County Administrator seeking an extension to September 30, 2025 which will provide time to expend resources; and that the amended agreement is also on tonight's Emmet County Board of Commission agenda for consideration.

Councilmember DeMoore moved that, seconded by Councilmember Shiels adoption of the following resolution:

WHEREAS, the American Rescue Plan Act of 2021 (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and provided \$350 billion in additional funding for state, territorial, local, and tribal governments; and

WHEREAS, the Emmet County Board of Commissioners dedicated \$1,050,000 to local municipal projects. Emmet County townships, cities and villages are eligible with selected projects funded/reimbursed on a dollar for dollar match up to \$100,000 with the maximum County contribution not exceeding \$50,000; and

WHEREAS, City Council adopted Resolution No. 23-50 on June 26, 2023 authorizing the City Manager to submit an application for \$50,000 to Emmet County Local Fiscal Recovery Funds matched by \$50,000 in State and Local Fiscal Recovery Funds (SLFRF) for Winter Sports Park snow making and infrastructure projects; and

WHEREAS, the initial Round 1 grant agreement with Emmet County had an expiration date of twenty-four (24) months from the Effective Date of July 10, 2023; and

WHEREAS, Emmet County Board of Commissioners will consider an amendment to the Agreement for Local Fiscal Recovery Fund Distribution between Emmet County and City of Petoskey to extend the Round 1 expiration date to September 30, 2025:

NOW, THEREFORE BE IT RESOLVED that the City Manager is authorized to execute an amendment to the Agreement for Local Fiscal Recovery Fund Distribution between Emmet County and City of Petoskey extending the expiration date to September 30, 2025.

Said motion carried and was approved by the following vote:

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

NAYS: None (0)

First Reading of Proposed Ordinance Amending Chapter 7 Building and Building Regulations to Regulate Vacant Buildings

The City Manager reviewed that this was a first reading of proposed ordinance regulating vacant buildings; that the City Attorney drafted ordinance for consideration and used examples from other communities; that ordinance could be another tool to enforce and address blight and vacant buildings.

Councilmembers discussed proposed ordinance and that individual questions and comments were forwarded to the City Manager and City Attorney for review; heard concerns if this ordinance will accomplish anything different than current IPMC ordinance; that there has been lack of enforcement and leverage in court system with current blighted properties; inquired if there needed to be a separate ordinance enforcing blight or more criteria in IPMC ordinance; heard from City residents at Ward and City Conventions the need for such ordinance; heard suggested changes on registration renewal and fees; inquired on Section 7-7 pertaining to 90 consecutive days, registration form and definition of local agent; heard from those interested in the City Attorney reviewing all Council comments and conduct another first reading; inquired if City of Adrian and City of Grosse Pointe ordinances were considered during drafting ordinance; and inquired if there was any value to include IPMC in proposed ordinance.

The City Attorney responded that it is Council's decision how aggressive want to enforce and how much money want to spend on enforcement; reviewed that penalty could be a civil infraction, but that Circuit Court is more effective; that ordinance provides another enforcement tool; cautioned Council on registration and inspection fees based on time being vacant; that property owner compliance is the goal; that 90 consecutive days is common, but not a statute; that several communities were considered when drafting ordinance; and adding IPMC language could be beneficial.

The City Manager reviewed that there will be a future closed session to further discuss related matters with City Attorney and that legal counsel is also drafting a dangerous building ordinance.

Councilmember Walker moved that, seconded by Councilmember DeMoore to postpone and conduct another first reading at the next regular scheduled meeting.

Said motion carried and was approved by the following vote:

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

NAYS: None (0)

First Reading of Proposed Ordinance Amending Chapter 13 Nuisances

The City Manager reviewed that violations and penalties are not stated as civil infractions or misdemeanors in current ordinance; that the City's legal counsel recommended a minor amendment to specifically designate violations as municipal civil infractions and add language authorizing the City to seek other remedies, such as a Circuit Court, in its discretion allowing the City flexibility to pursue the appropriate process depending on the nature of the violation.

Councilmembers concurred to conduct a second reading of proposed ordinance at the next meeting.

First Reading of Proposed Ordinance Amending Chapter 21 Traffic and Motor Vehicles Regulating Bicycles

The City Manager and Downtown Manager reviewed that there are ongoing issues and concerns with bicycles downtown on sidewalks; that the proposed ordinance would prohibit use of bicycles on sidewalks or pedestrian walkways in the CBD and park reserve zoning districts; that signage has been added downtown to alert citizens; that there is no enforcement mechanism; and that education is a key continuing component.

Councilmembers discussed issues and the need to review speed of motorized bicycles and other modes of transportation on City streets and bike path; heard concerns that use of bicycles are only means of transportation for some and the difficulty to ride safely on East Mitchell Street with medians and dining decks; heard from those opposed to ordinance and additional rule without a dedicated safe route; heard from those that do not want to discourage those from riding bicycles and feel is offensive and not equitable; heard comments that non-motorized plan is outdated and should be reviewed; heard from those in favor of proposed ordinance and the need for better crosswalks for pedestrian traffic; heard concerns with sandwich board signage; reviewed proposed provision prohibiting bicycles conflicting with two other provisions pertaining to Segway's and bikes up to 20mph; reviewed changes to language pertaining to Segway's, rollerblades, skateboards and coasters; inquired if seasonality could be identified in ordinance since it is not an issue year-round and that there is a lot of congestion downtown; heard from those in favor of sustainable transportation and that the community has invested in walkability; and requested that the City Manager email the non-motorized plan to Council for review.

The City Manager responded that prohibiting bicycles in CBDs is common in other communities and the City can do better with communicating and signage.

The City Planner cautioned Council on proposed ordinance and recommended engaging YAC on matter and their approach to manage bicycles and skateboards in downtown and including messaging to educate citizens when and when not to use those methods of transportation.

Mayor Murphy asked for public comment and heard from the Chamber Executive Director who is seeing more e-bicycles as mobility of summer residents; the importance to encourage rideability, mobility and walkability; speed is the biggest factor; and importance for riders to use the Greenway Corridor.

Councilmembers concurred to conduct a second reading of proposed ordinance at the next meeting.

First Reading of Proposed Ordinance Amending Appendix C Sign Ordinance Regulating Murals

The City Manager reviewed that there has been a gap from the first discussion and reading from last October; that the City's legal team gave a fresh look and made suggestions to proposed ordinance; and that this was another first reading to remove murals out of the sign ordinance and placing mural review and approval under the Art Commission and to be referenced in the City's Public Art Policy.

Councilmembers inquired on the differentiation between sign and mural definitions; heard from those in favor of ordinance and concerns that murals would not come to City Council for discussion, only one elected official on Art Commission and that murals are the ultimate decision of Art Commission; and that murals are beautiful, but need to be cautious as not a way to get around using signs and bypassing sign ordinance.

Councilmembers concurred to conduct a second reading of proposed ordinance at the next meeting.

Council Comments

Mayor Murphy asked for Council comments and Councilmember Nachtrab is interested in scheduling a discussion on unhoused and homelessness. Councilmember Shiels supported Mr. Nachtrab's suggestion and requested that the City look into elective pay credits and other resources as it pertains to the solar project at the landfill. Councilmember DeMoore was also in agreement with scheduling a work session to discuss homelessness and housing for 0-80% AMI; encouraged Councilmembers to send list of work session topics to the City Manager; and that 16 YAC members have been selected for 2025-2026 and YAC volunteered at Arlington Park picnic and will also assist at Curtis Park picnic. Mayor Murphy commented that he attended several events in the community; that the Public Safety Open House was well attended and a great community event; that dog park discussions are ongoing; thanked Councilmember Shiels for serving and appreciates his fresh ideas; and attended rail meeting with City staff members and other stakeholders in the community.

There being no further business to come before the City Council, this July 7, 2025, meeting of the City Council adjourned at 9:43pm.

John Murphy, Mayor

Sarah Bek, City Clerk