



## CITY COUNCIL

October 1, 2018

A regular meeting of the City of Petoskey City Council was held in the City Hall Council Chambers, Petoskey, Michigan, on Monday, October 1, 2018. 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  
Kate Marshall, City Councilmember  
Grant Dittmar, City Councilmember  
Jeremy Wills, City Councilmember

Absent: Izzy Lyman, City Councilmember

Also in attendance were City Manager Robert Straebel, Executive Assistant Sarah Bek and Parks and Recreation Director Kendall Klingelsmith.

### **Consent Agenda - Resolution No. 19223**

Following introduction of the consent agenda for this meeting of October 1, 2018, City Councilmember Dittmar moved that, seconded by City Councilmember Wills adoption of the following resolution:

BE IT RESOLVED that the City Council does and hereby confirms that the draft minutes of the September 17, 2018 regular session City Council meeting 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 September 17, for contract and vendor claims at \$1,344,793.01 intergovernmental claims at \$563,221.71, and the September 20 payroll at \$197,332.85, for a total of \$2,105,347.57 be and is hereby acknowledged.

Said resolution was adopted by the following vote:

AYES: Marshall, Dittmar, Wills, Murphy (4)

NAYS: None (0)

### **Public Comment**

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

### **City Manager Updates**

The City Manager reported that the Bayfront Drive repaving project began with concrete work scheduled to be completed by October 10 and project completed by October 19 weather dependent; that Public Safety Officer Mike Parker was promoted to Lieutenant; reviewed City Hall masonry work and project progress with approximately 3-4 weeks left until completion; that the City required a new Greenway Corridor arch be manufactured and installed because of shoddy workmanship and staff anticipates the arch will be installed within the next two weeks; that City staff is working on the 2019 Budget and discussions will commence in early November; that the DMB Parking Committee recommended various changes to downtown parking charges that the DMB is currently discussing and will be brought forward to City Council for discussion in the near future;

that the Parks and Recreation staff will be removing overgrown vegetation at Solanus Mission Beach in an effort to create a more visibly attractive beach, better access to the beach area and that the area will be designed for future improvements including landscaping; and that Circuit Court Judge Johnson set a date of November 20, 2018 to hear the case regarding the PUD Agreement for 200 East Lake Street.

City Councilmembers inquired on the time for the hearing concerning 200 East Lake Street; inquired if there had been any more meetings with Mr. McIntyre or his team regarding developing the property; and if there was a purchase agreement for 200 East Lake Street. The City Manager responded that the time for the hearing had not been decided; that City staff and the Mayor met with Mr. McIntyre and recommended that he go back to the Planning Commission with conceptual plans; and that there is no purchase agreement at this time, only a verbal agreement.

**Approve 2019-2024 Capital Improvements Plan – Resolution No. 19224**

The City Manager reviewed that this was the second discussion of the proposed 2019-2024 CIP and that the Planning Commission reviewed the draft plan on August 16, 2018 and unanimously recommended approval. The City Manager further reviewed that the draft CIP was posted on the City's website on September 11 with no comments received from the public. The City Manager reviewed and highlighted proposed 2019 projects and costs.

City Councilmembers inquired if there were any other concerns from the Planning Commission other than sidewalk priorities; inquired on the location of the sidewalk on Washington Street; if pine trees could be eliminated as part of the MDOT widening project to open up view sheds; inquired on what was happening with the retaining wall that was reengineered; and inquired on what type of materials will be used on retaining wall. The City Manager responded that the Planning Commission had no other recommendations; that the sidewalk will be installed on the south side of Washington Street; that City staff will continue to communicate with MDOT to see if view sheds could be opened up; and that the retaining wall will remain and staff is working with Beckett and Raeder on materials and additions to the wall.

Mayor Murphy asked for public comment and heard an inquiry if the Sunset Park Stair Tower was unsafe and at its end of useful life; heard opposition to funding the stair tower; and that staff should use funds toward developing a plan to protect view sheds and removing trees rather than the stair tower.

City Councilmembers further commented on the worthiness of the staircase; that there is wear and tear of boards, slippery when wet and justifiable to replace; that the \$300,000 cost to replace will be funded through TIFA funds, not the General Fund; and that the project has been identified in past years and inquired if there was a possibility to end TIF to get back into General Fund.

City Councilmember Wills moved that, seconded by City Councilmember Marshall adoption of the following resolution:

WHEREAS, as part of the City's annual budget-preparation process, the City Planner submitted to the Planning Commission August 16, 2018 the City staff's proposed update to the City's six-year capital improvements program; and

WHEREAS, the Planning Commission reviewed this proposed 2019-2024 Capital Improvements Program on August 16, 2018, and recommended its adoption by the City Council; and

WHEREAS, the City Council reviewed the proposed plan on September 17 and October 1, 2018 and concurs with the recommendation of the Planning Commission:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby approves the 2019-2024 Capital Improvements Program as submitted by the City Manager dated October 1, 2018 and approved by the Planning Commission August 16, 2018.

Said resolution was adopted by the following vote:

AYES: Marshall, Dittmar, Wills, Murphy (4)

NAYS: None (0)

**Accept Special Assessment Report & Schedule Public Hearing – Resolution No. 19225**

The City Manager next reported that at its September 18, 2018 meeting, the City's Downtown Management Board reviewed and approved its proposed budget for downtown area programs and services for 2019 and recommended City Council levy a special assessment against all eligible, non-residential properties within the Management Board's jurisdictional territory, the proceeds from which would be used to finance costs of such programs and services; and set the amount for proposed special assessment based upon assessment-levy amounts that were used in 2018. The City Manager also reported that the Management Board's budget proposal would be included within the City's recommended 2019 Annual Budget, but City Code provisions required that the special-assessment process be done annually by City Council.

The City Manager further reported that the City Council was being asked to adopt a proposed resolution, a draft of which was included with the report, that would: confirm that costs of proposed downtown-area programs and services would be offset by special-assessment revenues; designate the special-assessment district; approve the recommended special-assessment formula; and schedule an October 15 public hearing to receive comments concerning the proposed programs and services. The City Manager also reported that a second public hearing to receive comments concerning the proposed special-assessment roll was tentatively scheduled for the November 19, 2018, City Council meeting.

City Councilmember Dittmar moved that, seconded by City Councilmember Wills, adoption of the following resolution:

WHEREAS, the City Council in 1994 appointed members of the City's Downtown Development Authority Board as a "Downtown Management Board" under provisions of Act 120 of the Public Acts of Michigan of 1961, as amended by Act 146 of 1992; and

WHEREAS, at its September 18, 2018, meeting, the Downtown Management Board discussed the need to continue to provide certain programs and services that are believed to be beneficial to the City's principal shopping area; and

WHEREAS, the Downtown Management Board has developed a recommended formula by which properties within the Board's district could be specially assessed as a means of obtaining revenues to offset costs of the Board's proposed programs and services for the year 2019; and

WHEREAS, the City Council has reviewed a report dated September 21, 2018, by the City Manager that lists those proposed programs and services as recommended by the Downtown Management Board and the proposed roll that would spread special assessments against properties within the Management Board's district:

NOW, THEREFORE, BE IT RESOLVED that the City of Petoskey City Council does and hereby determines that a portion of the expense of these proposed programs and services shall be defrayed by special assessments upon those properties especially benefited; and

BE IT FURTHER RESOLVED that the nature of these proposed programs and services shall include such activities as special events, economic enhancement, beautification, marketing and promotions, and administration for costs estimated at \$184,505; that all portions of such costs shall be paid by special assessments and other related revenues, without a general obligation of the City; that such special-assessment revenues shall be collected in a single-installment payment; and that such assessments shall be levied in a

district with boundaries that are to be coterminous to those of the Downtown Management Board's jurisdictional territory; and

BE IT FURTHER RESOLVED that the City Council does and hereby sets forth the basis of this special assessment by use of a formula that has been recommended by the Downtown Management Board to set the amount for the proposed special assessment based upon the recommended 2018 formula and that has been calculated by the City staff based upon square footage of useable, non-residential building area and vacant properties, which the City Council has determined to be the most equitable to the greatest number of property owners concerned; and

BE IT FURTHER RESOLVED that the City Council does and hereby schedules a public hearing for 7:00 P.M., Monday, October 15, 2018, to receive comments concerning these proposed programs and services; and

BE IT FURTHER RESOLVED that the City Council does and hereby directs the City staff to notify all property owners within the proposed assessment district of potential property assessments and the October 15, 2018, public hearing to receive comments concerning these proposed programs and services.

Said resolution was adopted by the following vote:

AYES: Marshall, Dittmar, Wills, Murphy (4)

NAYS: None (0)

#### **Discuss Pennsylvania Park Restroom Renovation Project and Agreement**

The City Manager reviewed that in early 2017, the City submitted a grant to the Land and Water Conservation Fund for financial support to remodel the downtown restrooms in Pennsylvania Park and that funds are filtered to states through programs, in this case the Michigan Department of Natural Resources, who then distributes to local units of government who have been recommended for project funding.

The City Manager reported that in early February, the City was notified by the MDNR that the project was recommended for up to \$150,000 in grant funding, that the DMB and City's General Fund both budgeted \$75,000 each in matching funds; that since then, the City, State and Federal Government have been working hard to expedite the Project Agreement to ensure the demolition and construction is completed by May 1, 2019, with the only way to achieve this deadline is to begin construction this fall; that project bids are due by October 4, 2018; reviewed language in the encumbered boundary map as part of the Project Agreement which reads: *"The existing restroom shares a common wall and roofline with the Chamber of Commerce building. If the building is ever vacated by the Chamber of Commerce, the building is to be used per support facility guidelines in the LWCF grants manual to either support outdoor recreation, developed specifically for outdoor recreation or completely removed from the parcel without modifications to the LWCF recreation boundary."*

The City Manager further reviewed that while this may appear at first glance as an overreach by the National Park Service, this is a unique circumstance, as the City owns the land underneath the Chamber building; that while the City does not own the Chamber building, the City has the authority to revoke the agreement at any time; and that the City may either retain the building or direct the Chamber to completely remove the building restoring the land to the same condition in which the land was found as identified in the original Chamber Agreement and First Amendment to the Land Use Agreement.

City staff feels the special condition is acceptable as the Pennsylvania Park area serves the outdoor recreation and open space needs of the City and is already under Land and Water Conservation Fund restrictions. Staff believes that there is no intent to change the scope or use of the area in the distant future and that there is a process to convert the building to something other than outdoor recreation, if the City Council ever decides to go in a different direction.

The City Manager commented that timeliness of the project is imperative and City Council was being asked to discuss the special condition and any other provisions in the Project Agreement to determine if City Council supported the grant moving forward; and that a special meeting should be scheduled for early next week to approve a bid for the project as well as consider approval of the Project Agreement.

City Councilmembers inquired on what the process would be if the City went a different route; inquired if it was an option to have the Downtown office in the Chamber building if the Chamber ever moved; inquired if there were any other grant opportunities that are less restrictive; heard comments that in the past Turcott Field project had restrictions, so the City swapped land to allow changes and needs which is similar to this project; and if a visitor center is considered recreational.

City Councilmembers concurred to schedule a special meeting at 5:30 P.M., Tuesday, October 9, 2018 to further review and discuss the Pennsylvania Park renovation project and agreement.

### **Council Comments**

Mayor Murphy asked for Council comments and City Councilmember Wills reported that he attended the annual MML Conference in Grand Rapids and reviewed major impacts and issues concerning Proposal 1 and recreational marijuana; commented on short term rental issues and that the State is considering regulating; that change in automobile technology is forthcoming by 2030 that will change curbside and downtown parking and parking plans should be made adaptable for the future; and appreciates all that Petoskey has accomplished. City Councilmember Marshall inquired if the City has a stance on recreation marijuana. The City Manager responded that the Public Safety Director would be presenting at the next Council meeting on the matter and staff would concur with legal counsel on labor issues.

There being no further business to come before the City Council, this October 1, 2018, meeting of the City Council adjourned at 8:08 P.M.

John Murphy, Mayor

Sarah Bek, Recording Clerk